

KEYNOTE REMARKS BY DR. AMINU MAIDA, EXECUTIVE VICE CHAIRMAN, NIGERIAN COMMUNICATIONS COMMISSION (NCC), AT THE 2024 ANNUAL CORPORATE GOVERNANCE CONFERENCE, WITH THE THEME “CORPORATE SURVIVAL AND SUSTAINABILITY: THE NEW FACE OF GOVERNANCE” AT THE BALLROOM, ORIENTAL HOTEL, LAGOS, ON 10TH OCTOBER, 2024

Distinguished guests, esteemed colleagues, and members of the Society for Corporate Governance Nigeria,

It is a privilege to stand before you today at this pivotal conference, addressing a topic that is not only relevant to the telecommunications industry but crucial to the survival and sustainability of all corporate entities in Nigeria: **"Corporate Survival and Sustainability—The New Face of Governance in the Nigerian Telecoms Sector."** This theme reflects the challenges we face today and the opportunities that lie ahead for companies aiming to build resilient, sustainable futures.

As we gather to discuss the evolving landscape of corporate governance, I am reminded of how vital sound governance is for the sustainability of the telecoms industry, especially in a world that is becoming increasingly interconnected, digital, and susceptible to disruptions.

The Nigerian Telecoms Sector: A Success Story

The Nigerian telecoms sector has been one of the most outstanding success stories in our nation's economy. Since the liberalization of the sector in 2001, we have witnessed exponential growth—not only in subscriber numbers but also in the telecoms sector's contribution to Nigeria's GDP. From fewer than 500,000 active phone lines in 2001, we now have over 150 million active telecom subscribers, significantly contributing to the economy and creating employment opportunities.

However, with this success comes great responsibility. This rapid growth has placed enormous pressure on telecom companies to continuously evolve and innovate while maintaining high standards of ethics, transparency, and accountability. The telecom sector is critical to national security, economic growth, and social development, making corporate governance more important than ever. For our industry, governance practices are no longer just about compliance; they are essential for survival, sustainability, and growth.

Corporate Governance: The Pillar of Survival and Sustainability

The theme of today's conference emphasizes two key concepts: **survival and sustainability**. In the fast-evolving telecoms industry, these are not just buzzwords; they are imperatives for corporate existence and growth. Companies in our sector face increasing regulatory, environmental, and societal pressures. To survive and thrive, we must establish governance frameworks that not only ensure compliance but also foster innovation, trust, and long-term value.

Good corporate governance is the cornerstone of survival and sustainability. It provides companies with a roadmap to navigate complex challenges, mitigate risks, and build trust with stakeholders. At the Nigerian Communications Commission (NCC), we believe corporate governance must go beyond a set of rules; it must become a culture that permeates every level of the organization.

The Link Between Corporate Governance and Performance

Earlier this year, the NCC conducted a comprehensive analysis to assess the impact of corporate governance among our licensees. We examined key indicators such as board composition and diversity, board effectiveness, value systems, business conduct, compliance and ethics, audits, risk management, and corporate social responsibility. Our goal was to correlate these governance factors with financial performance and regulatory compliance over time.

The results were both enlightening and encouraging. We found a strong correlation between effective corporate governance and high regulatory compliance with NCC regulations. Furthermore, companies that excelled in governance demonstrated robust financial performance over time. This reinforces the undeniable truth that good governance is not just a regulatory requirement but a strategic imperative for business success and sustainability.

The New Face of Governance in the Telecoms Sector

What does the "new face of governance" look like in the Nigerian telecoms sector?

1. **Adaptability:** Our sector is evolving rapidly, driven by digital transformation, emerging technologies, and shifting consumer needs. Governance frameworks must be flexible enough to allow telecom companies to innovate and adapt to these changes while maintaining accountability and ethical standards.
2. **Data Privacy and Security:** As telecom operators collect vast amounts of data from millions of users, they have a duty to protect this information. Data breaches can have

catastrophic consequences for both the companies involved and the entire sector. Governance frameworks must ensure that data protection is a top priority, supported by strong internal policies and adherence to regulatory requirements such as Nigeria's Data Protection Regulation (NDPR).

3. **Sustainability:** In today's world, sustainability goes beyond environmental concerns. It includes maintaining operational resilience, supporting local communities, and contributing to national development. Telecom companies must adopt long-term strategies built on sustainable foundations, including responsible investment in infrastructure, employee welfare, and corporate social responsibility.
4. **Collaborative Leadership:** Governance is no longer solely the responsibility of boards and top executives. It must be embraced across all levels of the organization. From the boardroom to the front line, fostering a culture of compliance, ethics, and transparency is essential. Employees, suppliers, and partners must be part of the collective effort to uphold governance standards.

The NCC's Role in Corporate Governance

As a regulator, the NCC plays a pivotal role in shaping the governance landscape of the telecoms sector. Our focus is not just on enforcing compliance but also on creating an enabling environment that fosters good governance and long-term growth.

We are currently in the advanced stages of industry consultation on a revised set of Corporate Governance Guidelines, set to replace the "Code of Corporate Governance for the Telecommunications Industry 2016." These updated guidelines reflect the evolving needs of the sector and align with global best practices.

Some key features of the revised guidelines include:

- **Sustainability Reporting:** We are introducing mandatory sustainability reporting, requiring licensees to outline their Environmental, Social, and Governance (ESG) goals. This aligns with global standards and underscores our commitment to sustainable development.
- **Regulatory Officer Role:** To strengthen regulatory reporting and ensure compliance, we are emphasising the role of the Regulatory Officer within our licencees. The Regulatory Officer will be critical in overseeing regulatory compliance and fostering a culture of integrity and accountability.

The revised guidelines set out principles for board practices, shareholder rights, internal controls, and transparency. However, regulation alone cannot drive good governance. It is up to each company to take ownership of its governance frameworks and embed these principles into daily operations. We expect telecom companies to go beyond mere compliance and

actively pursue governance excellence, recognizing that strong governance is key to long-term success.

The Way Forward: Building Resilience for the Future

Looking ahead, the telecoms sector faces exciting opportunities as well as significant challenges. The rise of 5G technology, the growing importance of cybersecurity, the need for greater broadband penetration, and the increasing demand for digital services present immense opportunities for growth. However, these also come with regulatory, operational, and societal challenges that require robust governance.

To thrive in this environment, telecom companies must embrace a forward-thinking approach to governance—one that is flexible, data-driven, collaborative, and sustainable. By doing so, they will not only ensure their survival but also contribute to national development.

At the NCC, we are committed to working with telecom operators, stakeholders, and government agencies to promote good governance, foster innovation, and create a sustainable telecoms sector that meets the needs of today and tomorrow.

Closing Remarks

In conclusion, corporate governance is not just a regulatory obligation; it is the foundation for the success and sustainability of our industry. As leaders in the telecoms sector, we have a collective responsibility to ensure that our governance frameworks are robust, adaptable, and aligned with the realities of a rapidly changing world.

I would like to thank the Society for Corporate Governance Nigeria for this opportunity to share these insights. I look forward to continued collaboration as we work together to build a stronger, more sustainable future for the Nigerian telecoms industry.

Thank you.

Dr. Aminu Maida