Making Nigeria's Cloud Market Contestable: Competition Policy Lessons from the UK Experience

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Introduction

On 17 August 2026, the Federal Government of Nigeria announced the issuance of the National Digital Cloud Policy (the "Policy") as a comprehensive strategic framework for accelerating the development, governance and internationalisation of Nigeria's cloud computing and digital infrastructure ecosystem. The Policy supersedes the 2019 Nigeria Cloud Computing Policy and seeks to address longstanding structural constraints, including fragmented public procurement, infrastructure deficits, high operational costs and limited access to reliable energy. One of the Policy's objectives is to build a competitive, multi-provider market. In this regard, the Policy seeks to ensure the maintenance of an open and contestable market in which domestic and international cloud providers compete on transparent terms, and in which customers, including government, retain genuine choice, data portability and the practical ability to switch providers without prohibitive cost.

From a competition policy perspective, contestability is concerned not merely with the ease with which firms can enter and operate in a market, but, more fundamentally, with the extent to which actual and potential competition can credibly constrain the conduct and market power of incumbent firms. Low barriers to entry and expansion can impose an important competitive constraint on incumbents, while barriers that make entry, expansion or switching difficult can enable existing market positions to become entrenched. This distinction is particularly important in cloud markets, where the existence of multiple providers and the formal ability of customers to choose between them may not, in practice, translate into effective competition.

The Policy therefore establishes an ambitious framework for developing an open, competitive and multi-provider cloud market. It seeks to attract investment, expand domestic digital infrastructure, support indigenous capability, modernise government service delivery and position Nigeria as a regional cloud hosting hub. Importantly, the Policy does not pursue digital sovereignty through broad data localisation. Instead, it adopts a differentiated and proportionate approach under which enhanced sovereignty requirements apply principally to specified categories of government and regulated data, while commercial activity remains substantially open to cross border data flows. This is an appropriate starting point for a developing market.

The Policy's commitment to openness and competition, however, should not be treated as sufficient in itself to guarantee a contestable market. Competition in cloud infrastructure can deteriorate even where markets are formally open and customers are free to choose between providers. The experience of the United Kingdom (UK) is instructive in this regard. Ofcom's 2023 Cloud Services Market Study and the Competition and Markets Authority's (CMA's) subsequent market investigation into cloud infrastructure services examined a range of competition concerns, including market concentration, barriers to switching and multi-cloud adoption, egress fees (fees imposed by cloud providers for transferring data out of their cloud environment), technical and commercial lock in, and certain software licensing practices. Ofcom's referral of the UK public cloud infrastructure services market to the CMA itself reflected concerns that competition might not be working effectively.

The UK experience demonstrates that competition concerns in cloud markets may arise not merely from concentration in the abstract, but from particular contractual, technical and commercial practices that increase switching costs, weaken customer mobility and reinforce existing market positions. The CMA's subsequent findings therefore provide a particularly useful reference point for considering how Nigeria can preserve contestability while its own cloud market is still developing.

Nigeria has an important advantage. Its cloud market is still developing, and its market structure, procurement arrangements and technical standards can still be shaped before potentially significant barriers to entry, expansion and switching become entrenched. Competition policy should therefore operate not merely as an enforcement mechanism after market power has become established, but as an *ex ante* complementary policy instrument that helps preserve contestability as the market develops. The objective should not be to prevent successful providers from acquiring scale or to impose artificial limits on investment. Rather, it should be to ensure that scale is achieved through competition on the merits and does not become self-reinforcing through exclusionary arrangements, artificial switching barriers or anticompetitive consolidation.

It is against this background that this article considers the competition dimensions of the Policy, drawing particularly on the experience and findings of Ofcom and the CMA to examine how competition policy can help translate the Policy's commitment to an open market into a genuinely competitive and contestable one.

