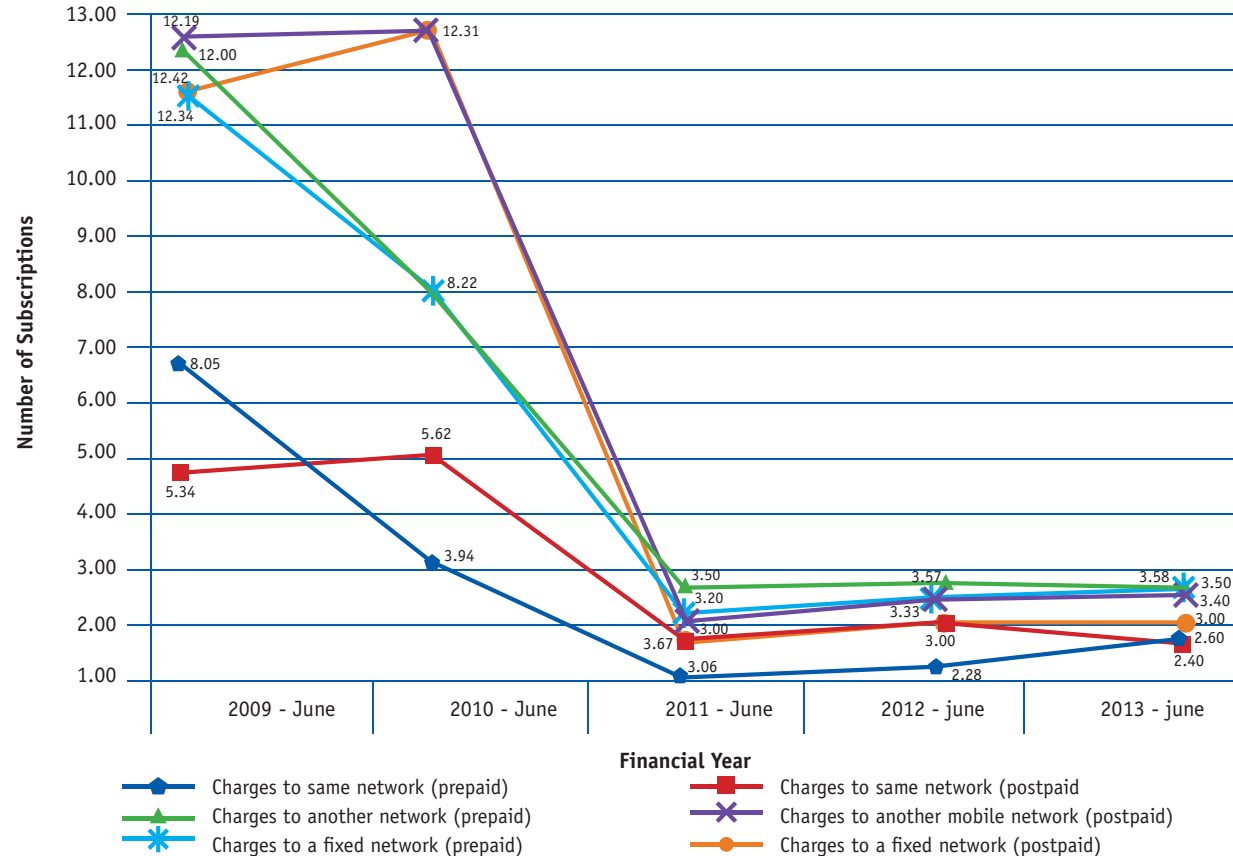


Since inception, the Authority has facilitated provision of affordable communications services in the country. This has been done primarily through implementation of a regulatory framework that encourages competition, which has driven down retail charges for ICT products and services. Connection charges for mobile telecommunications services have been on a steady decline since liberalization, from an all-time high of Kshs200,000 (US\$ 2,500) in 1999 to less than Kshs2,000 (USD 25) in 2012.

ICTs have been identified as a key enabler and driver in the realization of Vision 2030. It is expected that by the year 2018 and 2030 respectively, ICTs will be contributing 5% and 10% to the Gross Domestic Product (GDP), respectively.

The graph below shows the progression of mobile telecommunication charges over the last five years:

**Fig 34: Average voice tariff trends June 2009 - June 2013**



**ii. Service penetration and customer growth**

The prevailing favourable policy and regulatory environment has witnessed a marked growth of the sector as well as in service penetration. The growth in service penetration is also attributed to enhanced competition and lower prices for ICT services and products. As at the end of March 2014, mobile penetration was 76.9 percent which is way above the African penetration rates estimated by ITU to be 41 percent.

Internet services are available in the urban and peri-urban areas of the country. The landing of four submarine cables on the Kenyan coast (i.e. SEACOM, TEAMS, EASSy and LION) and completion of the national broadband network, has witnessed an explosion in the uptake of internet services as a result of lower cost of bandwidth. Mobile internet remains the key driver of growth as mobile networks spread their footprint into the rural areas and continue to focus on the data and value-added services market. Broadcasting services now cover over 80 percent of the country, and they provide audiences with diverse content.

Postal/courier services remain largely accessible in most metropolitan and urban areas, rural areas remain predominantly dependent on the Postal Corporation of Kenya, which is the Public Postal Licensee with Universal Service Obligations.

The coming into operation of the Universal Service Fund is expected to improve access to ICT services in all parts of the country.