# *NIGERIAN TELECOMMUNICATIONS SECTOR*

*(2010 -2014)*

National Bureau of Statistics

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# 1. INTRODUCTION

Development in the Nigeria telecommunications sector shows overall positive growth garnered by entry of several operators in the market space, additional services such as SMS messaging, lower tariff rates for longer call durations and most especially exponential increase of subscribers lines over the years. The industry has attained measurable progress along these parameters followed by the successful activation of over 127 million lines in the country, which makes Nigeria's teledensity the highest ranked in Africa according to the Nigerian Communication Commission report on subscribers and network data 2013.

In this report we will look at industry from the perspective of ingoing and outgoing calls in the domestics and international region of the network. We will also look at the SMS messaging also classified under the domestic and international space year in year out. And finally we will look at pricing tariffs variations across each network.

# 2. TELECOMS INDUSTRY

## a. Growth in Subscriber Lines and Teledensity

The telecommunication industry showed a tremendous increase in the number of active lines across the years under review (2010-2013). Growth slowed in the number of active lines recorded in 2013 and 2014.

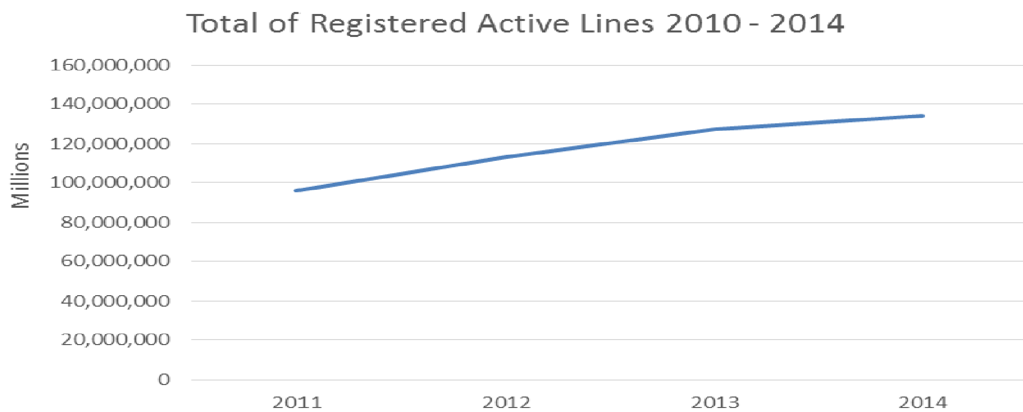



Fig 1.0 Total Registered Active Lines 2010 -2014

A total of **95.89 million** active lines were registered by the industry across various networks in 2011. The number of active lines grew significantly by 18% or **17.31 million** in 2011 to reach total of **113.20 million** active lines in 2012. The year 2013 recorded a relatively slower increase by 11.3% or **14.41 million** more lines to give a total of **127.61 million** active lines. And in the year 2014 a much slower growth of **6.90 million** lines or 5.1% (as at Sept) has been recorded.

