

TELECOM INVESTMENT OPPORTUNITIES IN NIGERIA

A PAPER PRESENTED

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Distinguished Ladies and Gentlemen,

It is a great pleasure for me to be visiting Israel at the invitation of the Government of Israel and to participate in **Telecom Israel 2000**. Nigeria and Israel have had a good relationship over the years and we expect that this relationship will continue to blossom especially in the telecommunications field.

I am sure I will be stating the obvious if I say that Nigeria is widely recognized as a major market for Telecommunications Equipment and services in the African Continent. With a population of over 120 million, Nigeria remains Africa's most populous nation and is infact home to one out of every five people in Sub-Saharan Africa.

Nigeria is also blessed with abundance of natural resources and is the 8th largest producer of oil in the World. The nation therefore has what it takes to attract attention of potential investors to this largely untapped telecommunications market.

The Government of Nigeria is conscious of the role telecommunications can play in national development and is therefore committed to ensuring that the telecommunications facilities and services are expanded rapidly. Since the democratic government of President Obsanjo was ushered in on the 29th of May 1999, the attention of the world has returned to Nigeria as the Country with the highest potential for investment in the continent.

Just as it is difficult to ignore China as a market in the global arena (where one out of every five humans in world is Chinese) so is it difficult to ignore Nigeria as a major market in Africa (where one out of every five humans in Sub-Saharan Africa is a Nigerian). Nigeria therefore must attract the attention of any serious investor that wishes to take advantage of the investment potentials that Africa presents.

Distinguished Ladies and Gentlemen, let us now review the scenario in Nigeria today in terms of progress so far and future prospects.

The Nigerian Scenario – Progress

- Regulatory body was established in 1993. (one of the oldest in Africa).
- Commenced market liberalisation in 1994 (Disrupted by successive military governments).

- A number of telecommunications operators (TOs) have been licensed and are operating.
- A democratic government is now in place since 1999 and launched a Telecom Policy document in October, 1999.
- A revised Policy Framework now released in September 2000.
- Incumbent operator is progressively being more receptive to competition and will soon be licenced by NCC.
- The regulatory body is being strengthened and is receiving a lot of support from the government to be able to perform its roles.
- Legal and Regulatory framework being reviewed to attract and protect investors and ensure a level playing field.
- All government owned companies have been slated for privatization within the next 18 months.
- Teledensity now only 0.4% with installed base of 700,000 lines with less than 500,000 lives connected to subscribers.

The Nigerian Scenario – Prospects

- Nigeria remains the most populous country in Africa
- Lack of digital mobile networks represents tremendous opportunity to prospective mobile and cellular operators. Four new digital mobile licenses to auctioned soon by way of a competitive, open and transparent process.
- Major market for long distance network operators.
- Central location as potential for telecommunications hub for West African region.
- Possess ingredients that could support local manufacturing.
- Potential market for broadband networks.

We therefore believe that this period represents a good time for investment in Nigeria's Telecommunications sector.

As the economy of the nation continues to look up and with pressures from international businessmen, government, educational institutions, global financial markets, and the position of Nigeria as a major commercial center in the West African region, the demand for reliable and modern telecommunication infrastructural facilities and services is heavy. Nigeria is therefore a major market for telecommunications equipment and services in technology areas such as:

- ✓ Digital transmission system (including microwave, satellite and optic fibre)
- ✓ Submarine communications

- ✓ Digital exchanges (wired and wireless)
- ✓ Billing systems
- ✓ Data communications networks including Primary rate ISDN and Broadband ISDN services.

The Federal Government of Nigeria is also interested in attracting major local and international operators to come and participate, in the urgently needed expansion of her telecommunications infrastructure.

The Nigerian Communications Commission welcomes applications for licenses from interested companies who may wish to participate in some of the following undertakings:

- a) Fixed Telephony services
- b) Mobile telephony services
- c) Fixed Satellite services (VSAT)
- d) National Long distance services
- e) Paging services
- f) Payphone services
- g) Internet Services
- h) Other Value Added Services

Serious Investors are welcome to invest in any of these major areas or join forces with existing licensees some of whom are also anxious to team up with major operating companies around the world.

The Nigerian Communications Commission (NCC) is strongly committed to providing the right regulatory environment that encourages massive investment in the telecommunications sector. The NCC will be quite happy to receive suggestions on favourable investment policies and incentives that investors require to enable Nigeria attract the necessary private capital to build Nigeria's information infrastructure. We believe that narrowing the digital divide between Africa and the developed world must start with Nigeria.

Our vision is to position Nigeria among the information-rich economies of the world within the next five years.

We are aware that Africa is looking up to Nigeria to take advantage of its vast human and material resources and become the catalyst for the economic development of the Continent.

We intend to achieve this by encouraging liberalisation, adopting pro-competitive regulatory policies and creating attractive investment climates.

Nigeria welcomes all genuine and serious investors, international operators and entrepreneurs who wish to exploit the huge potentials that the Nigerian telecommunications industry offers.

Further Information on the Telecom Sector in Nigeria is available on the NCC website www.ncc.org.ng

I thank you all.

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