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Talking telecommunications in Nigeria

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Nigeria is the fastest growing **telecommunications** market in **Africa** and third in the world behind China and Brazil. As a virgin market experiencing rapid growth, Nigeria has become a preferred destination for international **technology investors** from South Africa, Middle East, Europe, Asia and North America. Some years ago, industry experts predicted the growth of telecommunication and ICT in Africa but never reckoned that Nigeria could grow astronomically from teledensity figures of 0.4 lines per 100 inhabitants in year 2000, to teledensity figures of 42 lines per 100 inhabitants in October 2008. Nigeria's mobile market gained more than 11.3 million new customers in the first half of 2008, expanding by 28 percent to reach 51.7 million mobile users. Nearly 4 million customers were added in the first quarter of 2008, while an impressive 7.3 million were added in the second quarter of 2008. Instead of slowing down, the growth of Nigeria's mobile market appears to have accelerated in previous quarters; by the end of June 2008, mobile penetration in Nigeria had exceeded 33 percent. In addition to strong second quarter performances from market leaders, a strong growth stimulus has come from the increasing number of service providers offering GSM and CDMA-based services. The African Development Bank (ADB) recently provided \$66 million for the development of a submarine fibre optic cable connection project along the West African coast. The project, totalling about US\$240 million, will involve the laying of 7,000 kilometres of submarine fibre optic cable between Lisbon in Portugal, Accra in Ghana, and Lagos in Nigeria. The 1.92 terabytes per seconds of available bandwidth will be leased wholesale to telecom operators and internet service providers on an open access basis. In spite of the achievements recorded so far in mobile phone penetration, there are still millions of Nigerians with limited or no access to ICT services due to the paucity in network infrastructure. Efforts by government agencies, universities, and local and international ICT companies to develop the sector appear to be paying off through ADB and other private initiatives. Since 2001, the Nigeria Communication Commission has licensed various digital mobile operators, fixed wireless access operators, long distance operators, internet service providers, a second national carrier and more recently, launched the unified access service license, to promote competition in all segments of the market.

A good investment

From the paltry sum of US\$50 million invested by 1999, private sector investments in Nigeria today stand at more than US\$12 billion. The country now boasts six mobile networks with all 36 state capitals covered by both voice and data services through GSM and CDMA technologies. Out of Nigeria's 59 million active phones, only about 13 million are in rural areas, where 80 percent of the population resides. To narrow this gap, the Nigeria Communication Commission plans to offer fixed wireless access telephony licences for populations in areas not serviced at the moment including underserved urban and rural areas in Nigeria. In the ICT sector, Nigeria had 117 internet service providers with 1.52 subscribers and 6.75 users per 100 inhabitants at the end of 2007. The growth of ICT has transformed business practices, making business more cost effective, developing financial markets and e-learning including open and distance learning. The Nigeria Communication Commission's strategic focus is to actively pursue the provision of ICT access to all Nigerians within a five-kilometre radius by 2010. The explosion in telecommunications and mobile technology not only gives Australian businesses opportunities in hardware, software and services, but also investment. To find out more about the sector, visit [October First Consulting](#), an investment communication firm specialising in business opportunities in Africa. OctoberFirst is a member of the NSW Business Chamber.

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