## b. Mobile Operators-Local and National Telephone Traffic

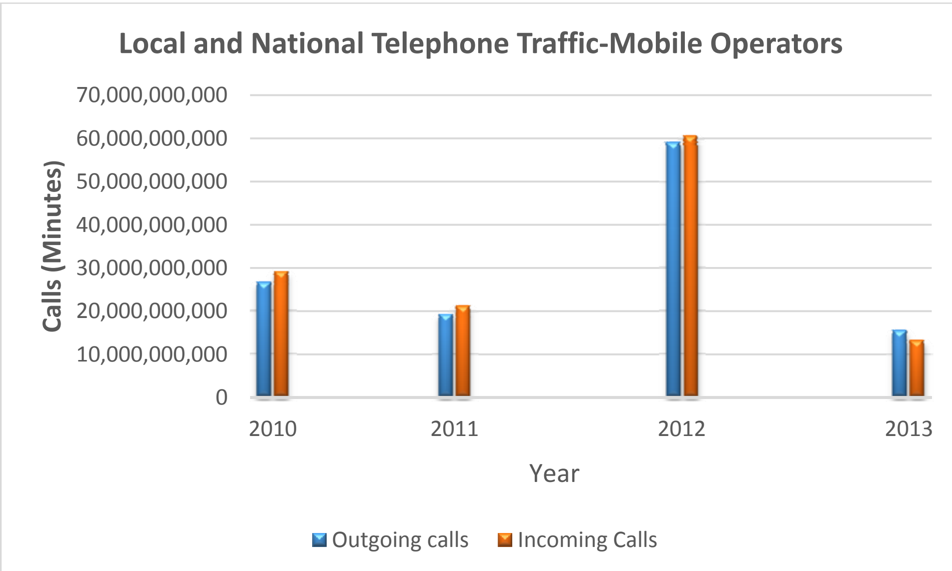



Fig 2.0 Total Outgoing and Incoming for Local Calls 2010 -2013

Domestic calls recorded by the industry between 2010 and 2013 showed no consistent trends pattern. In 2010, local outgoing calls stood at **26,484.67 million** minutes while the local incoming calls stood at **29,101.60 million** minutes, yielding a total of **55,586.27 million** minutes made across the four major networks in Nigeria in 2010. Year 2011 witnessed a drop in time spent on domestic calls which fell by 27% or **15,083.44 million** minutes to amount to a total of **40,502.83 million** minutes**.** Domestic calls further disaggregated showed local outgoing calls at **19,327.78 million** minutes while the local incoming calls recorded **21,175.05 million** minutes.

Year 2012 recorded the highest time spent on domestic calls compared to other years under review with local outgoing calls of **59,115.57 minutes** and incoming calls of **60,557.753 million** minutes yielding a total of **119,673.32 million** in minutes, this represented a significant increase of 95% or **79,170.49 million minutes** r. And in 2013, local outgoing calls slowed to **15,555.56 million** while incoming calls reduced to **13,204.28 million** in calls yielding a total of **28,759.84 million** minutes, a decrease from by **90,913.47** or 75% from levels recorded in the year 2012

## c. Mobile Operators-International Telephone Traffic

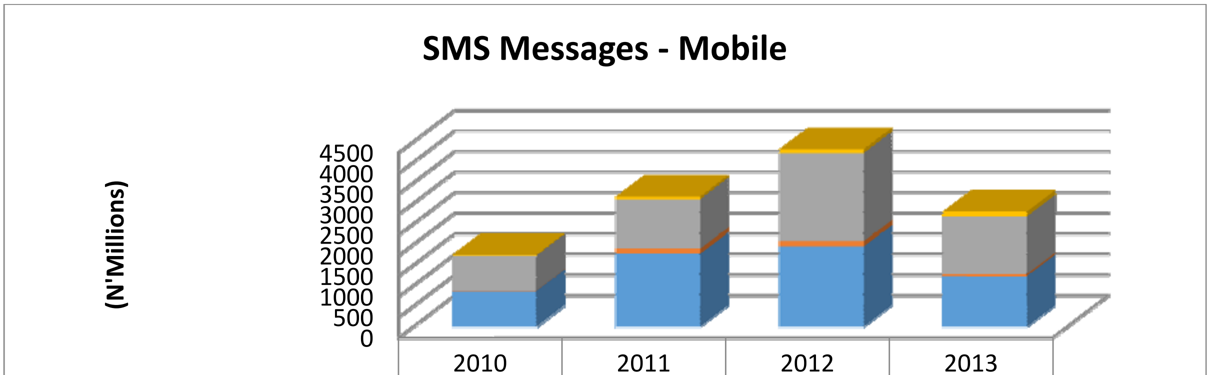

Fig 3.0 Total Outgoing and Incoming for International Calls 2010 - 2013

Relative to Domestic calls, International calls recorded classified by outgoing and Incoming calls were lower largely because tariffs are higher and therefore costly in call charges. The ratio of outgoing to incoming calls is approximately 1:1.6 in this category and remained steady in the 2010 – 2013 period. The year 2010 recorded **1,757.65 million** minutes of international outgoing calls and **2,888.64 million** minutes of incoming calls, totaling **4,646.28 million** minutes. In the following year 2011, a similar pattern was observed in international calls where outgoing calls of **1,250.45 million** minutes versus incoming calls of **2,253.78 million** minutes were recorded resulting to a total of **3,504.23 million** minutes of calls. This indicated a decrease of **1,142.05** or by 24% compared to the previous year.

