

Implementing Effective ICT Regulations and Policies

**(How to create facilitating regulatory
environments – The Nigerian
Telecommunications Experience)**

**Dr. Eugene Juwah
Executive Vice Chairman/CEO**

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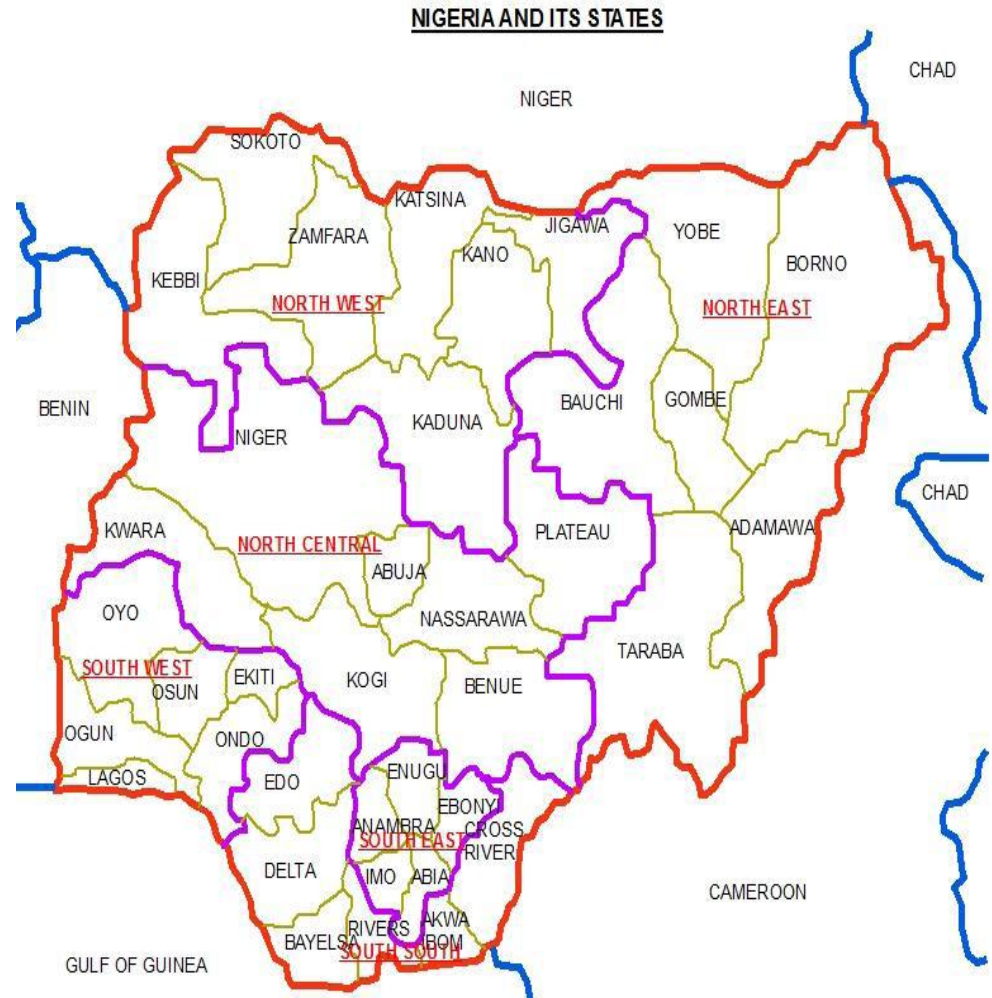
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Country Profile

Country	Nigeria
Population	168.8 million
GDP*	494Billion USD
Land Area	923,768 square kilometer
Location	West Africa



Source: World Bank, 2012 Data

*Source: Nigerian Bureau of Statistics, 2013 data

Nigerian Telecommunications Industry Objectives

The Nigerian vision 2020 objectives for the ICT thematic area include the development of

- A globally competitive industrial and service sector driven by ICT tools
- A highly skilled workforce with relevant ICT skills
- Modern ICT driven education system
- **Widespread** infrastructure deployment and a high level of ICT penetration across the country
- Advanced and **reliable** ICT infrastructure

