

# HELPING NIGERIAN PEOPLE TO COMMUNICATE - THE ROLE OF THE REGULATOR



*By*

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**AT THE  
35<sup>TH</sup> WORLD TELECOMMUNICATIONS DAY CELEBRATION**

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***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.

# Why Is It So Important To Communicate – Contd.

- 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.

# Helping Nigeria To Communicate Through Market Reform – Contd.

- 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:
  - ✓ Successful auctioning of the 2<sup>nd</sup> Generation Digital Mobile Licenses in January 2001.
  - ✓ Licensing of Fixed Wireless Access (FWA) Operators in 2002.
  - ✓ Licencing 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

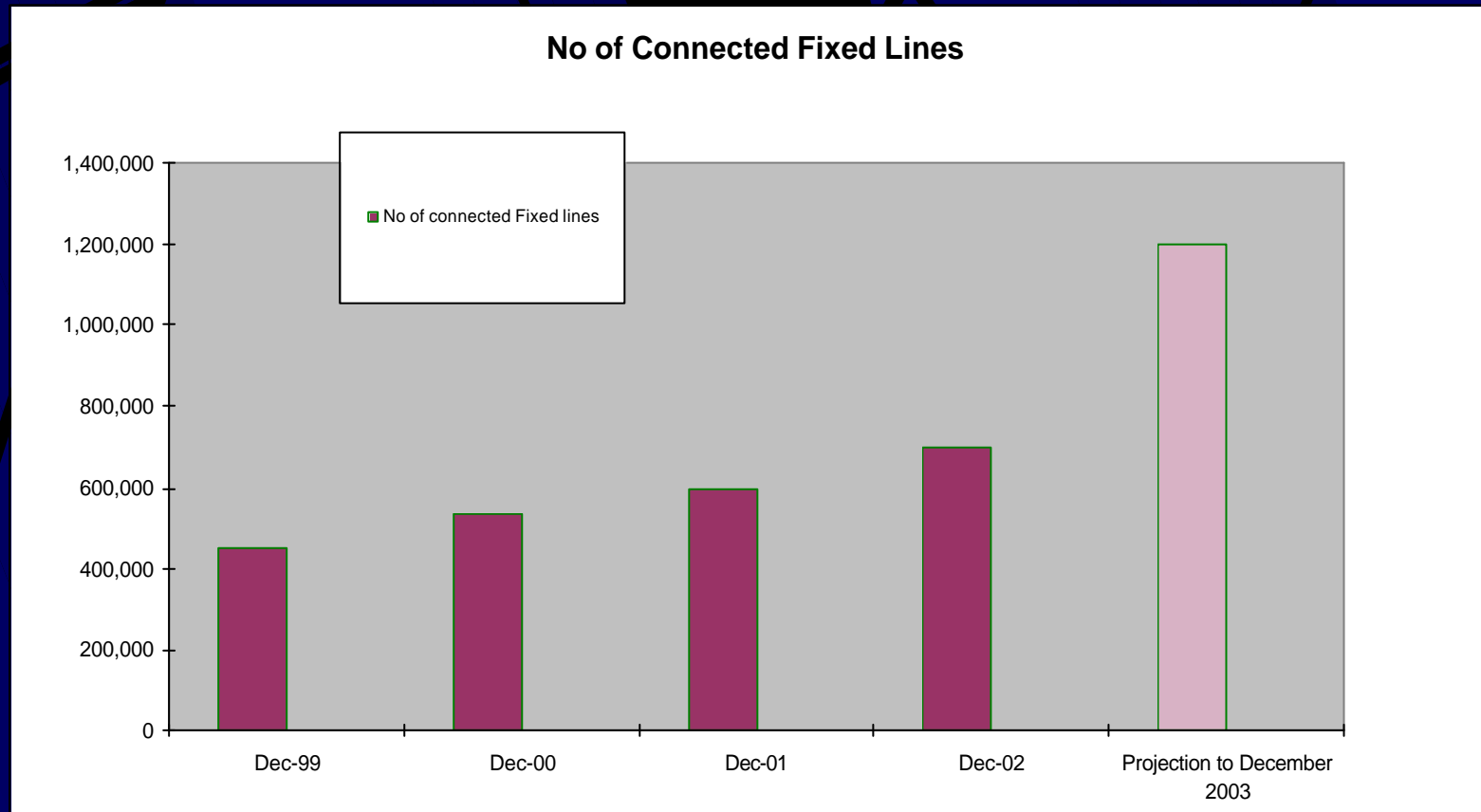
# Dividends Of The Telecom Revolution – Contd.