In 2012, outgoing calls rose to **1,485.67 million** minutes, while incoming calls rose to **2,456.20 million** minutes, recording a total of **3,941.88 million** minutes across the networks. This aggregate represented an increase of **437.64 million** minutes or 12.4% compared to year 2011. A repetition in growth by 12.4% was noticed in the year 2013 showing outgoing calls of **1,799.31** and **2,461.77** of incoming calls resulting in a total of **4,261.08 million**.

# 3. SMS MESSAGING

## a. SMS Messages - Mobile Line Operators (Domestic and International)




| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| International Incoming | 16.25 | 63 | 92.57 | 115.45 |
| Domestic Incoming | 858.86 | 1198.14 | 2141.26 | 1403.49 |
| International outgoing | 8.14 | 126.08 | 127.92 | 47.39 |
| Domestic outgoing | 863.84 | 1775.82 | 1,953.28 | 1232.27 |

Fig 4.0 Total Outgoing and Incoming SMS Messages (MOBILE) 2010 -2013

The number of SMS messages sent and received in the year 2010 on mobile lines totaled **1,747.09 million** with outgoing text messages at **871.97** million and Incoming text messages at **875.12 million.** In the course of daily activity, **1,722.70 million** messages (98.6%) were sent and received in domestically while **24.39 million** messages (1.4%) were sent and received in internationally. In 2011, 80% growth in SMS messages sent and received to a total of **3,158.62 million were recorded**. During this period, Outgoing messages increased to **1,897.00 million** an approximately **1,000.00 million** increase or by 117%, and Incoming messages increased to **1,261.61 million**, a **386.00 million** increase or by 44%. In this same year **2,973.97 million** messages (94%) were sent and received in domestically while **189.55 million** messages (6%) were sent and received in internationally.

In 2012, the sector recorded substantial growth of SMS messages sent and received, with a total of **4,315.03 million** indicating a 36.6% percentage increase. Outgoing messages increased by 9% to amount to a total of **2,081.20 million** while Incoming messages increased by 77% to total **2,233.82.** During the year, a total of **4,094.54 million** (94%) messages were sent and received in domestically while **220.49 million** (5%) messages were sent and received in the internationally.

The Nigerian Communication sector in 2013 recorded a decline in the number of SMS sent and received. The total number of SMS sent and received in 2013 stood at **3,394.94 million** indicating a 21% decrease from 2012. The Outgoing messages in year 2013 reduced to **1,555.02 million** by 25% and Incoming messages also reduced by 17% to equal **1,839.92 million** SMS in that year. The domestic activity recorded a total of **2,635.77 million** messages representing 77% of SMS sent and received in 2013, while **162.84 million** messages (4.7%) were sent and received internationally in the same year.

