THREE YEARS OF GSM REVOLUTION IN NIGERIA

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INTRODUCTION

♦ Telecommunications is acknowledged as one of the most important infrastructures 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.
INTRODUCTION – CONTD.

♦ Government recognised the importance of telecommunications for the socio-economic development of the nation.

♦ The phenomenal growth of GSM since it was introduced in Nigeria less than three years ago confirms this.

♦ GSM is indeed one of the major dividends of Nigeria’s transition to democracy.
THE ENABLING ENVIRONMENT THAT MADE GSM A REALITY

♦ Making the right choice of technology
♦ Taking timely decisions
♦ 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
- Phenomenal increase in Nigeria’s teledensity within three years
- Increased tax-revenue for government
STATISTICAL INDICATORS.

The following are approximate data relating to GSM deployment in Nigeria in the first three years.

♦ Private Investment of over $4 billion
♦ Total number of lines connected to subscribers: over 3.8 million
♦ Improved national coverage of cities, villages and highways
<table>
<thead>
<tr>
<th>STATISTICAL INDICATORS contd.</th>
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<tbody>
<tr>
<td>Number of Connected Fixed Lines</td>
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</tr>
<tr>
<td>Number of Connected Digital Mobile Lines</td>
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<tr>
<td>Number of National Carriers</td>
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<tr>
<td>Number of Operating ISPs</td>
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<tr>
<td>Number of Active Licensed Fixed Line Operators</td>
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<tr>
<td>Number of Licensed Mobile Operators</td>
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Employment generation

- Direct Employment: over 5000
- Large number of franchised dealers nationwide
- Estimated indirect employment: over 400,000
- Nigerian ICT professionals being attracted home
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
♦ Astronomical increase in traffic volume for other private telecom operators
♦ Contribution to Nigeria’s GDP: 1-3% increase
CHALLENGES

♦ LEGACY ISSUES

- Weak Infrastructure base
- Unusually huge demand for services due to inefficiencies of the past
- Spectrum Planning & Allocation problems
- Enabling Laws and Regulations limitations
- Unreliable Electric power supply
FUTURE CHALLENGES

♦ Ensure competition in all market segments
♦ Improvement in quality of service
♦ Improvement in supporting infrastructure such as power and transmission facilities
♦ Decrease in network congestion and interconnectivity bottlenecks
♦ Enforcement
♦ Managing consumer expectations
FUTURE CHALLENGES – CONTD.

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

TWO YEARS OF TELECOM SECTOR REFORM HAS BROUGHT ABOUT

- Improvement in Investment Climate
- Increase in number of market players
- Unprecedented Growth in the Network
- Substantial improvement in access to telecom facilities
- Empowerment of the Nigerian
- Respect from International Community
- Employment Creation
- Economic Stimulus
CONCLUSION

Nigeria has cause to celebrate the three years of telecom revolution
THANK YOU.

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