- 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

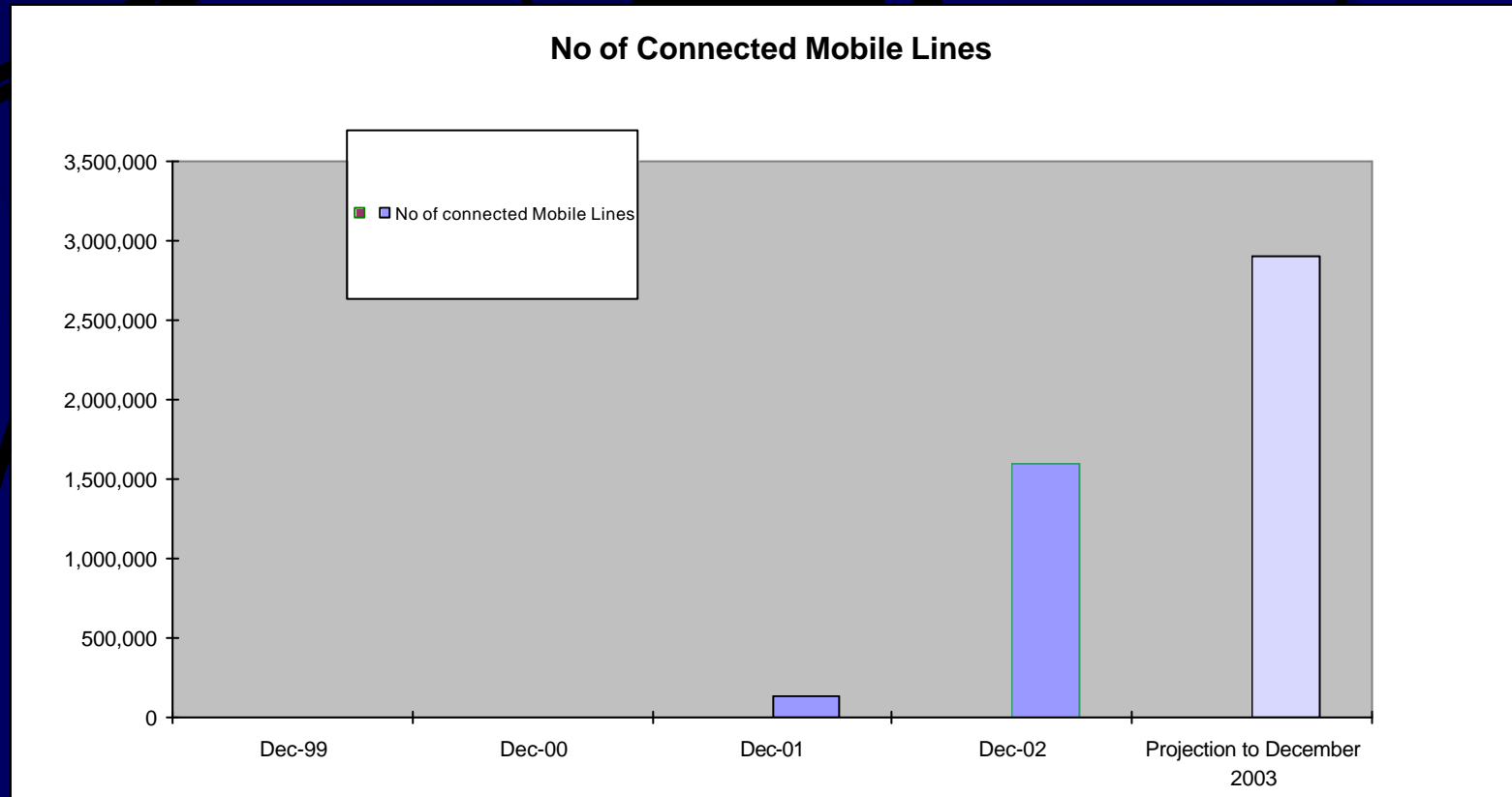
# The Nigerian Scenario – Score Card

	December 2000	December 2002	Projection to Dec., 2003
Number of Connected Fixed Lines	450,000	702,000	1,200,000
Number of Connected Digital Mobile Lines	None	1,594,179	2,900,000
Number of National Carriers	1	2	2
Number of Operating ISPs	18	30	35
Number of Active Licensed Fixed Line Operators	9	16	30
Number of Licensed Mobile Operators	1	4	4
Number of Km of Microwave Links	16,000 km (est.)	31,200 km (est.)	37,000 km