## b. SMS Messages - Fixed Line Operators

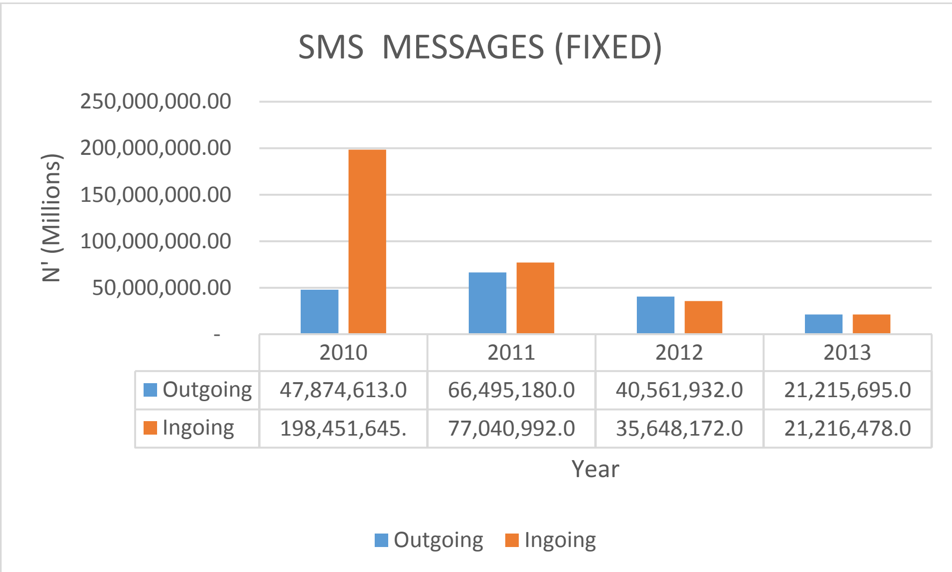



Fig 5.0 Total Outgoing and Incoming SMS Messages (FIXED) 2010 -2013

In 2010 the SMS Fixed Line service recorded only two operators in that market space. The total SMS sent and received grossed **246.32 million** in that year with Incoming SMS representing 80.5% and Outgoing SMS with 19.5% of the total. The year 2011 took a downward slide with a **97.68 million** reduction in the total number of SMS messages sent and received, indicating a 39.6% drop to **148.64 million** SMS in the same year. Incoming messages however, contributed 51.8% of the total SMS in 2011 showing a reduction of 61% from the previous year. The total number of SMS Messages in 2012 decreased compared to other years under review. A total of **76.31 million** SMS were recorded in 2012 of which Incoming and

Outgoing SMS contributed an equal share of 50% each to the total number of SMS messages in that year.

Finally, the year 2013 witnessed a further decrease in the number of SMS to a total of **42.43 million** SMS messages, representing a reduction of 44.3% compared to 2012. Similarly, Incoming and Outgoing SMS also contributed an equal share of 50% to the aggregate figure in that year.

# 4. TARIFF PLAN

## a. Prepaid Tariff Plan

Tariffs across the different networks averaged 20 to 50 kobo/sec with slightly higher tariffs during the off-net/off peak period. From the year 2011 that almost all the networks operators adopted the same tariff with the exception of MTN which, had the lowest tariffs of 20 kobo. The following year 2012, other networks followed MTN in tariff reduction to an average of 20 kobo/sec with the exception of Etisalat which maintained 40 kobo. The final analysis in 2014 shows all networks conforming to a uniform tariff price of 20 kobo/sec, with Airtel having the lowest tariff of 18 kobo/sec.

# 5. CONCLUSION

Within the 2010 to 2014 period, the telecommunications industry has made definite progress considering all indications above. Tele density stands at 91.7, the highest in the African continent, alongside an impressive subscriber base that beats South Africa's of over 127 active lines and growing but at a slower rate.

Over the 2010 to 2012 period, the national/local call traffic shows a sharp ascent indicating increased patronage across the networks, evidenced in 2012 by an increasing subscriber base. Similarity in the international call traffic shows a much slower climb in call activity from year to year but very encouraging results over the years growing at 12.4% as at 2013. The SMS (mobile) messaging peaked in 2012 by a 36% increase and never attained that level so far, while the SMS (fixed) messaging slowed by a 36% reduction.

Prepaid tariffs is hovering at the 20 kobo/sec rate (except for GLO which is at 18kobo/sec) and seems to be holding steady from the year on across all networks.

## APPENDIX

| Table (1) LOCAL AND NATIONAL TELEPHONE TRAFFIC FOR MOBILE OPERATORS (IN MINUTES) | | | | |
|---|---|---|---|---|
| | | | | |
| **NETWORK OPERATORS** | **2010** | | **2011** | |
| | **Outgoing** | **Incoming** | **Outgoing** | **Incoming** |
| **TOTAL** | **26,484,674,859** | **29,101,596,328** | **19,327,781,205** | **21,175,051,723** |
| | | | | |
| **NETWORK OPERATORS** | **2012** | | **2013** | |
| | **Outgoing** | **Incoming** | **Outgoing** | **Incoming** |
| **TOTAL** | 59,115,565,369*33 | 60,557,753,926.30 | I5,555,563,9I7.83 | *13,204,280,932.32* |

