



Spotlight on Nigeria

Delivering a digital future



The role of mobile technology in building Nigeria's digital economy

Growth in the adoption of digital services by government, businesses, and consumers is having a positive impact on daily life in Nigeria. Mobile technology is playing an increasingly central role in the country's economy and, for the majority of Nigerians, mobile broadband is the first and only technology for accessing the internet, opening the door to a whole new world.

NIGERIA MOBILE LANDSCAPE AT A GLANCE

SEPTEMBER 2018

UNIQUE MOBILE SUBSCRIBERS

97.5M,

RISING TO **130M**
BY 2025



Around half of unique subscribers also use **mobile internet services**

MOBILE PENETRATION

49%,

RISING TO **55%**
BY 2025



Compared to fixed-line penetration of **less than 1%**

TOTAL CONNECTIONS

151M,

RISING TO **210M** BY 2025



Of which 3.2m are cellular IoT connections

SMARTPHONE ADOPTION

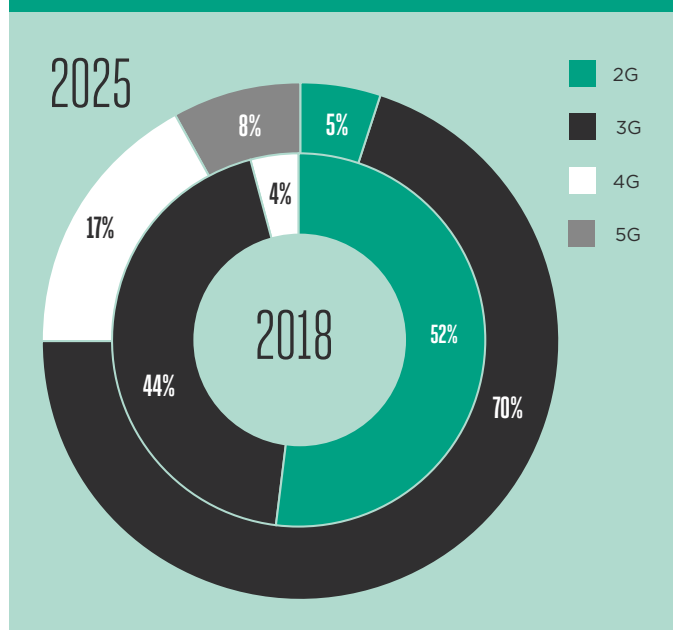
53M SMARTPHONE CONNECTIONS,

RISING TO **144M** BY 2025



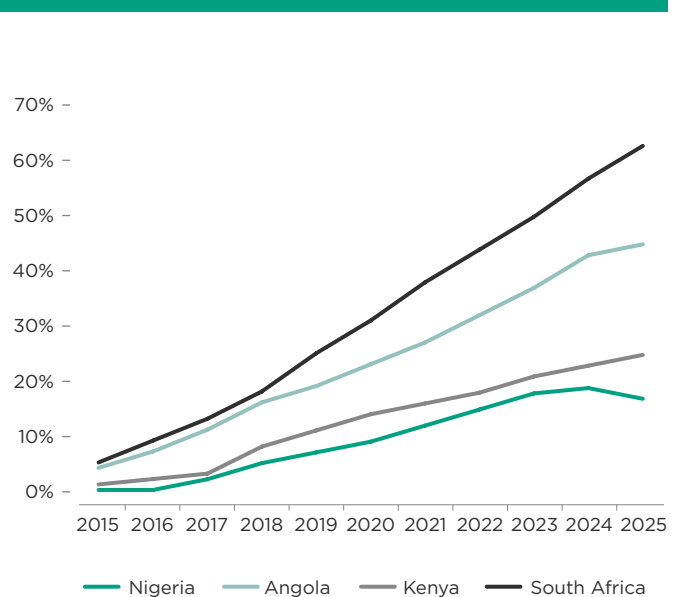
Smartphone adoption rate of **36%**

More Nigerians are getting access to mobile broadband...