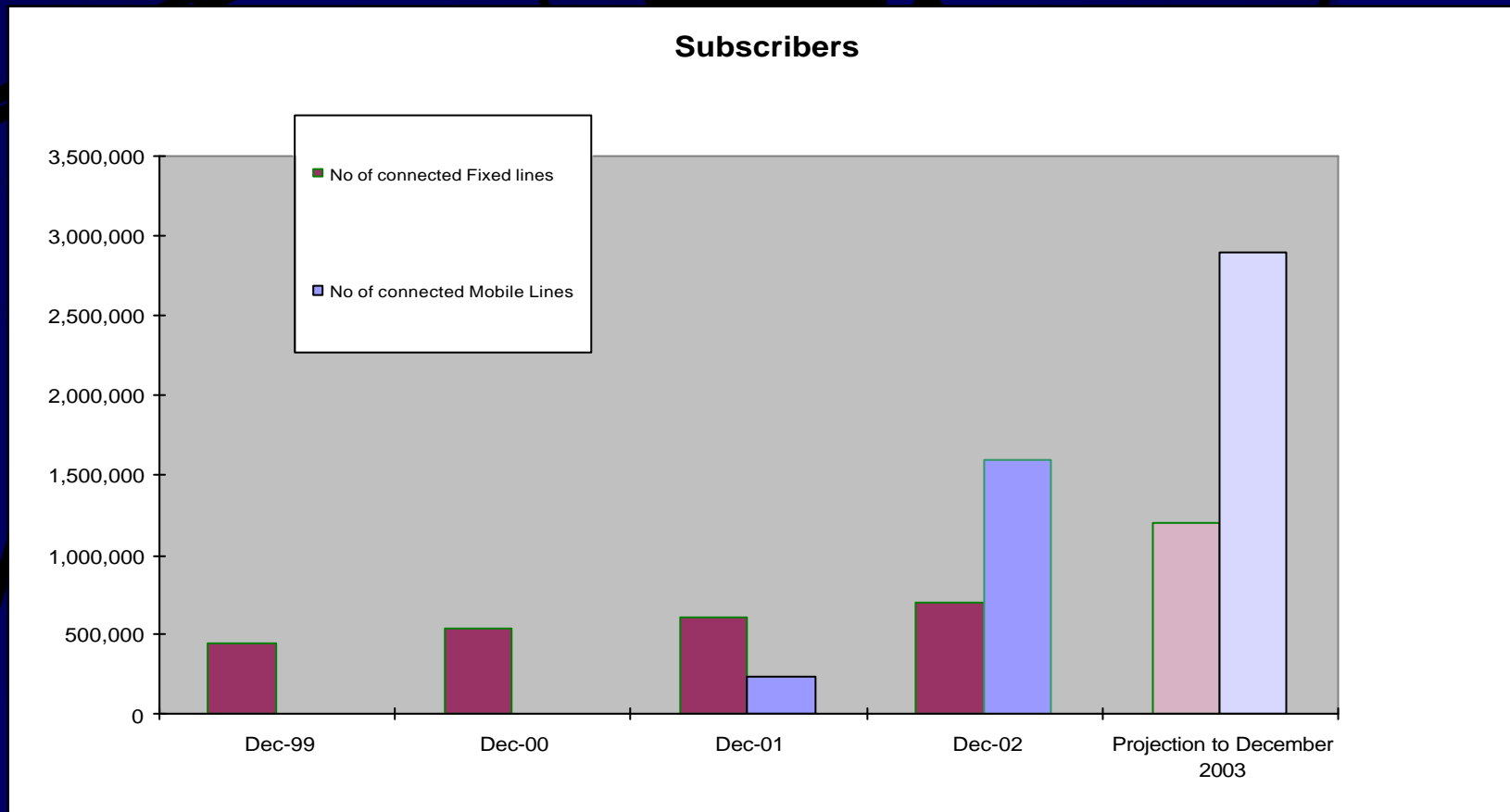
# The Nigerian Scenario – No of Connected Fixed Lines



