

**“THE CHALLENGE OF GLOBALISATION AND THE IMPARATIVE OF
CREATING ADEQUATE ICT INFRASTRUCTURE IN NIGERIA”**

A Paper Presented:

By

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To enable a company gain competitive advantage in business, 20 years ago, the focus was on quality. 10 years ago, it was about re-engineering. Today the emphasis is on rapid electronic interactions enabled by the Internet and other connected networks... commonly referred to as e-commerce or e-business. It is about how quickly the nature of business is changing and how rapidly business itself is being transacted. How access to information is empowering consumers, vendors, and businesses.

Let face it, the Internet has indeed changed the world. A new frontier now stands before every business in the new “digital economy” of today. The Internet can enable businesses to compete on a global basis in a way that we could not have dreamt of several years ago.

It should therefore be the goal of every modern business manager, whether in the public or the private sector, to better understand the requisite tools of this new economy, to think creatively about the future, and determine how to compete successfully in the evolving global markets in the new “digital economy”.

Today no business, whether big or small, can afford to be indifferent to technology. Knowledge has become a most valuable commodity and it is an asset, which will allow businesses, no matter how small, to compete with the largest in their industry. An asset that allows smaller nations to have equal access to information that is essential for good governance.

"The future of our country therefore depends on how fast and how well we can employ Internet technology".

To be indifferent to technology and the changes that it imposes on today's business markets can be suicidal for any public or private business concern.

The Internet is empowering users and creating new business models. Think about it. The government of the United States of America privatised the use of Internet just a few years ago. Prior to that time, the Internet use was restricted to government and a limited number of Universities.

Today the Internet represents an exciting new frontier. A frontier that is abundant with opportunity. More Communications now take place via the Internet than over the telephone. America on-line, for example, delivers 50% more mails in one day than the US post office. About 65% of small and medium size businesses in the USA use the Internet and about 41% have a web site.

This year, 2003, e-business interactions are expected to balloon to \$1.3 trillion USD. Also in the USA small businesses that use the Internet are growing at the rate of 46% faster than those that do not use the Internet.

Clearly, technology is driving the new economy but unfortunately, not everyone is benefiting. While in the USA, the number of Americans with access to computers and Internet is growing at an exponential rate, in Nigeria the story is not exactly cheering. There is a growing split or digital divide, which breaks down along national, economic, educational and geographic lines. Between the information haves and have-nots.

People, businesses and whole communities without ready access to information technologies like the Internet are being left behind in the fast paced new economy. The implication is staggering for all of us. For instance, international investors that are being wooed to come and invest in this wonderful country of ours, demand quick access to information. New businesses will not locate in places where

access is not readily and speedily available. Small towns or rural areas that lack high speed, inexpensive, Internet access will not attract the right level of commerce required to develop their economies and will continue to see a decline in economic prosperity.

People who do not have ready access to new information technology systems are finding themselves isolated in a wilderness with few opportunities and dimming prospects. If knowledge is the most important asset with which people can compete, now and in the future, then ready access to information is the most dynamic component shaping our lives.

Ensuring access to the fundamental tools of the digital economy is therefore one of the most significant investments our nation must make.

Today Nigeria has a lot to do to create the necessary sub-structure for e-business to build on. The requirements include:

- i) Reliable Telecommunications network including High-speed data and Internet.
- ii) Reliable Electric Power supply
- iii) Reliable Database for names and addresses
- iv) Competent and reliable law enforcement agencies
- v) Good Judiciary system
- vi) Strong Financial regulatory regime
- vii) Trained Manpower

However, the most fundamental requirement is a fast, reliable, affordable and widely available national telecommunications infrastructure. The goal of the Nigerian Communications Commission is to facilitate the creation of this enabling tool within the shortest possible time.

Access to telecommunications is critical to the development of all aspects of a nation's economy including

manufacturing, banking, education, agriculture and government. Today, the Federal government therefore places a lot of importance on the development of the telecommunications and information technology industry.

Nigeria's immediate requirement for telecommunications facilities is enormous and the required capital and time investment needed to complete a full deployment using wire lines are daunting. Wireless systems therefore offer quicker solutions to providing network access than traditional copper lines and therefore more desirable. Digital Wireless and Mobile Communications Systems can help Nigeria leapfrog into the global village as an active member.

There is no doubt that the Internet is one quick way of bridging the gap between the information haves and have-nots and narrowing what is, now generally referred to as the digital divide. Today, Internet services are becoming available on even mobile phones making it possible to transact a wide range of services formally only available using a computer device. Fixed and mobile wireless systems offer key advantages in making Internet services universally available because of the speed of deployment. Fast deployment means quicker connections to subscribers resulting in faster payback of capital investment. The rapid rate of deployment will also make phones services widely available quicker and thereby accelerate the pace of national economic development and growth.

With wireless systems, strong networks can be rolled out quickly. In very low density and widely dispersed areas satellite communications systems can fill in the gaps. Satellite systems today can deliver a huge range of services directly to subscribers in remote areas including broadband services necessary for Internet connectivity for e-business and distance learning.

However, wireless deployment in Nigeria is faced with some problems. Key among them is the unreliable power supply

situation in the country. The public electricity power supply situation must improve urgently for Nigeria to enjoy the full benefits accruable from wireless systems deployment. Power backup systems for subscriber terminal in case of fixed wireless systems are suitable for 2 to 8 hours of battery life. A situation where power outages could stretch to 12 to 48 hours and in some cases more; the situation can only be described as unacceptable.

The second problem is the limited funding available locally to finance a massive build out. Without a large deployment there can be no economies of the scale. In a low-income environment, the price per line for the systems must be right to guarantee a reasonable return on investment. Order must therefore be of sufficient size to ensure the vendors can achieve those economies of scale and guarantee affordability for a larger number of people and profitability for the operator.

The Nigerian Communications Commission has recently launched an initiative code-named the WiN Project or Wire Nigeria Project, which aims at ensuring that all the States of the federation are linked to a national optic fibre cable backbone infrastructure. This is to be implemented by licenced operators with the support of government as necessary

Telecommunications is the infrastructure of the emerging global information society; as we enter the 21st century our challenge is to rapidly grow our telecommunications facilities as a way to liberate our nation economically. The challenge is to come up with and implement policies that will rapidly build Nigeria's capacity to compete effectively with other economies. With a solid telecommunications infrastructure the country will be able to harness the full benefits the digital economy.

Thank you,

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