Cloud Computing and Different Cloud Business Models

Cloud computing refers broadly to the provision of computing resources and services on demand over the internet, allowing customers to access computing capacity, applications, storage and other digital resources according to their requirements.[1] For the purposes of this article, a cloud customer (or customer) is a person or organisation that has entered into an arrangement with a cloud provider to obtain and use cloud services, while a cloud provider (or provider) is a person or organisation that provides those services under a contractual arrangement with the customer.[2]

[1] W Kuan Hon, Christopher Millard and Jatinder Singh, 'Cloud Technologies and Services' in Christopher Millard (ed) Cloud Computing Law (2nd edn, Oxford University Press 2021), p. 4.
[2] ibid.

Cloud services are commonly distinguished according to three principal service models: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS).[3]

i. **Infrastructure as a Service (IaaS):** Under IaaS, the provider makes computing infrastructure available to the customer on demand, including virtualised computing resources, storage and networking capabilities.[4] The customer generally retains responsibility for managing the operating system, applications and other software deployed on the infrastructure, while the provider remains responsible for the underlying physical infrastructure and the associated virtualisation environment.[5]

ii. **Platform as a Service (PaaS):** Under PaaS, the provider supplies a managed computing platform that enables customers to develop, deploy and operate applications without having to manage the underlying physical infrastructure or, generally, the operating system.[6] The provider assumes responsibility for the infrastructure and platform environment, while the customer principally manages the applications and associated data deployed on the platform.[7]

iii. **Software as a Service (SaaS):** Under SaaS, the provider delivers software applications hosted on its cloud infrastructure and makes them available to customers, typically through a web interface or other client application.[8] The provider is responsible for managing the underlying infrastructure, platform and application environment, while the customer generally interacts with and configures the application within the functionality made available by the provider.[9]

Lessons from the United Kingdom

The principal lesson from the UK experience is that concentration can become self-reinforcing. Customers may initially choose a provider on the basis of price, quality, reliability or functionality,[10] but migration to cloud infrastructure requires substantial investment in applications, data architecture, skills and associated services.[11] Once workloads[12] become embedded within a particular ecosystem, the cost and complexity of moving them elsewhere can materially reduce the likelihood of switching.[13] The result is that an apparently competitive market at the point of initial acquisition can become substantially less contestable over time. The implication is that competitive conditions should not be assessed solely at the point at which customers initially select a provider. They should also be assessed on an ongoing basis throughout the customer relationship, including by considering the extent to which customers can switch providers once their workloads have become embedded within a provider's ecosystem.

The second lesson concerns the commercial and technical mechanisms through which lock in occurs.

[3] ibid 6.
[4] ibid.
[5] ibid 6 – 7.
[6] ibid 6.
[7] ibid 15.
[8] ibid 15 – 16.
[9] ibid 16.
[10] Ofcom, 'Cloud Services Market Study Final Report' (5 October 2023) <https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-3-4-weeks/244808-cloud-services-market-study/associated-documents/cloud-services-market-study-final-report.pdf?v=330228> accessed 15 July 2026, p. 48.
[11] ibid 1.
[12] A workload is a specific application, service, capability or a specific amount of work that can be run on a cloud resource (Ofcom 2023, p.8, fn 5).
[13] Ofcom (n 10) 69.

Egress charges,[14] proprietary interfaces, inadequate interoperability, migration costs and contractual discounts can each affect the economics of switching.[15] None is inherently anticompetitive or designed with the purpose of reducing contestability in cloud markets. For instance, while some providers may argue that egress charges may reflect legitimate network, infrastructure and data transfer costs,[16] the CMA took a different view.[17] While it recognised that investment in maintaining and improving a high-quality network would benefit egress data transfer services, it considered that the evidence did not establish that egress services are the principal users or beneficiaries of such investment.[18] More fundamentally, the CMA considered that the investment and innovation identified by cloud providers would not depend on the existence of egress fees.[19] In its view, therefore, there was insufficient basis for treating egress fees as a key driver of the claimed benefits. For the same reason, the CMA did not consider that egress fees generate rivalry enhancing efficiencies through their contribution to investment and innovation.[20]

