

## Telecoms

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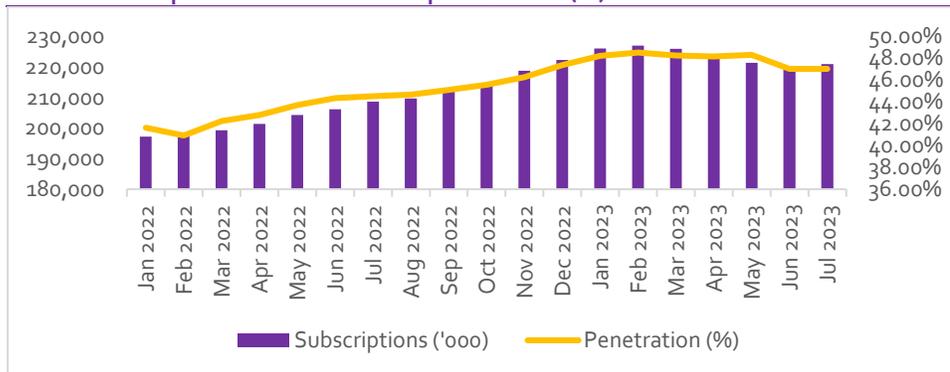
### Nigeria's Fifth Generation (5G) network subscriptions hit half a million.

According to a report in the Punch newspaper, the Executive Chairman Nigerian Communications Commission, Prof. Umar Danbatta, noted that Nigeria's Fifth Generation (5G) network subscriptions have hit half a million. According to him, the country is aiming to achieve 50 and 70% broadband penetration by the end of 2023 and 2025 respectively. He further stated that investments in the telecoms sector have increased tremendously from US\$38bn in 2015 to US\$75bn currently and this continues to grow. He also noted that from the sale of 5G C-Band Spectrum, the NCC has generated over US\$847.8m for the Federal Government.

The telecoms sub sector has remained a bright spot in a gloomy economy and has continued to grow in recent times. The ICT sector recorded a real growth rate of 8.60% in Q2 2023 compared with 6.55% recorded in Q2 2022. The y/y growth was largely driven by activities in the telecommunications sub-sector, which contributed 9.70% to the growth of the sector in real terms. The growth in the telecommunications sub sector was attributed to the rising mobile subscriptions and broadband penetrations reported at 220.9 million and 47.01% in July 2023. An increase in 5G subscriptions contributed significantly to the rising sector numbers.

According to a report by the Global System for Mobile Communications Association (GSMA), 5G is projected to contribute US\$2.2 trillion to the global economy by 2034, and Nigeria's adoption of the 5G network positions the country at the forefront of the expected technological revolution. In Nigeria specifically, the NCC estimates that the 5G network has the potential to generate an additional US\$140 billion within the next decade. The telecommunications sub sector is expected to continue to grow significantly in the long run given the massive investments players have put into the sub sector. We note that the 5G network is expected to have a massive impact on the growth of the telecoms sub sector given its lower latency and more reliable connectivity.

### Mobile subscriptions and broadband penetration (%)



Source: CSL Research, NCC

### MARKET UPDATE

	1 year	30-Dec-22	1 day
NSE - Index*	49,218.35	51,251.06	66,882.64
Naira / US\$	431.33	461.50	773.25
Brent, US\$/bbl	82.86	85.91	90.89
MPR %	14.00	16.50	18.75

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

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## News headlines:

**NNPCL, NCDMB, IOCs to reduce oil production costs:** The Nigerian National Petroleum Company and the Nigerian Content Development and Monitoring Board, on Monday, signed a Memorandum of Understanding with international oil companies to reduce contracting cycle in the sector to an optimal level of not more than 180 working days. All parties signed the MoU at the headquarters of the national oil firm in Abuja, according to a statement issued by the management of the company. An optimised contracting cycle was expected to improve the ease of doing business, reduce cost, and drive efficiency, which would eventually translate to production growth, increased revenues, and ultimately improved profitability. The MoU was also expected to contribute to the double-digit economic growth rate agenda of the Federal Government and generate value for all stakeholders. Source: Punchng.com

<https://punchng.com/nnpcl-ncdmb-iocs-to-reduce-oil-production-costs/>

**Senate to Screen Nominees for CBN Governor, Deputies Today:** The Senate Leader, Opeyemi Bamidele, yesterday, disclosed that the Senate would today screen the former Chairman of the Board of Citi Bank Nigeria and acting Governor of the Central Bank of Nigeria (CBN), Dr. Olayemi Cardoso. A statement by the Media Office of the Senate Leader, Senator Michael Opeyemi Bamidele, further explained that the Senate would also screen four nominees for the positions of CBN Deputy Governors, who would join forces with Cardoso to steer affairs of the apex bank in the next five years. He said the Senate would screen all the nominees following its resumption from its annual recess. Part of the statement read, "The Senate of the Federal Republic of Nigeria will resume plenary on Tuesday, September 26. Source: thisdaylive.com

<https://www.thisdaylive.com/index.php/2023/09/26/senate-to-screen-nominees-for-cbn-governor-deputies-today>

**Vandals destroy 108 transmission towers, FG alleges sabotage:** A total of 108 power transmission towers were destroyed by vandals in various parts of the country between January 2022 and September this year, data obtained from the Transmission Company of Nigeria, on Monday revealed. It was gathered that the vandals destroyed 132kV double circuit power transmission lines, 330kV double circuit lines, and carried out soil excavation that threatened transmission towers, as the Federal Government described the development as sabotage. The vandalism of transmission towers occurred in the Abuja, Lagos, Kano, Enugu, and Benin regions, though the government, through TCN, had contracted out the repairs of some of the vandalised towers. Source: punchng.com

<https://punchng.com/vandals-destroy-108-transmission-towers-fg-alleges-sabotage/>

**FG set to reveal CBN investigation report, promises accountability:** The Secretary to the Government of the Federation (SGF), George Akume has revealed that the Federal Government is poised to unveil the audit report stemming from the comprehensive investigation into the Central Bank of Nigeria (CBN). This investigation was initiated by President Bola Tinubu, who, on July 28, 2023, appointed Jim Obazee, the former Chief Executive Officer of the Financial Reporting Council of Nigeria, as the Special Investigator for the CBN. In his role, Obazee was tasked with probing the CBN as well as key government business entities, reporting directly to the President's Office. The SGF disclosed this development while addressing questions at a press conference held in Abuja on Nigeria's 63rd Independence anniversary. Source: businessday.ng

<https://businessday.ng/news/article/fg-set-to-reveal-cbn-investigation-report-promises-accountability>

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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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