

Kenya: Excessive 3G license fee hurting business

By [Titus Kaloki](#)

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There seems to be a calculated effort by the Kenyan government to protect mobile data services from competition by keeping the required license fee too expensive. Safaricom is currently the only service provider with one. Zain, Yu and Orange have suffered from this prohibitive move by government.



The fee costs an obscene \$US25 million equivalent to around KSh25 billion. Most of the mobile service operators have not even seen this kind of money in profits. According to the *Daily Nation*, the problem arises from the differences between the Communication Commission of Kenya (CCK) and other 3G service providers. There seems to be a great cloud of varying information which hardly gets to the man on the street.

Zain reportedly has applied for 3G but has not paid for it according to *The East African*. But some insiders claim it already paid and was in the process of testing it. It's then amazing that some techies claim to have hit 3G on Zain modems; Orange says that the fee is too expensive.

"The reason we have no alternative provider is because the fee is set too high. But why is the license so expensive? Since there is no other obvious reason, short of greed, it seems to go back to two individuals and a long-term strategy by the government," writes Kahenya Kamunyu in the *Daily Nation*.

Yu has not yet entered officially in the fray of complaints possibly because they have to yet establish a foothold in the mobile services industry. The corporate Safaricom seems to be in bed with the government because even after President Kibaki ordered number portability by January 2010, Kenyans will have to wait longer; the earliest, may be June 2010 or even two years down the line.

Mickael Ghossein, chief executive officer of Telkom-Kenya told the media that "having already invested a lot in this project, we would be happy to get a positive response from CCK."

Currently, Safaricom is the only firm operating a 3G network, having paid the 25 million USD fee in 2007. The firm has in the past insisted that all operators pay same fee to ensure a level playing field.

Ghossein, however, said the three years Safaricom has operated a 3G network as a monopoly should have been ample time to recoup initial investments and even reap significant earnings.

3G is a generic name for a set of mobile technologies which use a host of high-tech infrastructure networks, handsets, base stations, switches and other equipment. 3G allows mobiles to offer high-speed Internet access, data, and video and CD-quality music services.

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