| Table (2) INTERNATIONAL TELEPHONE TRAFFIC FOR MOBILE OPERATORS (IN MINUTES) | | | | |
|---|---|---|---|---|
| | | | | |
| **NETWORK OPERATORS** | **2010** | | **2011** | |
| | **Outgoing** | **Incoming** | **Outgoing** | **Incoming** |
| **TOTAL** | 1,757,647,675.41 | 2,888,639,110.18 | **1,250,448,074** | 2,253.783,042.97 |
| | | | | |
| **NETWORK OPERATORS** | **2012** | | **2013** | |
| | **Outgoing** | **Incoming** | **Outgoing** | **Incoming** |
| **TOTAL** | **1,485,672,231.96** | **2,456,204,804.00** | 1,799,312,56441 | **2,461,771,282.00** |

| Table (3) TOTAL CONNECTED LINES | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **NETWORK OPERATORS** | **2010** | **2011** | **2012** | **2013** | **2014(as at Sept)** |
| MOBILE (GSM) | 96,648,272 | 109,822,964 | 135,253,599 | 159,758,538 | 179,973,274 |
| MOBILE (CDMA) | 12,132,584 | 12,687,645 | 14,041,587 | 7,684,026 | 3,812,184 |
| FIXED | 2,736,373 | 2,290,409 | 2,419,587 | 2,233,981 | 362,962 |
| **TOTAL** | 111,517,229 | 124,801,018 | 151,714,650 | 169,676,545 | 184148,420 |

| Table (4) TOTAL ACTIVE LINES AND TELEDENSITY | | | | |
|---|---|---|---|---|
| | | | | |
| **NETWORK OPERATORS** | **2011** | **2012** | **2013** | **2014(as at Sept)** |
| MOBILE(GSM) | 90,566,238 | 109,829,223 | 124,841,315 | 131,910,095 |
| MOBILE (CDMA) | 4,601,070 | 2,948,562 | 2,404,777 | 2,406,382 |
| FIXED WIRED/WIRELESS | 719,406 | 418,166 | 360,537 | 190,719 |
| **TOTAL** | 95,886,714 | 113,195,951 | 127,606,629 | 134,507,196 |
| **TELEDENSITY (%)** | 68.49 | 80.85 | 91.15 | 96.08 |

| Table (6) PREPAID TARIFF PLAN | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **2010** | | | | | |
| **Class of Tariff** | **MTN** | **GLO** | **AIRTEL** | **ETISALAT** | |
| **Local** | (Kobo/sec) | (Kobo/sec) | (Kobo/sec) | (Kobo/sec) | |
| On-net classic - Peak | 30 | 49 | 60k per sec-**1st** Min. 20k per sec after **1st** Min | 40 | |
| On-net classic - Off Peak | 25 | 49 | | | |
| Off-net classic - Peak | 35 | 49 | | 50 | |
| Off-net classic - Off Peak | 35 | 49 | | | |
| | | | | | |
| **2012** | | | | | |
| **Class of Tariff** | **MTN** | **GLO** | **AIRTEL** | **EMTS** | |
| **Local- Mobile to Mobile** | (kobo/sec) | (kobo/sec) | (kobo/sec) | (kobo/sec) | |
| On-net Classic-Peak | 20 | 20 | 6oK/Sec- 1st Min, 20k/ Sec After 1st Min | 40 | |
| On-net Classic-Off Peak | 20 | 20 | 6oK/Sec- 1st Min, 20k/ Sec After 1st Min | 40 | |
| Off-net Classic-Peak | 30 | 30 | 6oK/Sec- 1st Min, 30k/ Sec After 1st Min | 50 | |
| Off-net Classic-Off Peak | 30 | 30 | 6oK/Sec- 1st Min, 30k/ Sec After 1st Min | 50 | |
| | | | | | |
| **2013** | | | | | |

