



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 – CONTD.

- ◆ 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



STATISTICAL INDICATORS contd.

	Dec-00	Dec-02	Jun-03	Dec-03	Mar-04
Number of Connected Fixed Lines	450,000	702,000	724,790	850,000	888,854
Number of Connected Digital Mobile Lines	None	1.6m	2.05m	3.1m	3.8m
Number of National Carriers	1	2	2	2	2
Number of Operating ISPs	18	30	30	35	35
Number of Active Licensed Fixed Line Operators	9	16	19	30	30
Number of Licensed Mobile Operators	1	4	4	4	4



STATISTICAL INDICATORS - CONTD.

- ◆ 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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