




**THE ROLE OF REGULATORS IN BUSINESS
TRANSITION INTO THE KNOWLEDGE ECONOMY**

Presented at

ANNUAL ICT CONFERENCE
"ICT'S ROLE TOWARDS A KNOWLEDGE ECONOMY"

STRATHMORE UNIVERSITY


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1. About CCK

- CCK was established in February 1999 by the Kenya Communication Act, 1998, to license and regulate telecommunication, radio communication, and postal services in Kenya.
- The legal framework is also guided by the Kenya Communications Regulations, 2001 (amended in 2006).
- CCK has the following responsibilities:
 - Licensing telecommunications and postal/courier operators
 - Regulating tariffs
 - Establishing interconnection principles
 - Type-approving communications equipment
 - Managing radio frequency spectrum
 - Formulating numbering schemes and assigning
 - Implementing Universal Service/Access policies


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2. Overview of the Telecom Sector

- Sector fully liberalized: fixed & mobile operators – 4 licensed mobile operators
- Mobile telephony is the fastest growing mode of communications
- Safaricom and Celtel Kenya (Zain) had an estimated Mobile subscribers = 12.9 million by the end of June 2008
- ISPs = 108
- DCNO=12 PDNO=24
- BPO=18 LLO=31


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3. What is a Knowledge economy?

- A knowledge economy is an economy in which knowledge is acquired, created, disseminated and used effectively to enhance economic development.
- According to the World Bank successful transition to a knowledge economy involves 4 pillars:
 - making long-term investments in education,
 - developing innovation capability,
 - modernizing information infrastructure and
 - having an economic environment that is conducive to market transactions.
- Development of information society depends on involvement of citizens and infrastructure availability for information flows.


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4. Towards a Knowledge Economy

- To make these ideas operational, one has to work on the following priorities for building information society:
 - Education of those in education system – school, college and university students; teachers; lecturers; provision of up-to-date technology in education institutions; encouraging voluntary participation in the process of ICT companies who can benefit from future users (e.g. e-university projects).
 - Ensuring availability of sufficient capacity of affordable communications infrastructure - heavily related to pricing of infrastructure services which in turn depend on investment stimulus and competition in the ICT sector.
 - Potential users of information society (including individuals, companies and public institutions) should be motivated by being offered cost-savings and ability of better-informed choices.
 - ICT service providers should be eager to expand their businesses and market shares.

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5. CCK's Role in the Transition

- Infrastructure availability depends on the efficient management of scarce resources- spectrum and numbering
- CCK plans, allocates and assigns frequency and numbering to operators and monitors the efficient utilization of the same.
- In order to improve the uptake of communication services, partnering with implementing agencies, CCK has developed pilot community ICT tele-centres and is developing local digital content for the school curriculum
- Introduced a cost-based pricing that provides a competitive environment in the sector- spurred product and service innovations, with the operators lowering tariffs.

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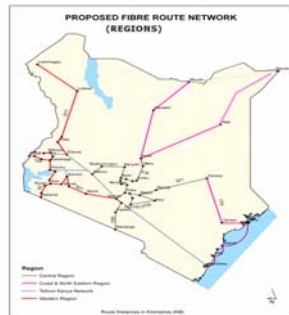


5. CCK's Role in the Transition Cont'd

- Is in the process of introducing a Unified Licensing Framework with three categories:
 1. Content service
 2. Applications service
 3. Network infrastructure
- Establishment of a full-fledged Consumer Affairs department to promote consumer awareness and protection
- CCK also undertakes research in new and emerging technologies with a view of facilitating regulatory best practice in a rapidly changing environment.
- CCK partners with stakeholders in the implementation of Universal Service Access projects



FIBRE OPTIC NATIONAL NETWORK

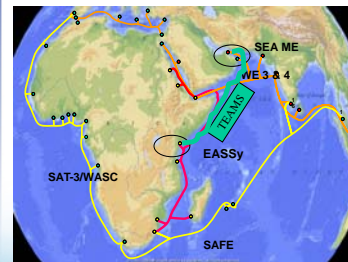


6. New Infrastructure Initiatives in collaboration with government

- Under sea cable- TEAMS
 - International connectivity
- Fibre Optic National - FONN
 - National broadband infrastructure
- Co-location- sharing of masts
 - Developed a Code of Practice
 - Develop access pricing guidelines



Submarine cable: TEAMS



- The TEAMS =5500KM project Linking Mombasa and Fujairiah
- Completion date September 2009



6. Conclusion

- Proper regulation of ICTs is a promising tool for encouraging of information society development.
- Wider availability of communication services can promote use of modern technologies, stimulate knowledge accumulation, raise competitiveness of the economy, and not least – raise participation in political processes.
- Without successful development of the ICT sector, Kenya risks missing out on the wave of information society development.
- CCK is committed to ensuring fair play and will be on the forefront in promoting transition towards a knowledge economy. CCK will continuously re-align to the legal and regulatory framework to provide an enabling environment in the industry.



Thank You

For more information about CCK
 Visit our Website: www.cck.go.ke
 or

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