Telecommunications Industry Environment

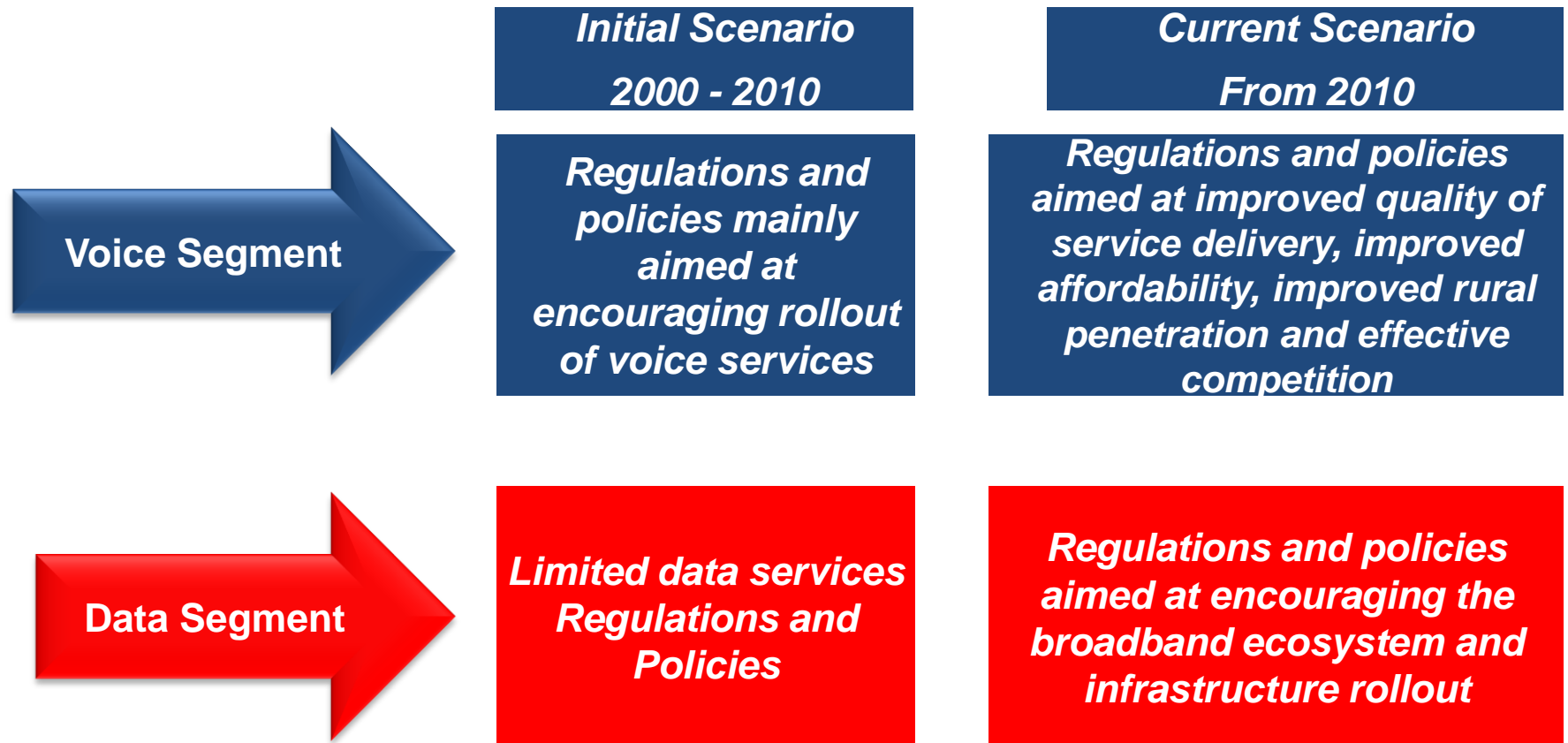
- Initial Phase (As at 2000)
 - Low telecoms voice service penetration (less than 0.5%)
 - Extremely low internet penetration (less than 0.01%)
 - Non-existent broadband service
 - Resources like frequency spectrum assigned via administrative means only
 - Bureaucratic bottleneck in licensing and spectrum allocation
 - Virtually non-existent mobile service
 - Ineffective legal framework underpinning the regulatory environment
 - State monopoly operator
 - Non-existent metro and inter city fibre

Telecommunications Industry Environment

- Current Phase
 - High telecoms voice service penetration (about 93%)
 - Improved internet penetration (over 40%) mainly via wireless access).
 - Low broadband penetration (about 6.1%)
 - Transparent operational licensing procedure and assignment of frequency spectrum processes (e.g. auction)
 - Widespread mobile voice services across the country
 - Nigerian Communications Act 2003 underpins the regulatory environment
 - Competitive industry with several operators
 - Inadequate Metro fibre in several cities
 - Over 30,000km long haul intercity fibre laid
 - Distribution and last mile connectivity constraints

Industry Scenario Based Regulations and Policies

Nigeria has undergone rapid transformation on account of the liberalisation of the telecommunications sector:



- Fast growing mobile internet subscriptions
- Over 90% of access to the internet in Nigeria is through wireless access

Regulations and Policies Implementation

Some Success Factors for Regulations and Policies Implementation in Nigeria

- **Consideration of the country's objective for the industry**
- **Understanding and considering unique industry scenario and conditions in Nigeria**
- **Understanding the pertinent issues to be addressed**
- **Crafting regulations and policies considering the country objective, industry scenario and conditions, the issues to be addressed, as well as the Nigerian Communications Act 2003**
- **Consultation with industry stakeholders**
- **Incorporating stakeholders feedback as may be required**
- **Implement regulations and policies fairly, firmly and forthrightly**
- **Transparent assignment of resources (like Frequency spectrum) and operational licensing processes. This assists to build confidence in the overall regulatory process**

Lessons Learnt from Mobile Voice Expansion in Nigeria

The number of active telephone subscriptions in Nigeria grew from about 400 thousand in 2001 to about 130 million as at March 2014. Some of the conditions that made this possible are:

- Clear regulatory frameworks governing the telecommunications industry in Nigeria
- A fair, firm and forthright regulator overseeing the industry
- An enabling environment and incentives to operators to rollout networks across the country
- Faster paced expansion of mobile services to different towns and cities compared to what would have been possible using fixed lines
- Fall in average mobile handset prices mainly due to economies of scale effects arising from standardisation of 900/1800 MHZ spectrum in most parts of the world
- Service expansion driven by multiple private operators and strong competition
- Strong demand for mobile telecommunication services

Conclusion

The development of the Nigerian Telecommunication industry over the last 11 years has been facilitated by:

- An enabling legal framework (Nigerian Communication Act 2003) which provided for the autonomy of NCC, and the legal basis for NCC to craft and implement effective regulatory frameworks for the telecommunications industry
- Implementing relevant regulations encompassing industry feedback as applicable aimed at achieving determined objectives of the industry
- Fair, firm and forthright implementation of regulations and policies

Thank You

Dr. Eugene Juwah
Executive Vice Chairman/CEO
Nigerian Communications Commission (NCC)