

## Telecoms

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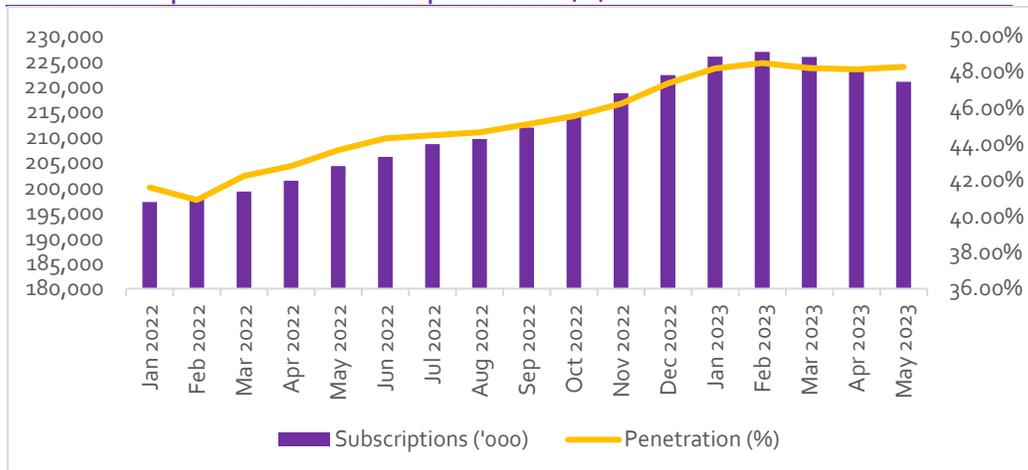
### Mobile subscriptions decline in May.

Based on new industry data from the Nigerian Communications Commission (NCC), Nigeria's mobile subscriptions declined marginally by 1% to 220.9 million in May 2023 from 223.3 million in April. This decline comes after mobile subscriptions reached an all-time high of 227.17 million in February 2023. Since then, we have seen three consecutive declines, a concerning trend for the nation's mobile operators. Mobile subscriptions first fell to 225.82 million in March, before declining further to 223.34 million in April.

The decline in total mobile subscriptions in May was caused by a loss of 3.0 million subscriptions by MTN, despite retaining its spot as the largest mobile network operator in the country. MTN's total subscriber base dropped to 85.6 million from 88.6 million it recorded in April 2023. Glo maintained its position as the second-largest operator by subscriber base in May 2023, with total subscriptions climbing to 61.1 million from 60.9 million in April. gmobile recorded the highest gain in May as its database grew by 257,320, bringing its total active subscriptions to 13.7 million from the 13.4 million in April. Airtel Nigeria's overall subscriptions grew to 60.5 million in May from 60.3 million in April.

The country's teledensity, which measures the number of active telephone connections per 100 inhabitants living within an area declined to 115.91% in May from 117.17% recorded in April. We attribute the reduction in MTN's active subscriptions in May, which brought down total industry figure, to the abandonment of SIMs that have not been linked with the National Identification Number (NIN) as mandated by the government. Given the recent directive of the NCC as contained in its new quality of service business rules, instructing telcos to deactivate any line that has not been used for any revenue-generating activity for 6 months, we expect to continue to see a marginal decline in mobile subscribers in the coming months.

### Mobile subscriptions and broadband penetration (%)



Source: CSL Research, NCC

### MARKET UPDATE

	1 year	30-Dec-22	1 day
NSE - Index*	51,400.53	51,251.06	65,003.39
Naira / US\$	423.35	461.50	792.04
Brent, US\$/bbl	105.15	85.91	82.52
MPR %	14.00	16.50	18.50

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

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## News headlines:

**FG N1.3tn subsidy debt won't affect dividend – NNPC:** The outstanding N1.3tn debt of the Federal Government to the Nigerian National Petroleum Company Limited has nothing to do with the payment of dividend to the government, the NNPC said on Thursday. In June this year, the national oil company revealed that it was expecting a refund of about N1.3tn from the Federation Account as debt by the Federal Government. It disclosed this when the inter-agency committee constituted by President Bola Tinubu was set to commence sitting to resolve the lingering debt row. The Federal Government had accused the NNPC of indebtedness to the tune of about N2.8tn, but the oil company had claimed that the Federal Government should first pay back almost N4.1tn which was its unsettled outstanding claims for subsidy payments. Source: Punchng.com

<https://punchng.com/fg-n1-3tn-subsidy-debt-wont-affect-dividend-nnpcl/>

**Gas flaring: Reps to recover over \$9bn fines from oil companies:** The House of Representatives yesterday promised to recover the sum of over \$9 billion fines imposed by Federal Government on local and foreign oil and gas companies operating in the country over gas flaring. Chairman of the ad hoc committee investigating gas flaring, Ahmed Munir, gave the assurance in Abuja, during the post-investigative hearing briefing which was attended by stakeholders drawn from Federal Ministry of Environment, Revenue Mobilisation Allocation and Fiscal Commission, RMAFC, and National Oil Spill Detection and Response Agency, NOSDRA, among others. Speaking during the meeting, Munir expressed worries by the level of impunity being perpetuated by the operators. Source: vanguardngr.com

<https://www.vanguardngr.com/2023/07/gas-flaring-reps-to-recover-over-9bn-fines-from-oil-companies-2/>

**TUC Gives FG Two Weeks to Conclude Negotiations over Subsidy:** As Nigerians await the outcome of the organised labour and federal government's dialogue on policy measures to cushion the economic challenges brought about by the removal subsidy on petroleum products, the Trade Union Congress (TUC) has given federal government the next two weeks to reach agreement on negotiations or face workers' protest. Specifically, the union said if after August 19, nothing tangible was concluded, it would be compelled to take further action to protect workers and the masses of the country from being subjected to unending hardship. Apart from embarking on quantifiable cut in cost of governance, the Congress said both federal government and the states should come up with harmonised palliatives that is verifiable and will be implemented with agreed time frame. Source: thisdaylive.com

<https://www.thisdaylive.com/index.php/2023/07/25/tuc-gives-fg-two-weeks-to-conclude-negotiations-over-subsidy>

**Excess crude account unchanged despite NNPC's N907bn FAAC remittance:** The balance in the Excess Crude Account has remained stagnant at about \$474m in the last two years despite remittance of N907bn to the Federal Account Allocation Committee by the Nigerian National Petroleum Company Limited. The NNPC had resumed remittances to FAAC in June after failing to do so due to huge fuel subsidies expenses. According to a communiqué issued at the end of the FAAC meeting for July 2023, seen by The PUNCH, NNPC said the balance in the excess crude account was \$473,754 as of June 2023, the same amount in the purse as of December 15, 2022, while it paid N907.054bn into the FAAC purse. Source: Punchng.com

<https://punchng.com/excess-crude-account-unchanged-despite-nnpcls-n907bn-faac-remittance>

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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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