THE IMPACT OF NIGERIA’S TELECOMMUNICATION SERVICES EXPANSION ON NATIONAL ECONOMIC GROWTH

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ABSTRACT

This paper examined empirically the impact of telecommunication service expansion of economic growth in Nigeria. Secondary data on Gross Domestic Product, Telecommunication contribution to GDP (TCgdp), mobile subscribers (GSM) and Private Investment (PI) were sourced from the Nigeria Communication Commission(NCC), Central Bank of Nigeria Statistical bulletin(CBN) and as well as World Bank Development Indicator Database(WDI). The data were analyzed through the pooled Ordinary Least Squared (OLS) regression methods. The study found that there exists a positive relationship between economic growth, proxied by real GDP, and telecommunication (GSM) variables (teledensity, telecommunication contribution to GDP, private investment in telecoms and mobile subscribers) in Nigeria. Having discovered that teledensity has a positive relationship with economic growth, the study recommends that policies that could lead to continual expansion in teledensity rate through the provision of supportive infrastructural base in the sector should be put in place. Moreover, since the telecommunication infrastructure of whatever sort is capital intensive, current sharing of facilities in a joint location compared to the cost of building one’s own infrastructure will hence faster returns on investment and an opportunity to further expand telecoms services in Nigeria.

Keywords: Telecommunication Service, Economic Growth, Teledensity, Private Investment, Nigeria