



Mapping the Nigeria Gaming Industry: Legal & Socio Cultural Factors

By Yahaya Maikori

In recent times there has been much excitement about the African gaming market for reasons which are not farfetched, given its demographic asset, which presents a growth opportunity for many companies. Of the 53 African countries, Nigeria is undoubtedly the largest market by virtue of its population making it the preferred investment destination for most gaming companies. Beyond the excitement about the industry and its prospects, what is the value of Nigeria's gaming industry? Do we have any supporting data?

As always we have looked to companies like Price Waterhouse Coopers (PWC) and a host of other institutions to guide us. For example, PWC's 2015 to 2019 gaming outlook—while projecting that gaming revenues were up by 17%—based its projections on only three licensed casinos. In reality casinos occupy the lowest rung of the Nigerian gaming ladder. PWC's gaming outlook distorts the impact of the industry and how it permeates our economic life. A cursory look at the assumptions indicates a lack of understanding or appreciation of the industry in Nigeria.

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Our industry is grossly misconceived and this misconception manifests itself in frequently asked questions such as, “Do Nigerians gamble?” “Is gambling legal in Nigeria?” and so on. The National Lottery Act defines lottery to “... include games of chance or skill.” Though the definition may be unwieldy, it definitely expands the frontiers of the industry beyond what is traditionally known. If the National Lottery Regulatory Commission’s (NLRC) definition is anything to go by then it means that even the “Ayo Ayo” played across Africa forms part of the industry, and it predates any form of contemporary gaming device which currently exists in Africa.

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As to whether Nigerians gamble or not, the answer depends on the class to which you belong. The truth is that the majority of our people are casual gamblers, but we are certainly active when it comes to mobile based wagering, raffles draws, and promos. At the lower end of the spectrum pools betting and lottery have been part and parcel of our lives from pre-colonial times. Though we are a religious set of people, our religious sensibilities ironically endear us to the fundamental principles of gambling; the concept of miracles, sowing a seed and reaping large and immediate rewards.

Traditionally gaming has been stigmatized in our climes, but casinos and slot institutions have been the biggest victims of our selective moralization of the industry. However, raffle draws and similar schemes have become widely accepted without so much thought as to the underlying fact that they are laundered forms of gambling. If the NLRC’s definition is anything to go by, it means that even the video games played with consoles or preloaded on the phones of our 133 million mobile subscribers or those played on desk/laptops, promos, raffle draws by corporate organizations i.e. telecommunication companies, banks, fast moving consumer goods manufacturers and so on form a significant portion of the industry. Though these activities run into billions of Naira every year, they have never been considered as part of the gambling industry.

In general, although we may have our reservations about sports betting, we subconsciously rationalize this type of wagering because these events are tied to our passion for sports. Interestingly while we consider lotteries a form of gambling, the lottery has never really been stigmatized. From the forgoing we can surmise that in public we despise gambling but in private we are active either out of ignorance or out of our desires for total privacy.

So far, we have defined gambling in accordance with Nigeria’s law: gambling or wagering is legal. Nigerians do gamble, and religion has never been a barrier especially in this era of mobile/online gambling. In addition, by Nigerian law gaming includes skilled and unskilled games of chance.

What is the size of the gaming industry in Nigeria? How does it contribute to our GDP? Was it ever captured during the rebasing of the economy? If it was captured, under which subsectors was it captured? It is properly under information and telecommunication technology (ICT), entertainment or tourism?

With the renewed interest in gaming as an alternative revenue stream in the wake of fallen crude oil prices, the real value of the industry’s contribution will become more apparent as government agencies begin to document them. ♣



Yahaya Maikori

Yahaya is the founding partner of Law Allianz – a law firm with core expertise in Entertainment law (which consists of Gaming, technology, Media, ecommerce & Intellectual Property) and Corporate/Commercial law.

A graduate of Obafemi Awolowo University Ile-Ife, he was called to the Nigerian Bar in 1993 and admitted as a solicitor England and Wales recently. During the course of his professional career he has been legal adviser to Aso Savings and Loans Plc., Company Secretary to First Alliance Pension and Benefits Limited (now ARM Pensions).

He sits on the Entertainment committee of the Nigeria Bar Association, the Nigeria Copyrights Commission’s Copyright law Review committee, and was recently inducted as a member of the International Masters of gaming lawyers (IMGL).

Yahaya has advised federal and state government institutions and helped several companies establish as well as navigate issues involving licensing, taxation, jurisdiction, online gaming in Nigeria/Africa’s growing gaming industry.

He was also the winner of Legal Monthly’s “Entertainment lawyer of the year – Nigeria” for 2013 and a co-winner of the 2011 Omidyar/Legatum sponsored “Africa Awards for Entrepreneurship” held in Nairobi, Kenya.

Yahaya sits on several boards, he is currently president of the Nigeria Gaming Association, and he is also a member of the World Regulatory Body/ICE advisory board for Africa.