1ST SON INTERNATIONAL CONFERENCE ON STANDARDS AND QUALITY MANAGEMENT

BENCHMARKING THE TELECOMMUNICATIONS INDUSTRY FOR EMPOWERMENT AND PROFIT

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Introduction

Revolution is now taking place in telecoms in Africa

- Africa is becoming the fastest growing region in the world for mobile communications (The ITU, 2003)

- Propelled by Market liberalisation, Wireless Networks, Prepaid billing and IP technologies.
Introduction

- Africa presents the most fertile ground for investments in telecoms

“The enormous growth potential and revenue per line is higher in Africa than elsewhere.”

- Hamadoun Toure, 2003
  Head of the ITU Telecommunication Development Bureau
POSITIVE IMPACT OF MARKET REFORM

Sector Reform Will Usually

- Improve services
- Eradicate misuse of monopoly powers
- Attract local & foreign investment
- Encourage innovation and introduce advanced services
- Generate government revenues
- Increase sector efficiency through competition
NEED FOR SECTOR REFORM – Cont’d

- Right policies and a good regulatory environment, contribute to attracting investment by providing stable, transparent and non-discriminatory access to telecommunications resources.
- Government commitment to reform is essential and must be total
- Half-hearted reform measures limit inflow of private capital required to accelerate network expansion
The Nigerian Scenario

- Regulatory body, the Nigerian Communications Commission (NCC), was established by law in Nov. 1992.
- Commenced operation in mid 1993 with the inauguration of the first Commission.
- Commenced full market liberalisation in 2000.
The Nigerian Scenario – Contd.

The last few years have seen a notable increase in private sector involvement in the Nigerian Telecommunications Industry with the:

- Successful auctioning of the 2G Digital Mobile Licenses in January 2001 (Total of four GSM licenses issued).
- Preparation of the Incumbent Operator for privatisation.
The Nigerian Scenario – Contd.

- Several Internet Providers licensed to encourage fast growth of Internet nationwide.
- The Regulatory Body has been strengthened, and is receiving full support from the government.
- A National Telecom Policy (NTP) released in September 2000.
The Nigerian Scenario-Contd

- A new Communications Law was enacted in July 2003
- The new law significantly empowered the NCC by giving it operational and financial independence
- The new law also established a Universal Service Provision Fund Agency
## The Nigerian Market – Score Card

<table>
<thead>
<tr>
<th>Category</th>
<th>December 1999</th>
<th>December 2002</th>
<th>December 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Connected Fixed Lines</td>
<td>450,000</td>
<td>702,000</td>
<td>850,000</td>
</tr>
<tr>
<td>Number of Connected Digital Mobile Lines</td>
<td>None</td>
<td>1,594,179</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Number of National Carriers</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Number of Operating ISPs</td>
<td>18</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Number of Active Licensed Fixed Line Operators</td>
<td>9</td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td>Number of Licensed Mobile Operators</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Private Investment</td>
<td>$50m USD</td>
<td>$2,100m USD</td>
<td>$4,000m USD (est.)</td>
</tr>
</tbody>
</table>
The deregulation and liberalisation of the telecom industry has brought with it a lot of advantages for the Nigeria economy.

- The economic benefits include: attracting new investments, providing needed infrastructures and creating innovative services.

- Investment in telecommunications tends to trigger an economic chain which in the case of Nigeria has positively impacted other sectors of the economy.
The Nigerian Market Contd.

THREE YEARS OF TELECOM SECTOR REFORM HAS BROUGHT ABOUT:

- Substantial private sector investment
- Increase in number of market players
- Unprecedented Growth in the Network
- Expanded geographical coverage
- Empowerment of the citizenry
- Employment Creation
- Economic Stimulus
NEED FOR STANDARDS

With the liberalisation of the telecoms environment and with many players, there is need for establishment of standards for both manufacturing and service delivery to:

- Ensure compatibility of Equipment and Systems
- Ensure Quality of Service (QoS)
- Protection of the Consumer
NEED FOR STANDARDS

- ADHERENCE TO ESTABLISHED INTERNATIONAL STANDARDS IS REQUIRED FOR LOCAL MANUFACTURING OF:
  - Cables
  - Towers and Masts
  - Recharge Cards
  - Mobile Phones
NEED FOR STANDARDS

- The International Telecommunications Union (ITU) in Geneva through its Standards Bureau establishes equipment standards.

- This enables manufacturers to build systems to common standards to ensure compatibility.
TELECOMS STANDARDISATION IN NIGERIA

- Nigeria is not an island and therefore equipment and systems used in the Nigerian networks will need to conform to international standards.

- However, every country has its own preferences in terms of technology type and interface specifications.
The Nigerian Communications Commission is currently working on Quality of Service Benchmarks for the industry.

The operating companies in Nigerian must adhere to uniform standards at interface points between them to ensure seamless interconnection.
Various sector-specific regulatory bodies in Nigeria are also charged with the responsibility of standard specification and enforcement in their respective sectors.

There is need for these organisations to collaborate with the Standards Organisation of Nigeria for establishment and documentation of standards.
CONCLUSION

- BENEFIT OF STANDARDISATION
- Expanded Markets
- Access to international markets
- Enhanced interconnectivity
- Consumer satisfaction and protection
- Encouragement of research and development
- Encouragement of local manufacturing
Thank You All

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