Accordingly, an assessment of contestability should distinguish between innovation resulting from competition on the merits and innovation that is facilitated by network or egress arrangements whose structure, duration or conditions may foreclose rival providers or materially increase the costs of switching for customers. This distinction is particularly important in an emerging market such as Nigeria, where commercial practices that may appear relatively benign when considered in isolation may, as they become more widespread or interact with other market features, contribute over time to the strengthening or entrenchment of existing market positions. The appropriate policy approach is therefore not to regard commercial practices as anticompetitive merely because they affect switching costs, but to assess whether, and to what extent, they constrain effective customer choice or impede competition.[21] That assessment should take account of the provider's market position, the availability and viability of alternative providers, the nature and magnitude of the switching costs, and the extent to which customers can realistically switch in response to competing offers.[22] In this way, competition policy can preserve incentives for investment and innovation on the merits while remaining attentive to practices that may, in their particular market context, undermine contestability.

The third lesson concerns vertical relationships. According to the CMA, some cloud providers are vertically integrated across the cloud and AI value chain, including through partnerships with foundation model (FM) developers.[23] AI is increasingly integrated across IaaS, PaaS and SaaS.[24] At the IaaS level, providers offer specialised and accelerated computing capacity for AI development and deployment.[25] At the PaaS level, they provide tools for developing AI models and access to existing models, including FMs, while SaaS applications increasingly incorporate AI capabilities.[26] Commercial partnerships between cloud providers and FM

[14] Competition & Markets Authority, 'Cloud Infrastructure Services Final Decision Report' (31 July 2025) <https://assets.publishing.service.gov.uk/media/688b8891fdde2b8f73469544/final_decision_report.pdf> accessed 15 July 2026, pp. 365 – 369.
[15] ibid 260 – 262; Ofcom (n 10) 87 – 90.
[16] Competition & Markets Authority (n 14) 373
[17] ibid.
[18] ibid.
[19] ibid 374
[20] ibid
[21] ibid 265 – 266.
[22] See also Regulation 5 Abuse of Dominance Regulations (2022).
[23] Competition & Markets Authority (n 14) 13.
[24] ibid 174.
[25] ibid.
[26] ibid.

developers may involve preferential or discounted access to accelerated compute in exchange for preferential or exclusive access to FMs.[27] Such arrangements may generate legitimate efficiencies by supporting investment, innovation and AI deployment. However, their competitive effects require careful assessment, particularly where a provider with substantial market power obtains preferential access to important AI inputs. Depending on their scope and duration, such arrangements could restrict rivals' access to critical compute or AI models, raise barriers to entry or expansion, and reduce contestability.[28] The appropriate assessment should therefore consider both the claimed efficiencies and whether the arrangement materially weakens competitors' ability to obtain important inputs or compete effectively.

These lessons are relevant to Nigeria, but they should not be transplanted mechanically. Nigeria has a different market structure, different levels of cloud adoption, different infrastructure constraints and different regulatory and developmental priorities. The appropriate response is therefore not to replicate the UK regulatory model, but to incorporate its relevant competition insights into Nigeria's existing policy architecture. The objective should be to identify the conditions under which Nigeria's emerging cloud market can remain open and contestable as it develops, while preserving the incentives for investment, innovation, scale and infrastructure development that the Policy seeks to promote.

Restrictive Practices and Exclusive Arrangements

The first area in which competition policy can support the Policy is restrictive agreements (arrangement or practices). Section 59 of the Federal Competition and Consumer Protection Act 2018 (FCCPA) prohibits agreements between undertakings, as well as decisions of associations of undertakings, that have the purpose or actual or likely effect of preventing, restricting or distorting competition in any market. Restrictive agreements may be horizontal, involving competing undertakings or operating at the same level of the supply chain, or vertical, involving undertakings operating at different levels. While horizontal arrangements may raise concerns such as coordination between competitors, vertical arrangements may affect competition through mechanisms such as foreclosure, restrictions on access to inputs or customers, or the raising of barriers to entry or expansion.

