

CTO FORUM 2004



A PRESENTATION ON REGIONAL REGULATORY CAPACITY DEVELOPMENT AND REGIONAL CONNECTIVITY

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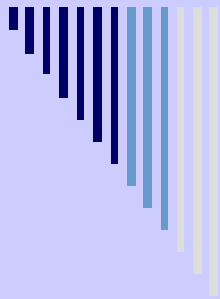
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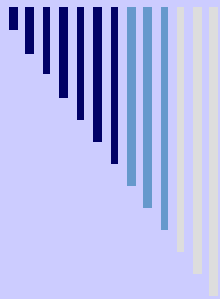


■ PART A



INTROUCTION

- The last 50 years have witnessed the emergence of a number of regional economic blocks around the world.
- The proximity of the countries to each other within a region , often dictates socio-cultural and commercial ties
- Also countries coming together as one economic block is seen as advantageous in an era of globalisation.
- Regional integration no doubt increases commercial opportunities within the given region.



□ PART B



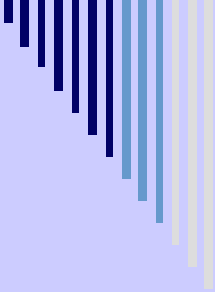
TELECOMMUNICATIONS AND REGIONAL INTEGRATION

- **Regional integration is usually associated with free flow of people, goods and services across the region.**
- **Commercial transportation (air, land and sea) no doubt play a very important role in social and commercial activities.**
- **However, one cord that runs across all activities, is the need for timely flow of information (voice, data and video) across all the sectors of the regional economy.**
- **Effective information flow, both within the region and from the region to the rest of the world, is essential for economic well being of the region.**



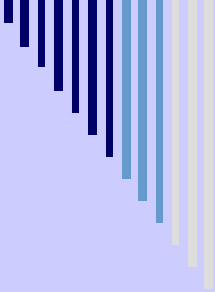
DISPARITY AMONG COUNTRIES WITHIN REGIONAL UNIONS

- **A look across the world reveals that some regional blocks have the challenge of countries in the region not having the same level of development in ICT.**
- **A number of sub-regional blocks in Africa and the Asia Pacific regions still have huge disparities between the nations with respect to ICT infrastructure.**
- **More challenging is the fact that some regional blocks do not have transmission infrastructure that directly connect the nations to one another nor cross-border connectivity for the nations that share common borders.**



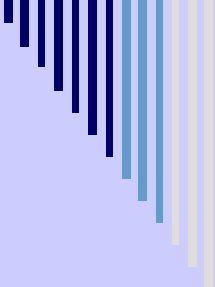
DISPARITY AMONG COUNTRIES WITHIN REGIONAL UNIONS - 2

- **The result is that calls from one neighbouring country to another are routed via satellite through another distant country at great expense to the calling parties.**
- **Thus limiting the flow of information at affordable rates.**



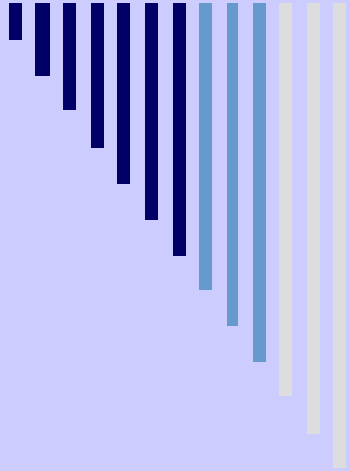
REGIONAL REGULATORY CAPACITY DEVELOPMENT

- **To address the need for regional ICT capacity development and facilitate regional connectivity a number of regulatory unions emerged especially in Africa.**
 - **TRASA for the South African Sub-region**
 - **WATRA for the West African Sub-region**
 - **ARICEA for the East African Sub-region**
 - **ARN for the ARAB states**
- **With the wave of deregulation and market liberalisation in the Communications industry several countries have found the need to set up National Regulatory bodies to manage the evolving competitive market.**



REGIONAL REGULATORY CAPACITY DEVELOPMENT (CONTD.)

