



# “The Place of ICT in Growth of Business -

## *Kenya’s Vision 2030 in perspective”*

ANNUAL STRATHMORE ICT CONFERENCE

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# OUTLINE

- The Vision 2030
- Pillars of the Vision
- Key Messages of the Vision
- The Economic Pillar and Priorities
- Enhancing the Role of ICT
- ICT as an Enabler for Growth
- Evolution of the ICT
- MSME as Growth Driver
- Business Processing Outsourcing
- Projects Under BPO
- Digital Village
- Reforms to facilitate ICT

# KENYA'S VISION 2030



**“Globally Competitive  
and Prosperous  
Nation with a High  
Quality of Life”**

*Vision 2030 is anchored on three Key Pillars*

# PILLARS OF THE VISION 2030

*A Globally Competitive &  
Prosperous Nation with a High  
Quality of Life by 2030*

## **Economic**

(Maintain a 10% Economic  
Growth Rate of p.a for the  
next 25 years)

## **Social**

(A Just & cohesive society  
enjoying equitable social  
development.)

## **Political**

(An issue based people  
centered, result  
oriented & accountable  
democratic political  
system)

# THE CONTEXT OF VISION 2030

- ❖ **The vision is a new long term development blueprint covering 2008 – 2030;**
- ❖ **It aims to make Kenya a newly Industrializing middle income country;**
- ❖ **It has been developed in a consultative and all inclusive process;**
- ❖ **Provides the way forward after the successful implementation of the ERS;**
- ❖ **It will be implemented in successive 5 year Mid-Term Plans [replaces traditional 5 year development plans];**
- ❖ **The first plan will cover the period 2008 - 2012**

# THE ECONOMIC PILLAR

- **The vision stipulates that the economy will grow at 10% pa over the next 25 year (this will require creative and dedicated efforts from all Kenyans);**
- **The current economic growth rate of over 6.1 % is primarily through efficiency gains. We must move to the next level of creating new opportunities**
- **Agriculture accounts for 25% of GDP; Manufacturing sector-10%; Tourism sector-5%; whole sale and retail sectors-30%.**



## PRIORITIES OF ECONOMIC PILLAR

- Commercial Agriculture
- Tourism;
- Wholesale and Retail Trade;
- Revolutionize Manufacturing;
- Business Processing Off-shoring (BPO);
- Financial Services

## ENHANCING THE ROLE OF ICT IN GDP GROWTH

- Leveraging ICT in economic growth:
  - ICT literate population;
  - Innovative Private Sector; and
  - ICT Compliant Government
- Reducing transaction costs for the citizens and the private sector through provision services electronically.
- Improve Kenya's competitiveness by providing timely information and delivery of government services





# QUESTIONS BUSINESSES NEED TO ASK

## Questions Businesses Need To Ask ....

Where  
are we ?

Where do  
we want  
to be ?

How do  
we get  
there?

How do we  
maximize  
/exploit  
business  
opportunities?

Within an ICT Framework

## ICT AS AN ENABLER FOR BUSINESS GROWTH, DEVELOPMENT AND COMPETITIVENESS...1/3

1. Business require the right policy measures, an environment and that encourages competition, trust and security;
2. Implementation of sustainable measures to improve access to the Internet, Telecommunications and an increase in IT literacy
3. Strategies to improve access to ICT by decreasing cost of Internet to Business; and
4. Reducing the cost of communication, management and transaction of data

## ICT AS AN ENABLER FOR BUSINESS GROWTH, DEVELOPMENT AND COMPETITIVENESS...2/3

- 5. Ensuring the availability of a minimum supply of ICT infrastructure and Electricity especially in the remote and rural areas with a special emphasis to the servicing of the MSME's;**
- 6. Lowering the cost of PC's for targeted groups and encourage the use of open-source software.**
- 7. ICT facilitate trade logistics & customs systems by making them more efficient & transparent thus increasing trade flows.**

