

# INTERNET GOVERNANCE FORUM HELD AT AFRALTI ON 22/07/2011

THE ROLE OF MOBILE NETWORKS IN  
PROVIDING INTERNET ACCESS IN  
KENYA: A CONSUMERS VIEW

## What are the facts?

- According to the United Nations International Telecommunications Union, there were 5.3 billion mobile phone subscriptions by the end of 2010
- 90 % of the world population has access to a mobile network
- Of this, only 2 billion people have access to internet
- As the table below shows there is a large gap in the availability of ICT in the rural-urban divide.
- There is need to connect villages with ICTs and establish community access points such as schools and libraries.

# RURAL URBAN DIFFERENTIALS

**Distribution of populations covered by mobile phone in the world showing rural/urban differentials**

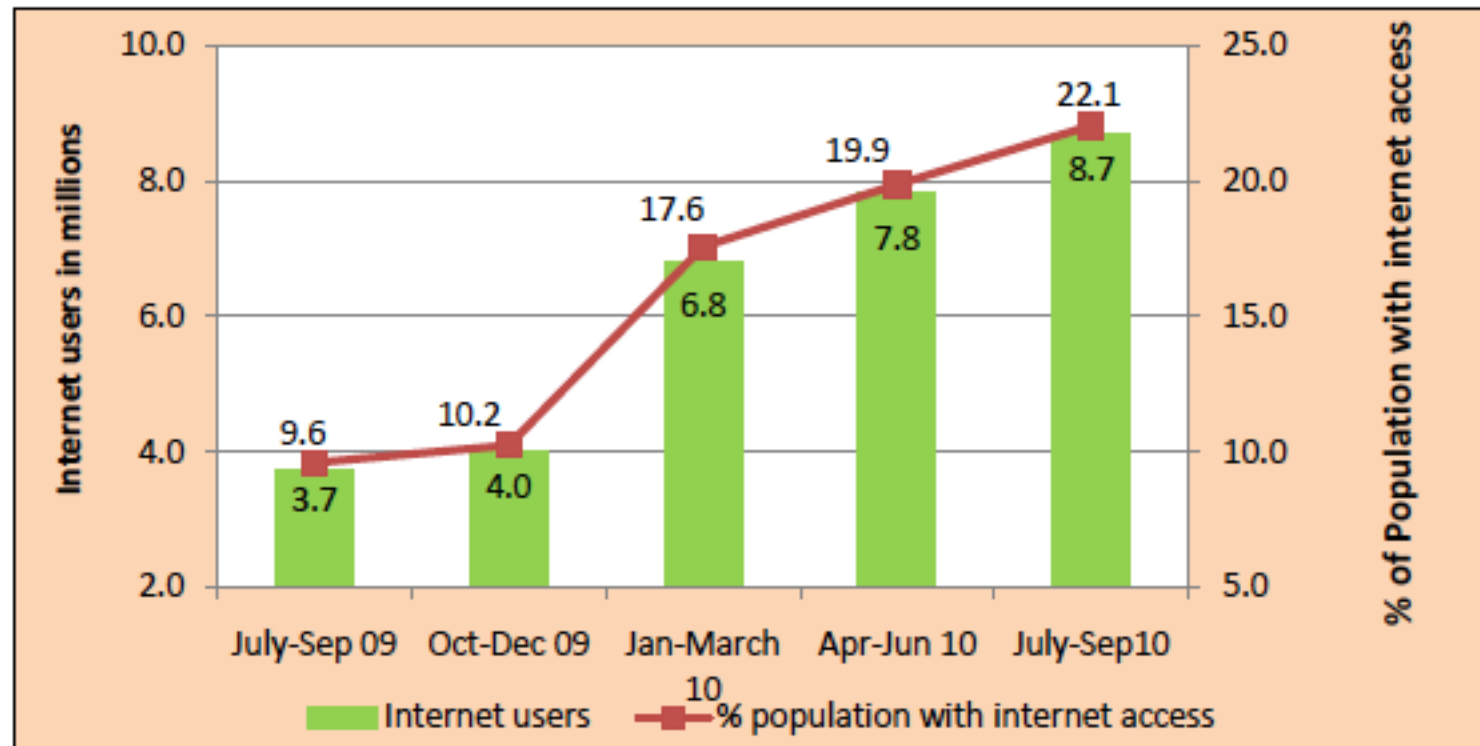
Region	Overall Mobile Coverage %	Rural Covered %
Africa	69	52
Americas	93	73
Arab States	94	86
Asia Pacific	85	76
Europe	99	98
World	86	74

