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The Kenyan Communications Commission launches a strategic plan for the ICT sector and discloses its cooperation project with the Competition Authority aiming at ensuring the transparency of all mobile money transfer platforms

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Communications Commission of Kenya (Nairobi), CCK launches its 3rd Strategic Plan, 29 November 2013

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Mobile Telecom and Payments sector getting boost from state in Kenya*

According to a release by the Kenyan Communications Commission (CCK), the CCK is cooperating with the country's Competition Authority (CAK) to enhance the mobile telecoms sector in Kenya.

The CCK is aiming for 90% of all Kenyans to have access to mobile communications devices within five years, thereby seeking to double the telecoms sector's contribution to the country's GDP to a total of 5%. It is noteworthy that Kenya – a comparatively technologically advanced East African nation that currently already has 76% mobile penetration among its residents – is not only relying on the telecom authority to achieve these goals, but the agency is actively collaborating with the competition watchdog CAK.

An article in HumanIPO quotes the CCK director general, Francis Wangusi, as saying: "We are working with the Competition Authority to ensure that all the mobile money transfer platforms are transparent in order to promote competition." The official CCK press release is available here.

Other interesting statistics are the planned increase in internet penetration from the current 41.6% to 70% and that of mobile money services from 58.9% to 70% by the end of the 5-year plan.

Mobile payments have been described as "the epicenter of mobile commerce. The merger of the social, mobile, and payment industries has created incredible business growth opportunities for start-ups, social media, banks, retailers, payment networks, and other companies."

Use of a mobile device such as a cell phone with SMS or internet capability is particularly widespread in many African countries, where brick-and-mortar banks are scarce and not widely used by the vast majority of the population, whereas mobile phones are omnipresent and relatively easily accessible (see the 76% current penetration rate, which rivals that of developed European economies).

Kenya itself is considered by many to be at the forefront of the African mobile-payments universe, with its M-Pesa mobile-currency system often touted as the most developed mobile-payment system in the world. The Economist asked rhetorically: "Why does Kenya lead the world in mobile money?", pointing out that roughly 25% of Kenya's GDP flows through the mobile service, with over 17 million users in Kenya alone. The WorldBank has commented that "Mobile payments go viral [with] M-PESA in Kenya." M-Pesa was originally launched in March 2007 by Vodacom/Safaricom in Kenya and is now jointly operated with other carriers offering services in Tanzania, South Africa, Afghanistan, India and other nations.

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This post has been selected and edited by Emanuela Matei, e-Competitions Blog Editor, in order to match the e-Competitions editorial format.

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