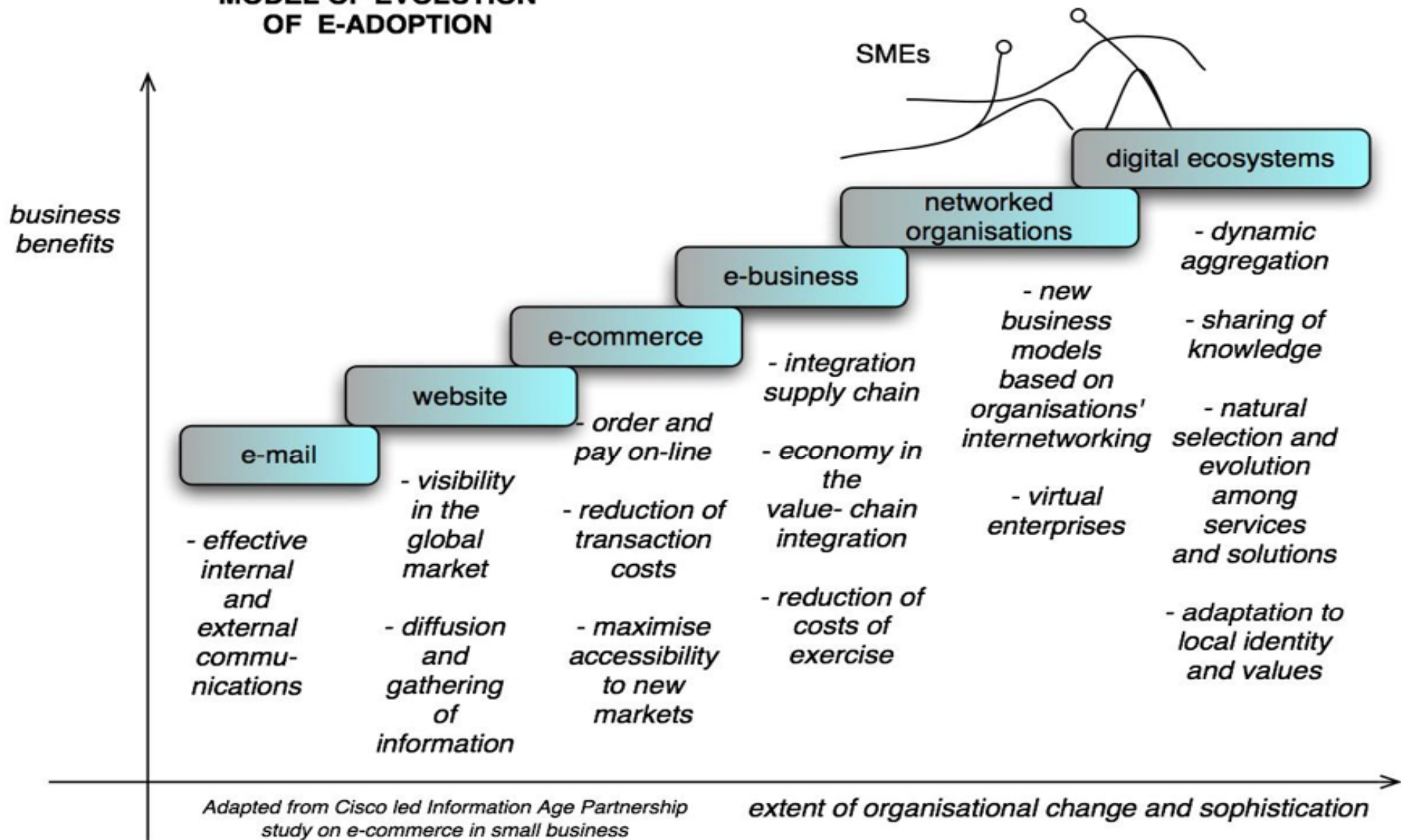
## ICT AS AN ENABLER FOR BUSINESS GROWTH, DEVELOPMENT AND COMPETITIVENESS...3/3

9. ICT enablers are crucial for technology to work. The Quality of country's business environment, and its attention to ICT enablers can affect its ability to harness full benefits of technology.

