



## Telecommunications

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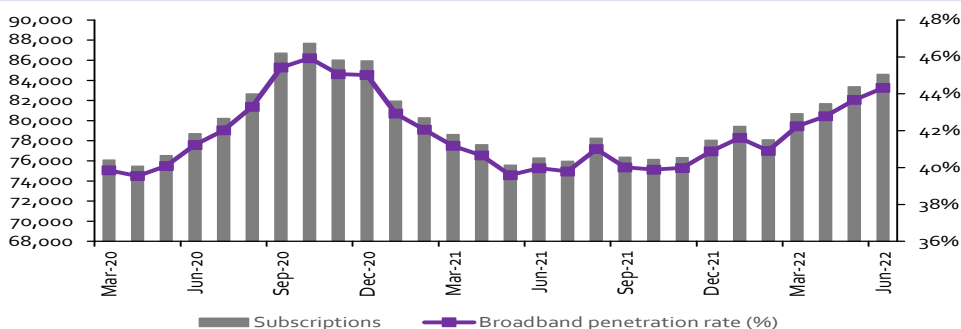
### Improvement in broadband penetration in 2022

In our last report on the country's broadband penetration (See **CSL Nigeria Daily 02 February 2022**—Is broadband penetration set to grow in 2022?), we espoused our view that after a disappointing performance in broadband penetration in 2021 due to the SIM-NIN integration exercise, 2022 will be better off, indicating that penetration would rise in the year, albeit at a gradual pace. True to our prognosis, the broadband penetration rate has increased progressively as the recent data by the Nigerian Communications Commission (NCC) showed that the broadband penetration increased to 44.32% in June 2022 from 40.88% in December 2021. Accordingly, the total number of broadband subscriptions has increased to 84.61m subscriptions from 78.04m subscriptions in December 2021.

Save for February 2022, the subscriptions have increased m/m, with the most recent between May and June, where subscriptions rose by 1.5% m/m. We attribute the continued m/m uptick to the sustained efforts by the industry players in deploying fixed and mobile broadband infrastructure. Also, we have seen states like Lagos, Ekiti, Kaduna and Kwara reducing right of way charges to encourage investments in broadband infrastructure in the states such as the partnership between Kaduna State and Airtel Nigeria to deepen 3G and 4G network coverage by the end of the 2022 including deployment of fibre network access. Meanwhile, the NCC has approved commencement of fibre roll-out by licensees under the Open Access Fibre Infrastructure Network (OAFIN) License, also referred to as the Infracore License.

Looking ahead, we expect broadband penetration to continue to grow in the later part of the year. The recent partnership between the NCC and Google in April 2022 to improve broadband penetration in the country is commendable. More interesting is that Elon Musk's Starlink satellite internet network is expected to start operations in the country this month, bringing high-speed, low-latency broadband internet to remote and rural areas of the country. However, subscription to the satellite internet services requires the acquisition of a starter kit and monthly subscriptions whose values are yet to be disclosed. Based on the company's website, the starter kit to Nigeria is US\$99, significantly lower than the US\$599 it sells its starter kits in the US and where monthly subscription cost is US\$110.

### Broadband Subscriptions and Penetration (Mar 2020 –Jun 2022)



Source: NCC, CSL Research

### MARKET UPDATE

	1 year	31-Dec-21	1 day
NSE - Index*	38,547.08	42,716.44	49,950.32
Naira / US\$	411.44	435.00	428.88
Brent, US\$/bbl	76.33	77.78	100.03
MPR %	11.50	11.50	14.00

Source: Nigerian Stock Exchange, Central Bank of Nigeria, Bloomberg. \*Nigerian Stock Exchange All-Share Index.

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## Today's news headlines:

**We didn't increase petrol price, marketers did –FG:** The Federal Government on Monday insisted that it had not raised the pump price of Premium Motor Spirit, popularly called petrol, above the regulated cost of N165/litre. It said the hike in the cost of the commodity, currently between N175/litre and N230/litre, depending on the location of purchase, was done by oil marketers. The government, however, could not explain why it was not enforcing the approved price. Oil marketers across the country recently raised the price of petrol above the approved N165/litre rate without any official approval by the government. This was despite the fact that the cost of commodity was still being regulated.

Source: [punchng.com](https://punchng.com)

<https://punchng.com/we-didnt-increase-petrol-price-marketers-did-fg/>

**Report: OPEC+ Slumped 2.84m bpd Below its Oil Production Target in June:** The Organisation of Petroleum Exporting Countries (OPEC) and its allies, the OPEC+ group had a massive shortfall of 2.84 million barrels per day (bpd) in June between actual production and the target oil output level as part of the deal, two delegates at the alliance told Argus. As OPEC+ is unwinding its cuts, more and more members, including Nigeria, are falling further behind their quotas due to a lack of capacity or investment in supply. In June, the compliance rate at the OPEC+ group soared to 320 per cent from an estimated 256 per cent in May, according to Argus's sources, suggesting that the gap between nameplate production per the agreement and actual production continues to widen.

Source: [thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/08/02/report-opec-slumped-2-84m-bpd-below-its-oil-production-target-in-june/>

**OPEC's New Head Assumes Office, Engages Nigerian Media on Stabilising Oil Market:** The new Secretary General of the Organisation of Petroleum Exporting Countries (OPEC), Kuwaiti's Haitham Al Ghais, yesterday engaged the Nigerian media on his immediate plans for the oil industry, hours after he assumed duty as the new head of the organisation. Al Ghais, who spoke glowingly of his predecessor, Sanusi Barkindo, who died while on a visit to Nigeria last month, explained that while the legacies of the late Barkindo would continue to be upheld, members of OPEC would collectively determine the next set of decisions by the body. The new OPEC secretary general was unanimously picked by member nations in January and was already in waiting to succeed Barkindo before the death of the Nigerian-born global oil and gas leader. Source: [thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/08/02/opecs-new-head-assumes-office-engages-nigerian-media-on-stabilising-oil-market/>

**Pantami rejects new tax on calls, data:** The Minister of Communications and Digital Economy, Isa Pantami, has said he is against attempts by the Federal Government to introduce a five per cent excise duty on telecommunication services. According to him, the move would impact the sector and Nigerians negatively. He disclosed this while speaking in Lagos at the maiden edition of the Nigerian Telecommunications Indigenous Content Expo organised by the Nigeria Office for Developing the indigenous Telecom Sector, an agency domiciled in the Nigerian Communications Commission, on Monday. He stated that the telecom sector already contributes a lot to the Nigerian economy and urged the government to consider taxing other sectors of the economy that were not contributing to national development. Source: [punchng.com](https://punchng.com)

<https://punchng.com/pantami-rejects-new-tax-on-calls-data/>



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	Buy	Hold	Sell	Not Rated	Total
Coverage universe	17	10	5	3	35
% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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