- **Market Liberalisation must come with strong Regulatory framework to ensure viable competition**
- **Regulators must be skilled, well trained and empowered to be effective**
- **Regional Regulatory Bodies can share resources, facilities and experiences to save high costs of setting up effective regulatory institutions**
- **Regional Regulatory Bodies can help to articulate regional positions; encourage adoption of uniform technical and quality standards; promote harmonisation of ICT policies within the region; and facilitate regional/cross border connectivity**



PART C





NEED FOR REGIONAL/CROSS – BORDER CONNECTIVITY

- **To facilitate trade, commerce and socio-cultural integration through the establishment of an effective ICT infrastructure, appropriate policy, legal and regulatory framework for cross-border connectivity need to be put in place**
- **Following the global trend of vigorous pursuit of market liberalisation in individual member states, it may also be necessary that incentives are also given to investors to encourage regional/cross border connectivity**



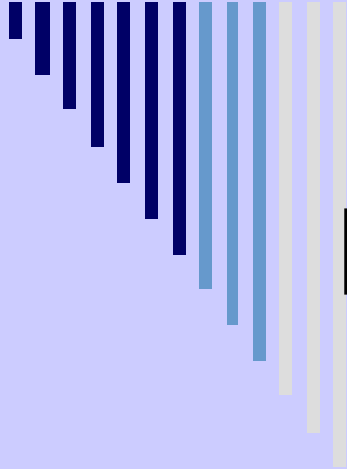
NEED FOR REGIONAL/CROSS – BORDER CONNECTIVITY - CONTD.

- **The economy of most individual member states may be too small to sufficiently encourage the desired level of economic activities.**
- **Integrating all the economies of a region into one big market will create the impetus for more investment.**
- **The need to grow the official intra-regional trade and improve the competitiveness of the region in world trade demands free flow of information within a region**
 - ✓ **This will deter competitive threats and take advantage of the opportunities that emerge in the global market, such as transport of international ICT traffic.**
 - ✓ **The region will present a larger market to investors and provide an opportunity to achieve standardization and economies of scale, factors that may be decisive in investment decisions.**



NEED FOR REGIONAL/CROSS – BORDER CONNECTIVITY - CONTD

- **Regional integration usually presents big challenges in coping with the potentially huge volume of information to be generated, and the transmission of such information from one country to another within a region**
 - ✓ **Interconnection of ICT infrastructure across the region will be a necessary requirement.**



**FACTORS TO CONSIDER
IN REGIONAL/CROSS-
BORDER CONNECTIVITY**



FACTORS THAT INHIBIT REGIONAL CONNECTIVITY

- **Lack of policy harmonization within the region and possible policy inconsistency within individual member states**
- **Over emphasis on territorial integrity and independence of member states**



FACTORS THAT INHIBIT REGIONAL CONNECTIVITY

- **Lack of cooperation between private operators within the region, leading to low investment initiatives for regional connectivity.**
- **Lack of established common interconnection framework across the region**
- **Lack of pervasive regional roaming facilities.**



FACTORS THAT WILL PROMOTE REGIONAL CONNECTIVITY

- **Establishment of an effective Regional Regulatory forum for the development of a common facilitative policy, legal and regulatory framework for the region**
- **Improvement in the sources of investment capacity available to network operators and service providers in the region**



CONCLUSION

- **Governments must as a priority, facilitate the building of a Regional Backbone Infrastructure that is Robust and Big enough to support seamless regional/cross-border connectivity.**
- **The installation of fibre optic cable on power lines that carry electricity supply between countries (where they exist) must be made mandatory to reduce costs associated with Rights of Way.**
- **Investors who have interest in setting up operations in several countries in the region should be accorded priority status in the Issuance of Operating Licences**
- **There is need to encourage competition in the International Gateway Services to improve efficiency.**



CONCLUSION – CONTD.

- **Regional initiatives such as TRASA, ARIECEA WATRA, to be encouraged and strongly supported by governments in the region.**
- **Governments to encourage the establishment of a Regional Forum for Regulators, Policy Makers and Telecom operating companies to meet on a regular basis (at least once a year) to articulate strategies to enhance roll-out and connectivity.**



Thank You.

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