GSMA Intelligence

...but the country lags regional peers in 4G adoption. Helping accelerate adoption would set the stage for more advanced services and a bigger positive societal impact.



GSMA Intelligence

Competitive landscape



- The total amount of spectrum assigned to mobile in Nigeria is 470 MHz
- This is far in excess of the Sub-Saharan African average of 268 MHz
- Some inefficiencies may exist in the utilisation of spectrum, as around a quarter of the spectrum assigned to mobile is being used by a few service providers that jointly account for less than 2% of the mobile market
- This includes 50 MHz of valuable sub-1GHz spectrum, which is vital for creating good nationwide mobile broadband coverage

MOBILE CONTRIBUTION TO SOCIAL DEVELOPMENT AND ECONOMIC GROWTH

Mobile technology is having a direct and positive impact on the daily lives of Nigerians, by fostering inclusive growth and enhancing the productivity and efficiency of the economy.

ECONOMIC IMPACT OF THE MOBILE ECOSYSTEM, FY 2017

\$21B

Total value added the mobile ecosystem to GDP, representing 5.5% of GDP

Nearly
500,000
direct and indirect jobs



\$1.8B



Total tax contribution of the mobile ecosystem, equivalent to 16% of government tax revenue



MOBILE AS A PLATFORM FOR DIGITAL INNOVATION

Mobile connects more Nigerians to the internet than any other technology, and has become the primary platform for creating, distributing and consuming digital content and services across multiple sectors.

Policies underpinning digital transformation

As evident in the transforming impact of the mobile sector in Nigeria, mobile changes the way in which we live and interact with the world around us: with access driven by competitive markets, sufficient spectrum and modernised regulation. The challenge for both government and the mobile sector is to ensure that as many as possible continue to benefit from mobile connectivity, enabling digital lifestyles and facilitating economic development. Without this, citizens will be let down, and productivity and competitiveness will suffer.

The next generation of mobile technology offers huge potential ushering in an era of lightning-fast mobile connectivity and new digital possibilities. It is important, therefore, that Nigeria takes full advantage, fostering inclusive growth and enhancing the productivity and efficiency of the economy.

Looking ahead: critical steps to accelerate digital transformation

With spectrum allocation and licensing crucial in the delivery of Nigeria's digital future, the GSMA has identified support for and release of harmonised spectrum, and a modernised licensing framework as fundamental building blocks for future growth.

Spectrum

1. The harmonisation of 1427-1518 MHz and 3.3-3.6 GHz makes them critically important bands for mobile operators seeking to offer the power of new mobile services to consumers and businesses. Making these bands available for assignment to mobile operators will be a core component in reinforcing Nigeria's position as Africa's leading mobile market.
2. With active participation in the ITU WRC process, Nigeria is hugely influential. With a year still to go until WRC-19, leading the region in support of identifying new IMT bands that 5G will benefit from, especially on 26GHz, will be crucial.

Licensing

3. A future-fit licensing regime will promote market growth and development.

Streamlined licensing frameworks and future-fit licence conditions boost investor confidence and enable increased connectivity. Changes in the market and technologies have resulted in an unfit licence framework and redundant licensing conditions, which could act as an impediment to future growth. Growth in demand for digital services also requires adherence to a flexible service authorisation regime to allow for adaptability in licensees' business models. Given the NCC's historic reputation as an innovative agency in its approach to regulating and licensing, the GSMA recommends the following reforms:

- Retire the Digital Mobile Licence, the National Carrier Licence and the International Gateway Licence;
- Eliminate superseded conditions in the Unified Access Service Licence (UASL) and migrate many others towards a supplementary general UASL conditions document or to parallel regulations;
- Transition to an indefinite duration for the UASL;
- Guarantee a true unified approach to licensing, permitting licensees to offer the full range of services, as per the UASL scope of services provision;
- Provide coverage obligations via radio frequency licences.



GSMA HEAD OFFICE

Floor 2, The Walbrook Building, 25 Walbrook,
London, EC4N 8AF, United Kingdom
Tel: +44 (0)20 7356 0600

www.gsma.com

©GSMA 2018