The Policy's aggregation of government demand through Cloud First principles,[29] the National Digital Marketplace[30] and Galaxy Backbone[31] has considerable economic merit. Aggregated demand can create scale, improve procurement efficiency and provide predictable demand that encourages investment in domestic capacity. It can also give government greater bargaining power when negotiating with large international providers. On the other hand, public procurement can confer significant buyer power, and potentially monopsony power, where the Federal Government (FG) accounts for a substantial proportion of addressable demand in an emerging cloud market. Such buyer power can generate legitimate benefits, including lower prices, improved service quality and procurement efficiencies. A lower price obtained through the exercise of buyer power should not, however, be regarded as harmful to competition merely because it

[27] ibid 190.
[28] ibid.
[29] Federal Republic of Nigeria, 'National Digital Cloud Policy' (17 August 2026) <https://drive.google.com/file/d/1maGGnGDTyWF1NYdNgjCGg8PJ9akOSiBS/view> accessed 17 August 2026, p. 24.
[30] ibid 26 – 27.
[31] ibid 34.

is below the price that might otherwise prevail.

The competition concern arises where the exercise of substantial buyer power materially weakens suppliers' incentives or ability to invest, innovate, maintain capacity or compete for other customers, or where the FG uses its procurement leverage to impose contractual terms that may ultimately reduce supply or competitive choice.[32] These risks may be particularly relevant where government demand constitutes an important source of scale for providers.

A further concern arises where procurement arrangements foreclose competing providers by restricting their access to a significant proportion of government demand. For example, substantial discounts offered in return for committed expenditure may raise competition concerns where they are conditional on exclusive or predominantly exclusive use of a particular provider and, as a result, deny rivals sufficient demand to achieve efficient scale or expand. The assessment should therefore consider the actual effects of the procurement arrangement, including the provider's and the FG's respective market positions, the proportion and duration of demand committed, the contractual conditions attached to the procurement, the availability of alternative sources of demand, the ability of rivals to compete effectively, and any demonstrable efficiencies. The fact that a procurement arrangement secures favourable terms for an MDA should not, by itself, resolve the competition assessment where its wider effects may materially weaken contestability.

The Policy should accordingly distinguish between the legitimate exercise of government buyer power through competitive procurement and its potentially exclusionary or market distorting effects. Aggregated procurement should be permitted where it generates genuine efficiencies, but procurement structures should preserve reasonable opportunities for competing providers to enter, expand and compete over time. Periodic re tendering, modular procurement and the ability to allocate different workloads among qualified providers can reduce the risk that long term contractual commitments, switching costs or cumulative procurement obligations create de facto exclusivity. The objective should not be to prevent the FG from securing favourable commercial terms, but to ensure that the exercise of buyer power does not unnecessarily reduce supply, deter investment or innovation, or foreclose rival providers in a manner that ultimately weakens competition and customer choice in Nigeria's cloud market.

Abuse of Dominant Position

Section 72 of the FCCPA prohibits the abuse of a dominant position by an undertaking. The Abuse of Dominance Regulations 2022 provides presumptions of dominance and collective market power based on market shares in the relevant market. An undertaking is presumed to be dominant where it holds a market share of at least 40%.[33] In addition, three or fewer undertakings are presumed to possess collective dominance where their combined market share is 50% or more,[34] while five or fewer undertakings are presumed to possess collective market power where their combined market share is at least two thirds of the relevant market.[35] These thresholds operate as statutory presumptions rather than establishing an infringement in themselves.

[32] Herbert Hovenkamp, *Federal Antitrust Policy the Law of Competition and its Practice* (3rd edn, Thomson/West, 2005), p.80.

[33] Regulation 6 (3) (a).

[34] Regulation 6 (3) (b).

[35] Regulation 6 (3) (c).

