

INVESTMENT OPPORTUNITIES IN NIGERIA

TELECOMMUNICATIONS INDUSTRY

Part I

General Investment Information

General Information on Nigeria

- The 1991 census places the country's population at 88.5 million. It is however commonly believed that the Nigerians population is in excess of 100 million.
- Nigeria has a total land area of approximately 913,000 square kilometres.
- GDP (if possible).

General Business Information

- Regular regulatory agencies include
 - Immigration authorities
 - Customs
 - Corporate affairs commission for company incorporation and transactions generally
 - NIPC for obtaining business and investment permits, etc
 - Securities & exchange commission in regard to public flotation and issues
- Banking and finance
 - There are about 65 commercial banks, about 34 merchant banks and about 4 development banks
 - There are mainly 2 banking regulatory bodies – the central bank of Nigeria and the Nigerian deposit insurance corporation
 - NIPC decree guarantees unrestricted transferability of dividends or profits (net of tax) attributable to foreign investment in Nigeria and capital repatriation in the event of liquidation

Part II

Telecommunications Information

Existing Facilities

- NITEL is the sole carrier operation with the following capacity:
 - Number of exchanges
 - Transmission capacity
 - 4 International Gateway earth stations
 - 700,000 Subscriber base

- It offers basic telephony and value added services
- Mobile telephony
 - M-Tel is the leading service provider
 - It uses analogue equipment
 - It's current subscriber base is about 15,000
 - Mobile services are offered to some key commercial centres in Nigeria

Regulatory environment

- Pre-NCC Decree period
 - NITEL had monopoly as far as service provision is concerned
 - There however was Free and unregulated market as far as equipment supply is concerned
- NCC Decree 1992
 - Created NCC with the primary function of promoting and regulating competition in service provision
 - It had the capacity to license service providers
 - There are 8 undertakings for which licenses could be issued and these include private network links, payphone services, value added services, etc.
 - International access service provision remain the exclusive preserve of NITEL
 - The Decree does not provide for licensing additional carriers
- Post NCC-Decree activities
 - Number of licenses that have been issued as at date
 - 7 network operators have as at date signed Interconnectivity Agreements with NITEL and there are a number of Internet Service providers.

Government's plans

- New civilian administration was sworn in on May 29, 1999
- Announced plans include the following:
 - Privatisation of NITEL to be followed by
 - Appointment of additional carriers
- Current activities include:
 - Review and planned modification of telecommunications policy
 - Review of licenses granted for the different undertakings

Equipment Supply and Manufacturing opportunities

- There is no existing manufacturer of any telecommunications equipment in Nigeria

- There are some manufacturers and suppliers of copper cable – not optic fibre cable
- Nigeria is a free market for equipment suppliers provided equipment meets NCC specifications

Opportunities for Investors in the Telecommunications Sub-sector

- Service provision in any of the approved undertakings
- Equipment manufacture
- Support services e.g. Internet support services and web-based activities