ONE YEAR OF GSM REVOLUTION, WHAT FUTURE FOR TELECOMMUNICATIONS

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INTRODUCTION

♦ Telecommunications has become one of the most important infrastructures that are very essential to the socio-economic well-being of any nation.

♦ The globalisation of world economy has further amplified the importance of telecommunications to the economy.

♦ The Telecommunication Sector is one of the fastest-growing sectors, and in terms of capitalization telecom is surpassed only by Banking and the Health Delivery.
INTRODUCTION – CONTD.

♦ Nigeria as a part of the global community is experiencing the growing importance of telecommunications in her socio-economic life.

♦ This is demonstrated by the phenomenal growth of GSM since it was introduced in Nigeria about a year ago. It will not be too incorrect to say that GSM is one of the dividends of democracy.
THE ENABLING ENVIRONMENT THAT MADE GSM A REALITY

- Making the right choice of technology
- Taking a timely decision
- Consistent and predictable regulatory policy on the part of government
- Transparent award process used by the regulatory authority
- A large ‘ready-made’ market
DIVIDENDS OF GSM REVOLUTION

- Foreign capital inflow
- Stimulation of local investment
- Increased access to telephony services
- Job creation
- Indigenous skills acquisition and technology transfer
DIVIDENDS OF GSM REVOLUTION – CONT'D.

♦ Revenue generation in licence fees of over $1.1 billion USD
♦ Economic empowerment of local population
♦ Tripling of Nigeria’s teledensity within 12 twelve months
♦ Increased tax-revenue for government
STATISTICAL INDICATORS.

The following are approximate data relating to GSM deployment in Nigeria in the first 12 months.

- Total capital invested: over $1 billion
- Total number of lines connected to subscribers: over 1 million
- Number of cities served: 20 major cities and 45 villages/communities along major highways
STATISTICAL INDICATORS - CONTD.

♦ Employment generation

– Direct Employment: over 2,500
– Number of franchised dealers: 900 as at July, 2002
– Estimated indirect employment: over 10,000
BACKWARD LINKAGE EFFECT.

♦ Increase turnover for advertising and marketing services
♦ Increase in e-commerce and e-banking services
♦ Increase banking sector turnover through loans and advances
♦ 20-50% increase in traffic volume for other private telecom operators
♦ Contribution to Nigeria’s GDP: 1-3% increase
FUTURE CHALLENGES

♦ Increase competition
♦ Increase quality of service
♦ Improvement in supporting infrastructure such as power and transmission facilities
♦ Decrease in network congestion and interconnectivity bottlenecks
♦ Migration to 3G services
FUTURE CHALLENGES – CONTD.

♦ Maintaining favourable regulatory and investment climate
♦ Cheaper internet access
♦ Expanding broadband services
♦ Rural access
♦ Local manufacturing