In Nigeria, an abusive exercise of market would occur where a dominant firm or firms engages in an exclusionary and/or exploitative practices. In this regard, several cloud specific scenarios merit monitoring. A provider with substantial market power could, for example, impose materially higher egress charges on customers seeking to transfer workloads to competing providers, introduce contractual or technical obstacles to migration, restrict access to essential interfaces or documentation, or make interoperability unnecessarily difficult. Similarly, a vertically integrated provider may engage in self-preferencing by offering an important software or AI service on materially more favourable terms when deployed on its own cloud infrastructure than when used with competing cloud providers, thereby potentially disadvantaging rival infrastructure providers and weakening effective competition.

Again, none of these practices should, however, be regarded as unlawful merely because they exist. Their competitive significance will depend on the circumstances and effects of the conduct. A proper competition assessment should therefore consider, among other things, any demonstrable (technological) efficiency gains,[36] barriers to entry,[37] switching costs, the availability of alternative providers[38] (or in the case of monopsony, customers), and the actual or likely effects of the conduct on competition. This distinction is particularly important in Nigeria's developing cloud market. Premature or disproportionate intervention could undermine investment, innovation and the development of infrastructure, while an unduly permissive approach could allow switching barriers, excessive pricing, retarded innovation and other sources of market power to become embedded in the market and more difficult to address. The appropriate approach is therefore one that is proportionate, evidence based and directed not at protecting individual competitors, but at preserving effective competition, facilitating entry and expansion, and maintaining contestability in Nigeria's cloud market.

Mergers, Acquisitions and Joint Ventures

Mergers and acquisitions represent another important competition policy consideration. The development of Nigeria's cloud infrastructure will require substantial capital, and consolidation may in some circumstances produce genuine efficiencies. Acquisitions can provide access to capital, technology, expertise and infrastructure that smaller providers could not develop independently. Joint ventures may similarly facilitate investment in power, connectivity, data centres and other infrastructure that is essential to Nigeria's cloud ambitions.

Competition concerns may nevertheless arise where consolidation removes an important competitive constraint or gives a provider control over infrastructure that rivals cannot reasonably replicate. For example, an international hyperscaler acquiring one of the leading Nigerian cloud or data centre operators could strengthen its position across infrastructure, hosting and downstream cloud services. Similarly, the acquisition of several strategically important indigenous providers could reduce the number of credible alternatives available to customers and undermine the Policy's objective of developing a pool of Nigerian firms capable of competing regionally.

CMA's investigation into Microsoft Corporation's recruitment of former Inflection AI, Inc. employees

[36] Section 72 (3) (a) FCCPA.

[37] Regulation 10 (2) (a) of the Abuse of Dominance Regulations 2022.

[38] Regulation 10 (2) (b) of the Abuse of Dominance Regulations 2022.

and its associated arrangements with Inflection[39] in the UK, is instructive in this regard. On 19 March 2024, Microsoft announced that it had recruited a substantial part of Inflection's team, including its two co-founders, Mustafa Suleyman and Karén Simonyan, while also entering into arrangements with Inflection, including a non-exclusive license to use its intellectual property.[40] The CMA treated the combination of these arrangements as a relevant merger situation and assessed whether Inflection's effective loss of independence could substantially lessen competition in the global markets for consumer chatbots and foundation models.[41] This was particularly relevant given Microsoft's already significant presence across the AI value chain, including cloud infrastructure through Azure, foundation model development and the deployment of AI models through products such as Copilot, as well as its partnership with OpenAI.[42]

The CMA nevertheless found no realistic prospect of a substantial lessening of competition through horizontal unilateral effects in either market.[43] Inflection had achieved only limited UK usage in consumer chatbots, had not demonstrated sustainable growth and was not regarded as a significant competitive constraint by market participants.[44] Its foundation model and enterprise offering were similarly at an early stage and lacked sufficient market traction or distinctive advantages to constrain Microsoft or other established providers. The CMA therefore cleared the transaction without a Phase 2 reference.[45] The decision illustrates that, even where a transaction involves the effective absorption of an emerging AI firm's key personnel and capabilities by an established technology provider that is also an active player in a cloud market, the central competition question remains whether the target constitutes a material or realistically emerging competitive constraint and whether its removal is likely to weaken competition.

