
Improving Access to Technology for Economic Development

Bitange Ndemo, PhD.
Permanent Secretary, Ministry of
Information and Communication

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Content

- Leveraging ICT for Economic Development;
 - ICT Trends in the World;
 - What we need to do in the face of world-wide trends;
 - Regional Connectivity problems;
 - How to overcome regional problems;
 - Avoiding infrastructure financing dependency
 - Conclusion
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LEVERAGING ICT FOR ECONOMIC DEVELOPMENT

- How can we use ICT as a leverage in our economic development agenda?
 - Where does our country's ICT strategy fit into the Global competition and opportunities of the day, and how can we as a people collaborate with others globally?
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ICT Trends

- Business Process Outsourcing (BPO) is now the fastest growing segment within IT Services. Global market for outsourcing is estimated to exceed 1.2 trillion dollars by 2007. (IDC);
 - Market perception has shifted from outsourcing as a way for companies to meet short term financial objectives to a technique for strong companies to improve competitive positions (Gartner Group)
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ICT Trends Cont.

- According to Deloitte Consulting, 2 million jobs will move from the United States and Europe to cheaper destinations in the financial services business alone in the next one year. The emigration of service jobs across all industries could be as high as 4 million.
 - Deloitte also forecasts that in the next five years 3/4 of major financial institutions and investment banks will allocate tasks to low labor cost countries and that India will be at the top of the list. Global financial institutions are predicted to invest \$356 billion (30 times Kenya's GDP) in India for outsourcing projects.
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ICT Trends Cont.

- The banking, financial services and insurance (BFSI) vertical will continue to witness some of the largest offshore spending, and India stands to get at least 30 per cent of the \$400-billion pie being thrown up for grabs by the US industry by year 2010.
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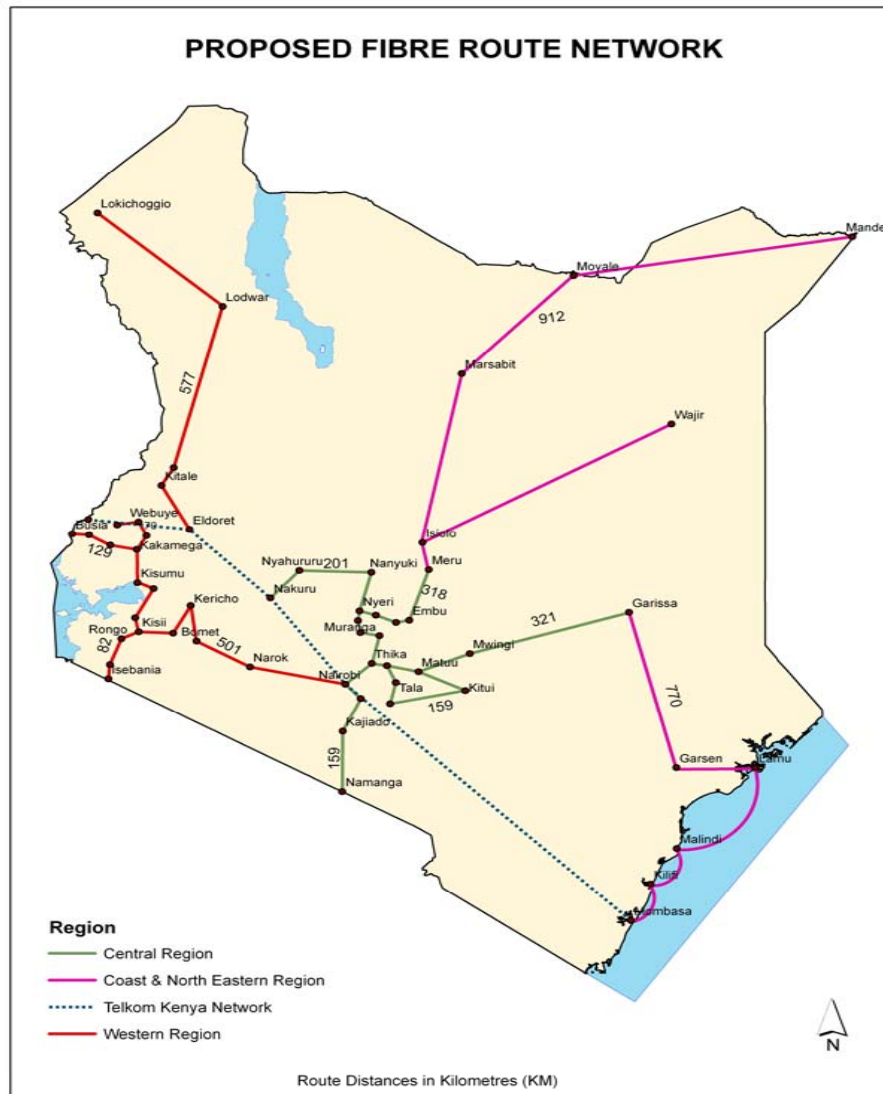
How can we take advantage of all these trends?

- Kenya Vision: A Regional Service Centre
 - Infrastructure
 - Multimedia Technology Parks
 - Fibre Optic Connectivity
 - Submarine Cables
 - Terrestrial
 - Human Resource Development
 - Marketing Kenya
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Pillars of Affordable Access

- Hardware
 - Software
 - Connectivity
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Connectivity



Problems with Improving Regional Connectivity (EASSY)

- Divergent objectives
 - Policy and Regulatory issues
 - Market structures
 - Multiple regional economic zones
 - Speed of exploiting opportunities
 - Apathy
 - Financing models
 - Role of Government
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Way Forward

- Decisive Leadership;
 - Dialogue;
 - Creating a competitive environment;
 - Partnership relations (equal participation especially in making decisions such as financing); and
 - Avoid interfering with the private sector which may lead to lower FDI.
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Infrastructure Financing Models

- Stock Exchange
 - Long term Convertible Bonds
 - Venture Capital
 - Public Private Partnerships
 - Development Financial Institutions
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Conclusion

- “The 21st century will be the century of change. More things will change in more places in the next 10 years than in the previous 100. Most countries aren’t ready for this dizzying ride” Fareed Zakaria – Newsweek May 8th 2006.
 - Let us ready ourselves for the dizzy ride!
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