

Present Status of the Telecommunications Industry in Nigeria – A Brief on the Nigerian Communications Commission (NCC).

By

Engr. Dr. Emmanuel Chukwuma Nnama,
D.Sc.(Eng.), C.Eng., F.I.E.E., F.C.I.T.
Director General/Chief Executive, NCC, July 1999

Decree 75 of 1992 established the NCC as the National Regulatory Authority for Telecommunications in Nigeria. The decree also liberalised the telecommunications industry in Nigeria, opening it to private participation. The Commission has the following objectives and functions among others:

- Creation of a regulatory environment for the supply of telecommunications equipment and facilities;
- Facilitation of entry into the market by private entrepreneurs and
- The promotion of fair competition and efficient market conduct among all player in the industry.

In line with the provisions of the NCC Decree, and having put in place the necessary *Licensing and Regulatory Framework, Conditions of Licences (General and Specific)* for the supply of telecommunications services as well as *Procedure for the Award of Licences*, Operating Licences and Permits have been issued in the following categories of telecommunications undertakings:

- Sales and Installation of terminal or other customer premises equipment e.g. telephones telex and fax machines.
- Provision and operation of public payphone.
- Provision and operation of private network links, employing cable, radio communications or satellite, within Nigeria.
- Provision and operation of public mobile communication e.g. cellular, paging and trunk radio.
- Provision and operation of community telephone e.g. for rural areas and estates.
- Provision and operation of value-added network services for banks, airlines, as well as the Internet, voice mail, and the electronic mail.
- Repair and maintenance of telecommunications facilities.
- Cabling e.g. external and internal telephone wiring for residences, offices and commercial premises.

To ensure that equipment, systems and terminals connected to our national telephone network do not degrade the network; a Type Approval Regimen is being implemented by the Commission to certify equipment and systems to be used by its licencees. This Type Approval regime goes beyond just type testing

of specific pieces of equipment. It also ensures that a minimum standard of telecommunications practice is maintained in the deployment of licensee's equipment. In addition, our monitoring facilities routinely provide reports on frequencies assigned to licensed operators in order to ascertain that the assigned frequencies are free of any unauthorised emissions.

From a monopoly situation in 1992, the last Seven years of this century have witnessed some competition in the Telecom sector in the Country through the operations of licensed telecommunications companies. The very modest gains of sector deregulation indicate improved availability, affordability (in some cases), and penetration of basic telephone in some Commercial Centers and Metropolitan Cities nation-wide. The populace now has more access to telephone services and options of service providers as well as some innovation in service offering and pricing. For instance, on and off peak pricing of telephone services has been introduced. Paging and value added services such as Internet, Voicemail and Electronic Mail are now increasingly being offered to the public. These are in the Lagos area with increasing spread and subscription in Port Harcourt, Enugu and Abuja. Payphone services have also become more widespread with different service providers in more cities across the country such as, Lagos, Ibadan, Enugu, Kaduna and Abuja.

In the cellular market, price reductions have been recorded for handsets. More is expected, with the gradual drop in prices generally as more operators begin service offering.

The banking and finance sector is reaping the benefits of deregulation as the telecommunications sector is creating more opportunities for investment. VSAT companies offering satellite-based services have also become operational, providing support for online banking and funds transfer services in the country. The level of investment in the country due to telecommunications liberalisation is currently valued at about Ten Billion Naira (N10 Billion). This is expected to rise with more operators coming on stream. Employment opportunities created in the country as a result of telecommunications liberalisation is in excess of 8,000 jobs.

In addition, the Commission is actively promoting the development and deployment of new Information and Communications Technologies (ICT). The Commission has identified the Internet and E-commerce as veritable tools for rapid development of the Nigerian economy. Considering the dearth of adequate human resources in this area, the Commission maintains an ultra-modern IT training centre where capacity building is achieved through collaboration with local and international expert organisations and individuals. In addition, the Commission provides support to the Nigerian Internet Group, which has been the catalyst for Internet development in Nigeria. The Commission has co-sponsored and hosted several international and local seminars/workshops in furtherance of this, including the recently concluded AFRINET '99 where resolutions to move

the Internet forward in the whole of Africa were reached. African Ministers have formed a consultative group to pursue Internet development across the continent.

Furthermore, in response to the emerging Global Telecommunication operating systems, the Commission is finalising a policy position on the introduction of *GMPCS (Global Mobile Personal Communications by Satellite)* services in the country. The aim is to make telephony services available through a new generation of communications satellites capable of servicing remote and rural areas in the country, where terrestrial infrastructure is not available.

These modest achievements have come about amidst a number of constraints. The following will help ensure a robust, independent and autonomous NCC.

- Proper Regulatory Framework – Nitel currently enjoys a special status, which does not make for a level playing field in the sector. This needs to be addressed in order to bolster confidence in the industry and attract the right type of investors.
- Full Autonomy for the Commission –It is desirable that the NCC is independent in performing its regulatory functions as recommended by the ITU and practiced elsewhere in the world.
- Financial Empowerment – It is desirable that the NCC becomes self-reliant to ensure that adequate funds are available for her to gain access to the necessary human capital and other assets required for efficient performance. The Commission should be assisted to achieve this objective soonest to enable it perform its functions transparently, openly and without discrimination.

As indicated above, only modest achievements have been recorded as a result of deregulation of the telecommunications industry in Nigeria. As part of its functions of making inputs necessary for policy formulation to the Ministry of Communications, the NCC held a pre-summit meeting of experts to help it synthesize positions and perspectives on issues affecting the Telecommunication industry development. A full text of the meeting's report that elaborates on the issues touched on above will be made available to you.

I thank you for your attention.