| Class of Tariff | MTN | GLO | AIRTEL | EMTS | |
|---|---|---|---|---|---|
| **Local- Mobile to Mobile** | (kobo/sec) | (kobo/sec) | (kobo/sec) | (kobo/sec) | |
| On-net Classic-Peak | 20 | 20 | 18 | 25 | |
| On-net Classic-Off Peak | 20 | 20 | 18 | 25 | |
| Off-net Classic-Peak | 20 | 20 | 18 | 25 | |
| Off-net Classic-Off Peak | 20 | 20 | 18 | 25 | |
| | | | | | |
| **2014(as at November)** | | | | | |
| **Class of Tariff** | **MTN** | **GLO** | **AIRTEL** | **EMTS** | |
| **Local- Mobile to Mobile** | (kobo/sec) | (kobo/sec) | (kobo/sec) | (kobo/sec) | |
| On-net Classic-Peak | 20 | 18 | 20 | 20 | |
| On-net Classic-Off Peak | 20 | 18 | 20 | 20 | |
| Off-net Classic-Peak | 20 | 18 | 20 | 20 | |
| Off-net Classic-Off Peak | 20 | 18 | 20 | 20 | |

| Table (7a) SMS MESSAGES (MOBILE) | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | **Outgoing (2010)** | | | **Incoming (2010)** | | |
| | **SMS SENT** | **SMS INTL** | **TOTAL** | **SMS RECEIVED** | **SMS INTL** | **TOTAL** |
| **TOTAL** | *863,835,957* | *8,142,101* | *871,978,058* | *858,869,555* | *16,250,475* | *875,120,030* |
| | | | | | | |
| | **Outgoing (2011)** | | | **Incoming (2011)** | | |
| | **SMS SENT** | **SMS INTL** | **TOTAL** | **SMS RECEIVED** | **SMS INTL** | **TOTAL** |
| **TOTAL** | *1,775,821,231.48* | *126,083,737.50* | *1,897,006,846.98* | *1,198,147,317* | *63,467,088* | *1,261,614,405* |
| | | | | | | |

| | Outgoing (2012) | | | Incoming(2012) | | |
|---|---|---|---|---|---|---|
| | **SMS SENT** | **SMS INTL** | **TOTAL** | **SMS RECEIVED** | **SMS INTL** | **TOTAL** |
| **TOTAL** | *1,953,280,250.85* | *127,924,705.27* | *2,081,204,955.77* | *2,141,255,783-00* | *92,565,924.00* | *2,233,821,707.00* |
| | | | | | | |
| | **Outgoing (2013)** | | | **Incoming(2013)** | | |
| | **SMS SENT** | **SMS INTL** | **TOTAL** | **SMS RECEIVED** | **SMS INTL** | **TOTAL** |
| **TOTAL** | *1,232,273,941'00* | 47,394,935-00 | *1,555,019,372.00* | *1,403,492,489-00* | *115,445,114-00* | *1,839,915,863.00* |

| Table (7b) SMS MESSAGES (FIXED) | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| **2010** | | | | | | |
| | **Outgoing** | **Incoming** | **Total** | | | |
| **TOTAL** | *47,874,613* | *198,451,645* | *246,326,258* | | | |
| | | | | | | |
| **2011** | | | | **2012** | | |
| | **Outgoing** | **Incoming** | **Total** | **Outgoing** | **Incoming** | **Total** |
| **TOTAL** | **66,495,180** | **77,040,992** | **148,645,407** | **40,561,932** | **35,648,172** | **76,310,104** |
| | | | | | | |
| **2013** | | | | | | |
| | **Outgoing** | **Incoming** | **Total** | | | |
| **TOTAL** | **21,215,695** | **21,216,478** | **42,432,173** | | | |

| Table (8) TOTAL NUMBER OF EMPLOYEES (Mobile) 2011 - 2013 | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| **Sex** | **2011** | | | **2012** | | |
| | Nigerian | Expatriate | Total | Nigerian | Expatriate | Total |
| Male | 5,482 | 268 | 5,750 | 2,826 | 28 | 2,854 |
| Female | 2,563 | 6 | 2,569 | 2,188 | - | 2,188 |
| **Total** | **8,045** | 274 | 8,319 | 5,014 | **28** | 5,042 |
| | | | | | | |
| **Sex** | **2013** | | | | | |
| | Nigerian | Expatriate | Total | | | |
| Male | 5,871 | 241 | 6,112 | | | |
| Female | 2,912 | 7 | 2,919 | | | |
| **Total** | **8,783** | 248 | 9,031 | | | |