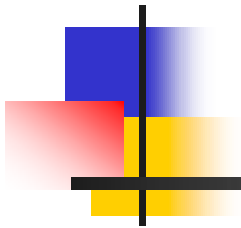


*WDR EXPERT FORUM 2004*

STIMULATING INVESTMENT IN NETWORK  
DEVELOPMENT



**SHARING THE NIGERIAN EXPERIENCE AND  
LESSONS**

By Engr Ernest C.A. Ndukwe  
Chief Executive Officer,  
Nigerian Communications Commission  
Cairo, May 3<sup>rd</sup> 2004



# Introduction

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- Revolution is now taking place in telecoms in Africa
  - Africa is becoming the fastest growing region in the world for mobile communications (The ITU, 2003)
- Propelled by Market liberalisation, Wireless Networks, Prepaid billing and IP technologies.



# Introduction

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- Africa presents the most fertile ground for investments in telecoms

**“The enormous growth potential and revenue per line is higher in Africa than elsewhere.”**

- Hamadoun Toure, 2003

Head of the ITU Telecommunication Development

Bureau



# POSITIVE IMPACT OF MARKET REFORM

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## **Sector Reform Will Usually**

- Improve services
- Eradicate misuse of monopoly powers
- Attract local & foreign investment
- Encourage innovation and introduce advanced services
- Generate government revenues
- Increase sector efficiency through competition

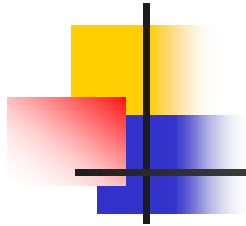
# NEED FOR SECTOR REFORM – Cont'd



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- Right policies and a good regulatory environment, contribute to attracting investment by providing stable, transparent and non-discriminatory access to telecommunications resources.
- Government commitment to reform is essential and must be total
- Half-hearted reform measures limit inflow of private capital required to accelerate network expansion

# The Nigerian Scenario



- Regulatory body, the Nigerian Communications Commission (NCC), was established by law in Nov. 1992.
- Commenced operation in mid 1993 with the inauguration of the first Commission.
- Commenced full market liberalisation in 2000.

# The Nigerian Scenario – Contd.



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- The last few years have seen a notable increase in private sector involvement in the Nigerian Telecommunications Industry with the:
  - ✓ Successful auctioning of the 2G Digital Mobile Licenses in January 2001 (Total of four GSM licenses issued).
  - ✓ Licensing of Fixed Wireless Access (FWA) Operators in 2002, (both national & regional licenses issued).
  - ✓ Licencing a Second National Carrier in 2002.
  - ✓ Preparation of the Incumbent Operator for privatisation.

# The Nigerian Scenario - Contd.



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- Several Internet Providers licensed to encourage fast growth of Internet nationwide.
- The Regulatory Body has been strengthened, and is receiving full support from the government.
- A National Telecom Policy (NTP) released in September 2000.



# The Nigerian Scenario- Contd



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- A new Communications Law was enacted in July 2003
- The new law significantly empowered the NCC by giving it operational and financial independence
- The new law also established a Universal Service Provision Fund Agency

# The Nigerian Market - Score Card

	December 1999	December 2002	December 2003
Number of Connected Fixed Lines	450,000	702,000	850,000
Number of Connected Digital Mobile Lines	None	1,594,179	3,100,000
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
Private Investment	\$50m USD	\$2,100m USD	\$4,000m USD (est.)

# The Nigerian Market



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- The deregulation and liberalisation of the telecom industry has brought with it a lot of advantages for the Nigeria economy
- The economic benefits include; attracting new investments, providing needed infrastructures and creating innovative services
- Investment in telecommunications tends to trigger an economic chain which in the case of Nigeria has positively impacted other sectors of the economy

# The Nigerian Market Contd.

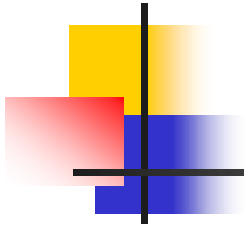


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- **TWO AND HALF YEARS OF TELECOM SECTOR REFORM HAS BROUGHT ABOUT:**

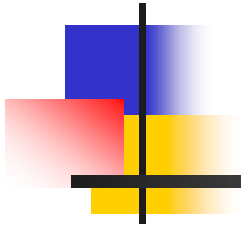
- ? Substantial private sector investment
- ? Increase in number of market players
- ? Unprecedented Growth in the Network
- ? Expanded geographical coverage
- ? Empowerment of the citizenry
- ? Employment Creation
- ? Economic Stimulus

# CONCLUSION



- Liberalisation accelerates network growth and provides the consumer with choice
- Closed markets will continue to lag behind
- Half-hearted sector reform measures limit private investment in-flow and network expansion.
- Success stories should be emulated
- Current successes in the continent can be greatly enhanced by dismantling restrictions that limit competition

# Thank You All



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