Joint ventures also warrant careful competition assessment where they involve hyperscalers and owners or operators of significant power, connectivity or other infrastructure assets. Such arrangements may generate substantial efficiencies by supporting investment, improving reliability and expanding the capacity available for cloud services. However, where the parties have significant market positions, the assessment should consider whether the joint venture gives them exclusive or preferential control over strategically important capacity, materially limits rivals' access to infrastructure, or creates the ability or incentive to discriminate against competing cloud or downstream service providers. The relevant question is not whether the arrangement involves exclusivity as such, but whether the scope and duration of that exclusivity are objectively justified and whether the arrangement is likely to materially weaken competition.

[39] CMA, 'Microsoft Corporation's hiring of certain former employees of Inflection and its entry into associated arrangements with Inflection Summary' (4 September 2024) <https://assets.publishing.service.gov.uk/media/66d82eaf7a73423428aa2efe/Summary_of_phase_1_decision.pdf> accessed 8 September 2026; CMA, 'Microsoft Corporation's Hiring of Certain Former Employees of Inflection and its Entry into Associated Arrangements with Inflection Decision on Relevant Merger Situation and Substantial Lessening of Competition' (4 September 2024) <https://assets.publishing.service.gov.uk/media/6719ff5f549f63039436b3c8/__Full_text_decision__.pdf> accessed 8 September 2026.

[40] CMA, 'Microsoft Corporation's hiring of certain former employees of Inflection and its entry into associated arrangements with Inflection Summary' (4 September 2024) <https://assets.publishing.service.gov.uk/media/66d82eaf7a73423428aa2efe/Summary_of_phase_1_decision.pdf> accessed 8 September 2026

[41] ibid.

[42] ibid.

[43] ibid.

[44] ibid.

[45] ibid.

The FCCPA, together with the Federal Competition and Consumer Protection Commission's (FCCPC's) merger control framework, including the Merger Review Regulations 2020 and the Merger Review Guidelines 2020, should therefore complement the Cloud Policy's objective of promoting contestability in cloud markets by ensuring that mergers, acquisitions and qualifying joint ventures involving cloud providers are subject to appropriate competitive assessment. Transactions that fall within the prescribed jurisdictional threshold and applicable notification thresholds should be assessed having regard to their likely effects on competition, including potential competition, barriers to entry and expansion, access to strategically important infrastructure, switching possibilities, customer choice and the parties' ability and incentive to foreclose competitors. This is particularly relevant to major infrastructure projects, such as national or regional data parks, where advantages in power supply, connectivity, land or related infrastructure may make particular sites difficult to replicate.

The Policy should encourage investment that expands capacity and strengthens the resilience of Nigeria's digital infrastructure, while ensuring that control over scarce or strategically important infrastructure does not unnecessarily restrict downstream competition. Exclusivity may be justified where it is proportionate and necessary to support viable investment, but its scope and duration should be assessed against the availability of alternative capacity and its likely effect on the ability of competing providers to enter, expand and compete effectively.

Actionable Competition Policy Measures

The Cloud Policy would benefit from expressly incorporating competition policy into its governance and implementation framework. Most importantly, paragraph 14.3 of the Policy assigns the National Information Technology Development Agency (NITDA) responsibility for monitoring market concentration, competitive conditions and pricing, and for reporting where the market structure may threaten the contestability that the Policy seeks to maintain. This allocation of responsibility should be reconsidered for the following reasons.

Firstly, NITDA's statutory mandate is principally concerned with the development and regulation of information technology, including the formulation and enforcement of standards and related measures for the development of Nigeria's digital economy. Its establishing legislation does not confer on it a general mandate to administer or enforce competition law or to undertake competition assessments of market concentration, competitive conditions, market structure or market power. Secondly, the functions contemplated by paragraph 14.3 require specialised competition law and economic expertise, including the ability to assess market definition, concentration, barriers to entry and expansion, market power, competitive effects and the conditions necessary for effective market contestability. These are matters that fall more appropriately within the institutional competence and statutory remit of the FCCPC. Assigning NITDA a substantive market monitoring role in these areas, without clearly defining its relationship with the FCCPC, may create institutional overlap, uncertainty as to regulatory responsibility and the risk of inconsistent approaches to the assessment of competitive conditions in cloud markets.

