



# **ONE YEAR OF GSM REVOLUTION, WHAT FUTURE FOR TELECOMMUNICATIONS**

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# INTRODUCTION

- ◆ Telecommunications has become one of the most important infrastructures that are very 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 telecom is surpassed only by Banking and the Health Delivery.



## INTRODUCTION – CONTD.

- ◆ Nigeria as a part of the global community is experiencing the growing importance of telecommunications in her socio-economic life.
- ◆ This is demonstrated by the phenomenal growth of GSM since it was introduced in Nigeria about a year ago. It will not be too incorrect to say that GSM is one of the dividends of democracy.



# THE ENABLING ENVIRONMENT THAT MADE GSM A REALITY

- ◆ Making the right choice of technology
- ◆ Taking a timely decision
- ◆ 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
- ◆ Tripling of Nigeria's teledensity within 12 twelve months
- ◆ Increased tax-revenue for government



# STATISTICAL INDICATORS.

The following are approximate data relating to GSM deployment in Nigeria in the first 12 months.

- ◆ Total capital invested: over \$1 billion
- ◆ Total number of lines connected to subscribers: over 1 million
- ◆ Number of cities served: 20 major cities and 45 villages/communities along major highways





# STATISTICAL INDICATORS - CONTD.

## ◆ Employment generation

- Direct Employment: over 2,500
- Number of franchised dealers: 900 as at July, 2002
- Estimated indirect employment: over 10,000





# 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
- ◆ 20-50% increase in traffic volume for other private telecom operators
- ◆ Contribution to Nigeria's GDP: 1-3% increase



# FUTURE CHALLENGES

- ◆ Increase competition
- ◆ Increase quality of service
- ◆ Improvement in supporting infrastructure such as power and transmission facilities
- ◆ Decrease in network congestion and interconnectivity bottlenecks
- ◆ Migration to 3G services



# FUTURE CHALLENGES – CONTD.

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