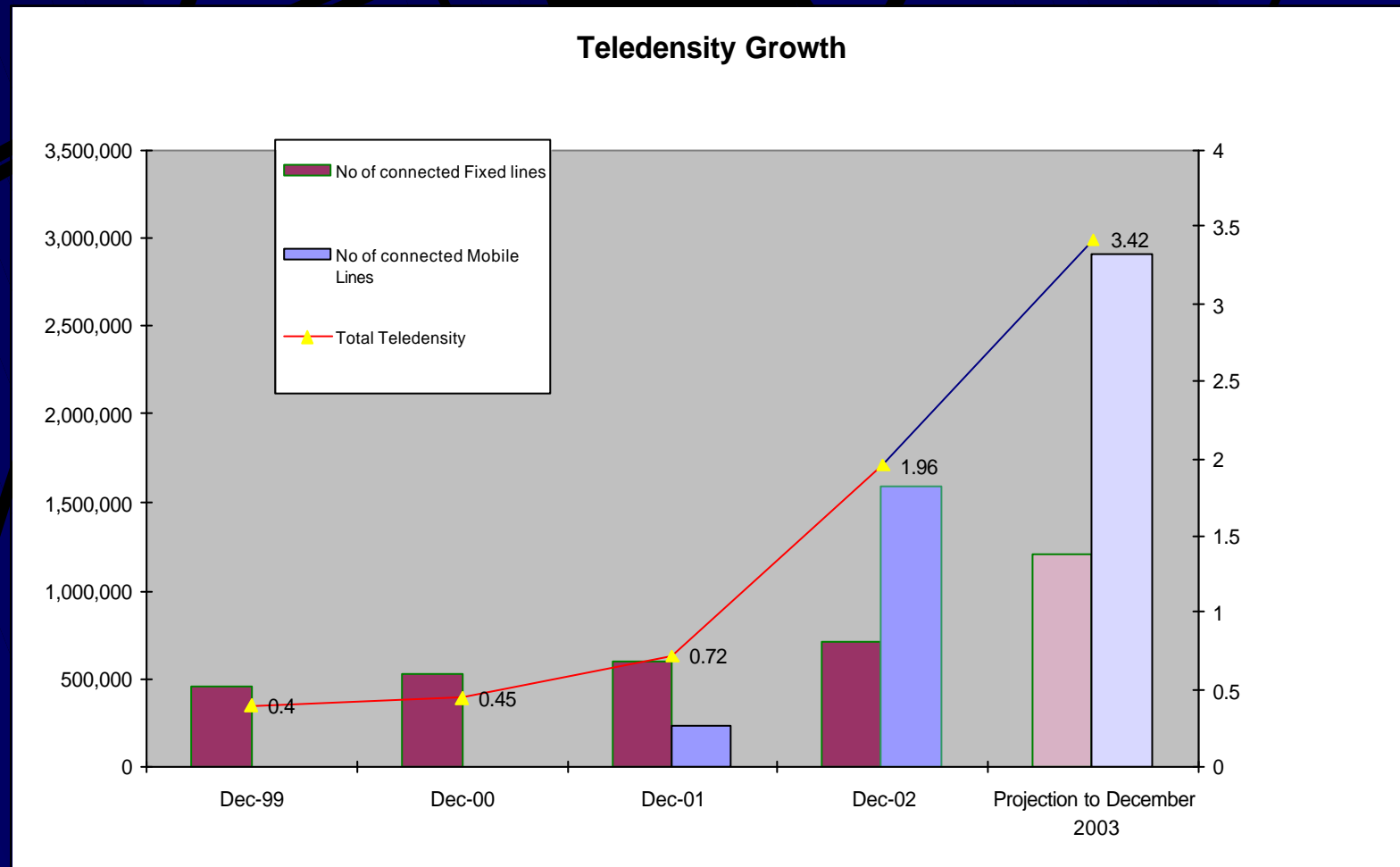
# The Nigerian Scenario – No of Connected Digital Mobile Lines