This is particularly significant given that paragraph 2.4 of the Policy identifies the development of a 'Competitive, Multi-Provider Market' as a broad objective. Ensuring that cloud markets remain competitive and contestable, including through the monitoring of concentration, market structure and conduct that may adversely affect competition, falls squarely within the FCCPC's statutory mandate. Section 17(a) of the FCCPA expressly empowers the FCCPC to administer and enforce the provisions of the Act and, in doing so, to regulate and enforce competition in every sector of the Nigerian economy. The Policy should therefore avoid assigning NITDA functions that could, in substance, duplicate or encroach upon the FCCPC's statutory competition mandate.

Accordingly, paragraph 14.3 should be revised to provide for an appropriate institutional role for the FCCPC in monitoring and assessing competition and contestability in the cloud services market. NITDA may continue to perform its relevant technology, standards, policy and sectoral functions and may share market information and technical expertise with the FCCPC where appropriate. However, responsibility for competition assessment, including the monitoring of market concentration, competitive conditions and market structure insofar as these raise competition concerns, should rest with the FCCPC. The FCCPC should therefore be expressly recognised as an institutional stakeholder in the monitoring, evaluation and periodic review of the Policy, particularly in respect of paragraph 14.3 and its implications for competitive conditions in the cloud market. Its involvement would ensure that competition considerations are appropriately integrated into the Policy's implementation and future development.

Accordingly, the FCCPC should also be represented on the Sovereign Government Cloud Governance Committee established as a standing body to provide strategic oversight, policy coordination and whole of government governance for the implementation and continuing development of this Part. This institutional arrangement would allow NITDA to retain its appropriate technical and sectoral responsibilities while ensuring that competition assessment and market oversight are informed by the FCCPC's statutory mandate and specialised expertise. This approach would preserve NITDA's sectoral and technology mandate while ensuring that the Policy's objective of maintaining an open, competitive and contestable multi-provider cloud market is implemented consistently with Nigeria's established competition law framework.

Conclusion

The National Digital Cloud Policy provides a sound foundation for developing an open and multi-provider cloud market in Nigeria. Its emphasis on customer choice, data portability, proportionate sovereignty requirements and the avoidance of broad data localisation requirements is appropriate to Nigeria's digital development objectives. However, formal market openness does not by itself ensure effective contestability. As the UK experience illustrates, market concentration and reduced customer mobility can develop through the cumulative effects of switching costs, technical lock in, restrictive commercial practices and vertical relationships, even where markets remain formally open to entry.

Competition policy should therefore operate as an essential complement to the Policy. The FCCPA already provides the principal legal framework for addressing conduct and transactions that may undermine competitive conditions, including restrictive agreements, abuse of dominance and mergers that may substantially lessen competition. These tools should be applied proportionately and on the basis of evidence, preserving incentives for investment, innovation and efficient scale while preventing the premature entrenchment or extension of market power. Institutional clarity is equally important. Responsibility for assessing market concentration, competitive conditions and market structure in cloud services should rest with the FCCPC, whose statutory mandate and specialised competition expertise directly encompass these functions, while NITDA should continue to perform its appropriate technology policy, standards and sectoral functions.

Embedding competition considerations in the Policy from the outset, including through appropriate institutional allocation, procurement safeguards, effective portability requirements and careful assessment of significant infrastructure transactions, would enable Nigeria to pursue investment, indigenous capability and regional leadership without weakening the competitive conditions necessary to sustain those objectives. Contestability should therefore be treated not as an automatic consequence of market openness, but as a condition that requires continued protection as the cloud market evolves.

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