**10. In Summary, ICT enablers are:** Education, Skills Training, R&D, Access to Venture Capital, affordability of Internet access, Security of Internet infrastructure, Government support for ICT development, and Quality of ICT supporting services.

# EVOLUTION OF ICT ADOPTION IN BUSINESSES

MODEL OF EVOLUTION OF E-ADOPTION



# The Message is: -

*Businesses should Invest  
not only in ICT  
infrastructure but also in  
ICT enablers if benefits  
from ICT are to accrue to  
them .*



## *After Graduation, then what.....?*



*Entry into the labour market will be through MSME's*

## **MSME'S AS GROWTH DRIVERS ....1/2**

- **Most Graduates will be expected to enter the labor market through the MSME' Sector;**
- **MSME's are the backbone of most developing economies;**
- **ICT's makes MSME's penetrate global market;**
- **ICT makes it possible to convert information into business opportunities; and**

**ICT will also help enhance various business functions and help create alliances.**



# **BUSINESS PROCESS OFF SHORING (BPO) AND GROWTH IN THE EXPORT OF SERVICES**



## **BUSINESS PROCESS OFF SHORING (BPO) AS EXPORT OF SERVICES**

- Kenya is targeting to become one of the top three BPO destinations in Africa;**
- During the period 2008 – 2012, the goal is to create 7,500 BPO jobs with an additional contribution to GDP of Kshs: 10 Billion**



## **WHAT PROJECTS DO WE INTEND TO IMPLEMENT UNDER THE BUSINESS PROCESS OFF SHORING (BPO)**

- ❑ Plans to design and establish one BPO Park in the Athi River EPZA with World Class Infrastructure;
- ❑ Offer incentive packages for ICT companies to locate in the park [tax incentives and infrastructure];
- ❑ Create One-Stop Shop for administration and Talent to serve as a “Showcase” Park;
- ❑ Attract at least 5 major leading IT suppliers and 10 MNCs and global BPO players to Kenya

# **WEBSITE AS A BUSINESS TOOL**

*A Website represents a critical business tool. Having a Website is as important as having a telephone line, business cards and brochures. Unfortunately, there are still a large numbers of businesses that do not have a Website and perhaps do not understand how essential it is to their company image...!!*

# ***Questions Business Need to Ask***

**Can we save money using a Website?**

**Can we afford to invest in a Website?**

**Can a Website attract Global  
Companies to our Business?**

# DIGITAL VILLAGE PROJECT

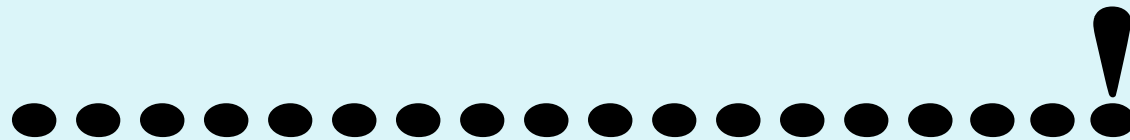
## *What is The Digital Village Project?*

1. Is a Government and Private Sector driven initiative to take ICTs to the rural areas in Kenya.
2. It seeks to make ICT relevant in the rural areas in order to harness the potential of the rural sector.
3. An ICT Board has been established to implement the project under the Ministry of Information & Communications

# Liberalization of the ICT Sector../1

1. The Government has taken deliberate measures to liberalize the sector to enhance the role of ICT
2. The Communication Commission of Kenya (CCK), as an independent regulatory agency is a major step to regulate ICT sector;
3. Since liberalization of the ICT sector, there has been faster growth in the Internet & Mobile Telephony;
4. By Dec' 2006, there were 2.7 mln Internet users; served by over 100 licensed ISP's and 7.3 Million Mobile phone users;

# FINAL THOUGHTS.....





# Thank you

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