# The Nigerian Scenario – Subscribers of Fixed and Mobile Lines

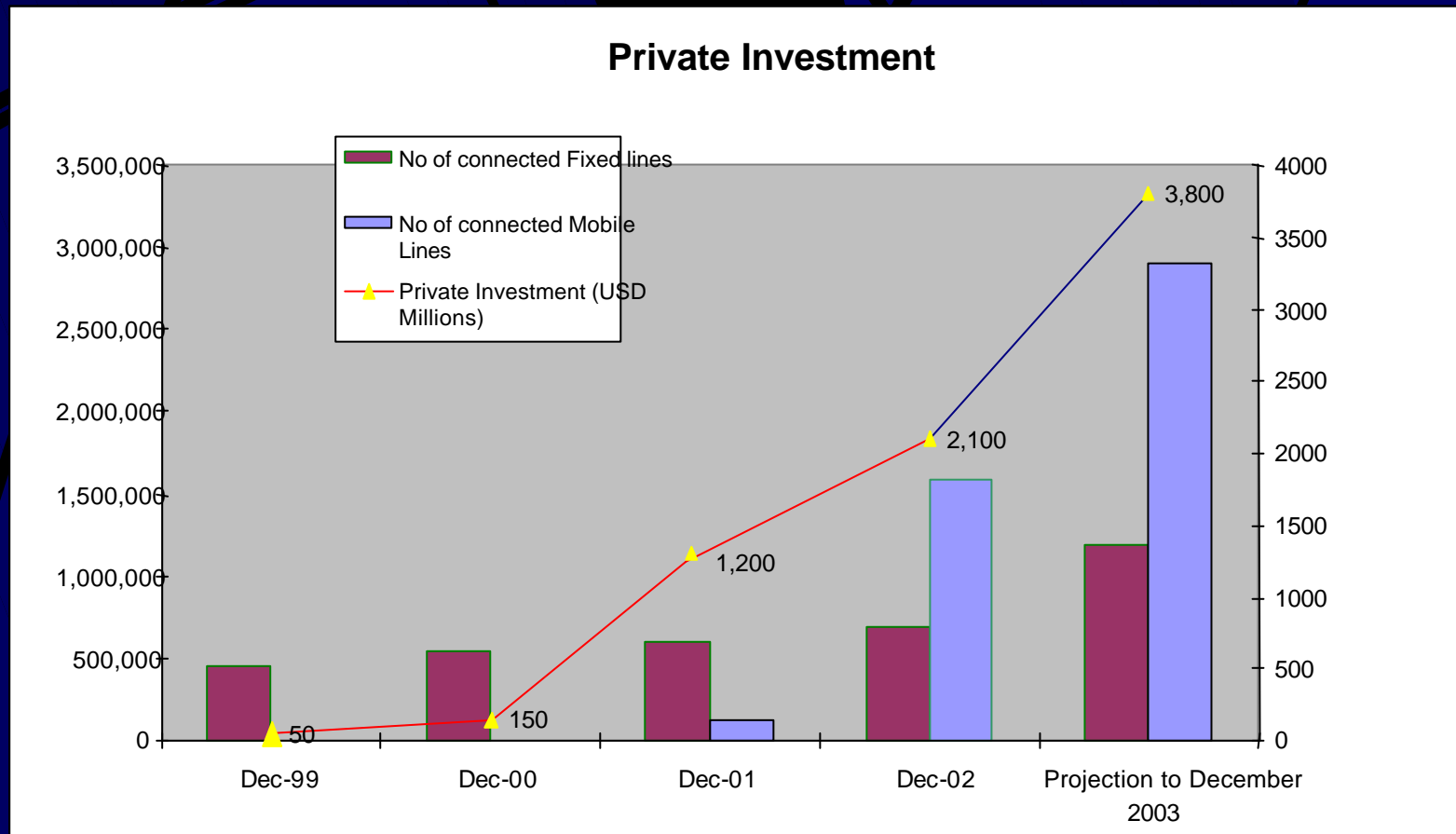


# The Nigerian Scenario - Teledensity Growth





# The Nigerian Scenario - Impact of Private Investment on Subscriber Growth



# 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**

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