# KENYA

According to CCK:

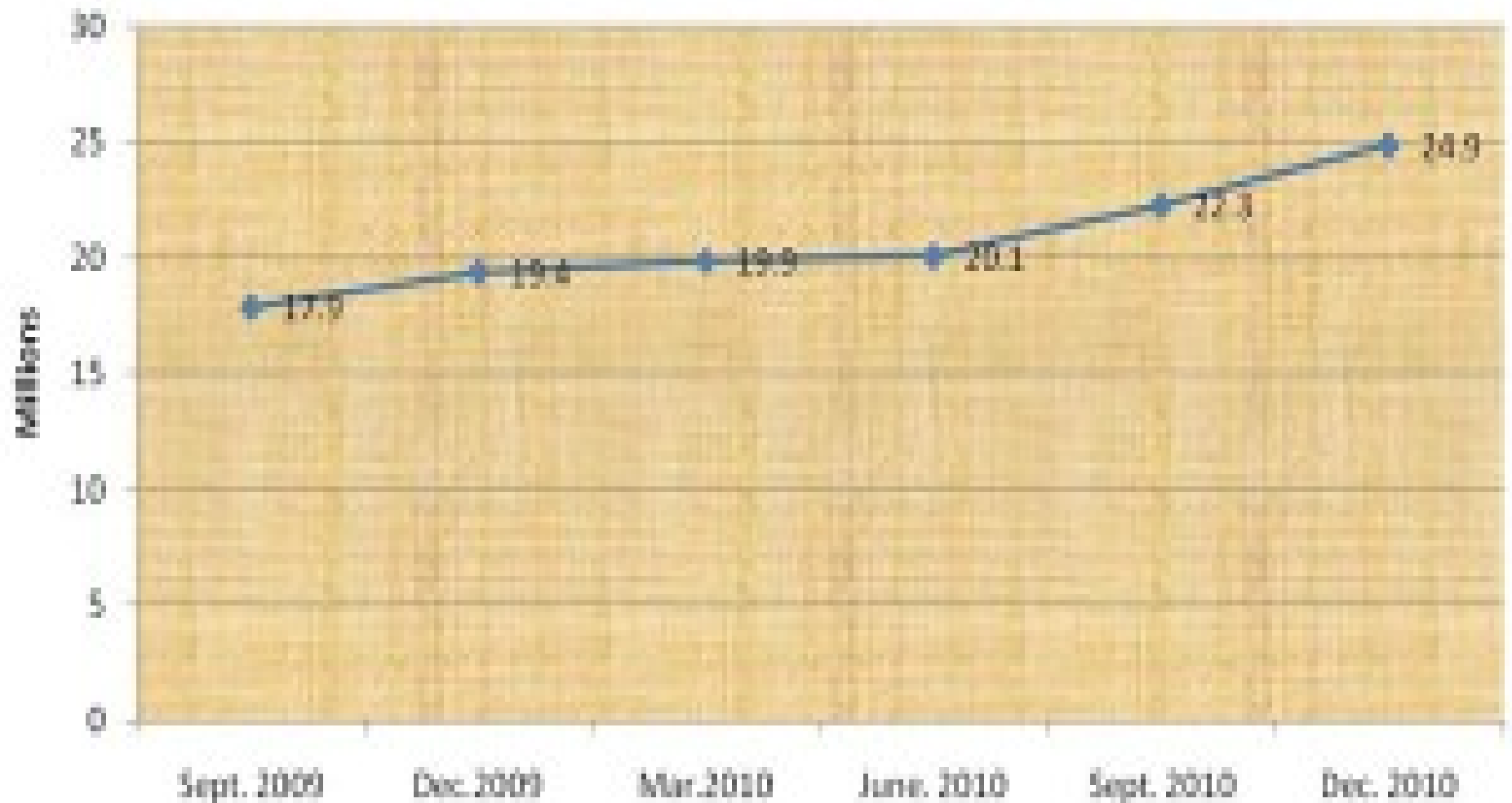
- There are **24.96 Million** mobile subscriptions
- Mobile penetration is about **63 %**
- By 2015, There will be about **40 million**
- By 2015, Mobile penetration of **86%**
- **Fixed lines** have **declined** to 228,391
- **Fixed wireless** have **declined** to 141,580
- Kenya accounts for **7%** of mobile subscriptions in SSA, ranking **3<sup>rd</sup>** after Nigeria (26%) and SA (19 %)

