HELPING NIGERIAN PEOPLE TO COMMUNICATE – THE ROLE OF THE REGULATOR

By

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Chief Executive, Nigerian Communications Commission (NCC)

AT THE
35TH WORLD TELECOMMUNICATIONS DAY CELEBRATION

Venue: International Conference Centre, Abuja
Date: Friday, 16th May 2003
Time: 10.00am
Why Is It So Important To Communicate

- Telecommunications is an important facilitator of economic growth.
- In today’s world, modern digital telecommunications networks are as necessary to economic prosperity of any nation.
- Reliable telecommunications network can improve the productivity and efficiency of other sectors of the economy.
- Modern Infrastructure is required for Sustainable Economic Growth.
The globalisation of world economy has further amplified the importance of telecommunications to the economy.

Nigeria as a part of the global community is experiencing the growing importance of telecommunications in her socio-economic life.
Helping Nigeria To Communicate Through Market Reform

Several countries have identified the need for considerable investment in this sector.

Liberalisation of Telecom market is essential for Network Growth.

Private Sector participation is essential for attracting financial resources, innovation and new technology.
Market liberalisation in Nigeria has led to:

- Inflow of private-sector dollars.
- Improvement of services.
- Removal dominance of public sector in the National Economies.
Benefits of Telecommunications Regulations

• Market Liberation must come with strong Regulatory Framework.

• A good regulatory environment can contribute to:
  ✓ Effective management of the telecommunications industry to enable it play its role effectively in the socio-economic development imperatives of the nation
  ✓ Improved market efficiency, leading to range, quality and access to telecommunications.
  ✓ Improved transparency in the management of the industry
  ✓ Regulatory intervention for a more efficient and enhanced market economy.
Benefits of Telecommunications Regulations – Contd.

- Encouragement of new technologies and innovations, which bring about new services, resulting in lower prices to the benefit of the consumer
- Encourage network expansion resulting in efficiency and improved quality of service
- Ensuring a Regulatory process devoid of unnecessary bureaucracies.
- Accelerating the provision of Telephony services to rural and underserved areas.
The Nigerian Scenario

- The last few years have seen a notable increase in private sector involvement in the Nigerian Telecommunications Industry with the:
  
  
  
  - Licensing of two Long Distance Operators in 2002.
  
  - Successful auctioning of the Second National Operator Licence
The Environment That Enabled A Telecom Revolution

- Commitment at the highest level of government to the independence of the Regulatory body
- Consistent and predictable regulatory policy on the part of government
- Transparent award process used by the regulatory authority
- Making the right choice of technology
- Taking a timely decision
- A large ‘ready-made’ market
Dividends Of The Telecom Revolution

• Foreign capital inflow
• Stimulation of local investment
• Increased access to telephony services
• Job creation
• Indigenous skills acquisition and technology transfer
Dividends Of The Telecom Revolution – Contd.

- Revenue generation in licence fees of over $1.5 billion USD
- Social and Economic empowerment of local population
- Exponential growth of Nigeria’s teledensity.
- Increased tax-revenue for government
# The Nigerian Scenario – Score Card

<table>
<thead>
<tr>
<th>Category</th>
<th>December 2000</th>
<th>December 2002</th>
<th>Projection to Dec., 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Connected Fixed Lines</td>
<td>450,000</td>
<td>702,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Number of Connected Digital Mobile Lines</td>
<td>None</td>
<td>1,594,179</td>
<td>2,900,000</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>Number of Km of Microwave Links</td>
<td>16,000 km (est.)</td>
<td>31,200 km (est.)</td>
<td>37,000 km</td>
</tr>
</tbody>
</table>
The Nigerian Scenario – No of Connected Fixed Lines

No of Connected Fixed Lines

Dec-99  Dec-00  Dec-01  Dec-02  Projection to December 2003

0  400,000  600,000  800,000  1,000,000  1,200,000  1,400,000

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### The Nigerian Scenario – No of Connected Digital Mobile Lines

<table>
<thead>
<tr>
<th>Dec-99</th>
<th>Dec-00</th>
<th>Dec-01</th>
<th>Dec-02</th>
<th>Projection to December 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>500,000</td>
<td>1,000,000</td>
<td>1,500,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>2,500,000</td>
<td>3,000,000</td>
<td>3,500,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Nigerian Scenario – Subscribers of Fixed and Mobile Lines

Subscribers

No of connected Fixed lines
No of connected Mobile Lines

Dec-99 Dec-00 Dec-01 Dec-02 Projection to December 2003

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The Nigerian Scenario – Teledensity Growth

Teledensity Growth

- No of connected Fixed lines
- No of connected Mobile Lines
- Total Teledensity

Dec-99 0.4
Dec-00 0.45
Dec-01 0.72
Dec-02 1.96
Projection to December 2003 3.42

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The Nigerian Scenario – Impact of Private Investment on Subscriber Growth

Private Investment

- No of connected Fixed lines
- No of connected Mobile Lines
- Private Investment (USD Millions)

<table>
<thead>
<tr>
<th>Private Investment (USD Millions)</th>
<th>No of connected Fixed lines</th>
<th>No of connected Mobile Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>2,100</td>
<td>2,100</td>
<td>2,100</td>
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<tr>
<td>2,100</td>
<td>2,100</td>
<td>2,100</td>
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<tr>
<td>3,800</td>
<td>3,800</td>
<td>3,800</td>
</tr>
</tbody>
</table>

Dec-99 Dec-00 Dec-01 Dec-02 Projection to December 2003

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Backward Linkage Effect Of The Telecom Revolution

- Increase turnover for advertising and marketing services
- Increase in e-commerce and e-banking services
- Increase banking sector turnover through loans and advances
- Increase in traffic volume for private telecom operators
- Contribution to Nigeria’s GDP
Future Challenges

- Increase Competition
- Increase Quality of Service
- Improvement in supporting infrastructure such as power and Long Distance Transmission facilities
- Decrease in network congestion and interconnectivity bottlenecks
Future Challenges – Contd.

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

• Market liberalisation in Nigeria has contributed positively to our quest to help the Nigerian people communicate by providing large number of new lines to the network while also providing the customer with choice.
• The challenge remains to ensure that every citizen of this country has access to telecommunications facilities.
• We must therefore develop an appropriate framework, systems, and mechanisms towards the achievement of Universal Access Objectives.
Conclusion – Contd.

• The objective of government is to develop flexible and market oriented facility for a viable and sustainable rural telecommunications services provision.

• This is our commitment as we join the ITU in celebrating the World Telecommunications Day with the theme “Helping all the World’s People to Communicate”
Thank you and God Bless

Engineer Ernest C.A. Ndukwe
Executive Vice Chairman
Nigerian Communications Commission (NCC)