# Internet use as percentage of Population



Source: CCK, Operators' returns

# Growth in Mobile Subscriptions 2009-2010



# Internet Access

- 2 million or 37 % of those with mobile phones have access to internet Worldwide
- In Kenya there are **8.69million** internet users which is 36 % of those with access to mobile phones and **22 %** of the population
- There are **3.2 million** internet/data subscriptions
- **99%** of the internet traffic in Kenya is done via mobile operators, meaning 3G, Edge or GPRS

# Internet subscriptions

Table 7: Internet subscriptions by operator

S/No.	Name of Operator	Subscriptions	Market share (%)
1.	Safaricom Ltd	2,977,584	92.18
2.	Celtel Kenya Ltd	149,053	4.61
3.	Telkom Orange	66,030	2.40
	Telkom Fixed	11,638	
4.	Communication Solutions(Access Kenya) Ltd	7,512	0.23
5.	Wananchi Telkom Ltd	7,500	0.23
6.	Kenya Data Networks	5,451	0.17
7.	Africa Online	1,608	0.05
8.	Flexible Bandwidth	1,198	0.04
9.	Swift Global	1,133	0.04
10.	Callkey Networks Ltd	800	0.02
11.	Others	516	0.02

Source: CCK, Operators' returns

## IMPLICATIONS FOR INTERNET ACCESS IN KENYA

- The high prevalence of mobile phones have made mobile networks the tools for positive change such as:
  - Mobile banking
  - Payment of bills
  - Purchasing goods and services
  - Access to information

# What challenges do consumers face in Accessing the internet? Addressing local needs.

- **Illiteracy**: The language used is foreign thereby locking out many.
- **Cost**: Prices of ICT services, including broadband, remain high compared to income levels
- **Content**: There is insufficient local content that is relevant to majority rural population
- **Limited infrastructure**: Many places in rural areas have **no signal, no electricity**

## Challenges (Continued)

- **Lack of full liberalization** of markets thereby making services uncompetitive and therefore expensive
- **Negative perceptions** about internet esp by parents as a source of pornography, evil
- **Lack of knowledge** and education about the importance of internet
- Limited electricity - **Battery life for cellphones**

# What is the role of Mobile Networks?

## The Need to rethink Internet

- Consider delivery in Swahili & **local languages**
- Deliver **local content**
- Deliver content that is **relevant to local needs** such as Vision-2030
- **Develop infrastructure** especially in **rural areas**. If there is no signal people cannot make calls leave alone access the internet
- Provide **low cost handsets** or subsidize them

## Continued

- **Markets** should be **fully liberalized** and left to respond to market forces
- Networks should partner with government and civil society to **sensitize consumers** on the benefits of internet
- **Long life batteries/** one fit all chargers
- Increased investment by telcos – the CSR type

# Consumer Protection

- This can be achieved by:
- A **coordinated approach** to issuing and **enforcing consistent rules** governing disclosure, recourse and fair treatment
- **Competitions Act (cap 504) is in place**. It provides for the Competitions Authority which brings regulatory authorities under one roof/check

# Consumer protection

- Minimum **disclosure requirements** for pricing and plain language in contracts;
- Minimum **requirements for provider-level dispute** resolution mechanisms and independent third-party recourse
- Regulations that clarify **provider liability and responsibility** for oversight of third-party agents who play a role in service delivery
- **Public reporting** of provider performance in basic areas

THANK YOU

Consumers Federation of Kenya  
(Cofek)

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*Restoring Consumer Confidence and  
Pride!*