

## KENYA

# A Hotbed of Services

Kenya has its sights set on becoming a regional ICT hub

**W**ith a mandate to become a middle-income country within 20 years, the Kenyan government is on a mission to modernize. Having weathered civil unrest and the global crisis, President Mwai Kibaki and his team are surging ahead with development goals outlined in a far-reaching "Vision 2030" initiative that are aimed at securing economic, social, and political advancement for Kenya.

"Creating wealth is the only way to fight poverty, ignorance, and disease," Prime Minister Raila Amollo Odinga says, confidently. "We did not just invent Vision 2030. We have thought seriously how we will achieve it."

Recognizing that the economic pillar is "crucial," the government has introduced a number of measures to attract

## Linksoft Group: Your Partner Of Choice

Since being established in 1995, Linksoft Group has developed into the leading force in Kenya's ICT industry, as its outstanding reputation for quality and service make it the sector's most recognizable brand.

From its modern headquarters, Linksoft offers its broad base of valuable customers a complete package of turnkey telecommunication network infrastructure solutions. The firm's portfolio of high-tech, state-of-the-art services includes equipment supply, installation and testing, commissioning, and maintenance of telecommunications networks.

A dynamic organization, Linksoft—led by CEO Anthony Wahome Githinji—also offers complete end-to-end installation and maintenance packages in line with individual business networks' requirements.

The ambitious, results-driven company constantly monitors the ever-changing market trends, and is the fastest growing telecommunications solution provider in Africa. Always striving to meet the demands of the rapidly-paced ICT industry, Linksoft boasts a strong presence in Kenya, Uganda, Tanzania, Nigeria, Ghana, and Rwanda, and has plans to enter other lucrative international markets in the coming years.

With the vision of being "Your Partner of Choice" for leading players in the continent's ICT industry, the innovative company's success is built on the values of integrity, hard work, discipline, and consistency.

This strong commitment to the highest standards of service is reflected in the company's ISO 9001:2001 certification that recognizes its world-class management system. Linksoft chose this internationally-identified standard as a platform on its journey towards operational excellence in order to ensure the very best standards across its prestigious portfolio in Kenya and beyond.

### Linksoft Group

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Raila Amollo Odinga  
Prime Minister



Anthony Wahome  
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Nelson Kuria  
Managing Director  
CIC Insurance

major investment. "Last year's budget saw a lot of money committed to infrastructure," Odinga says. "We are also putting a lot of resources into water and energy. We want to triple our energy generation capacity in the next three years."

When President Kibaki launched Vision 2030 in June 2008, he declared Information and Communications Technologies (ICT) one of the fastest-growing economic sectors, with high potential for Kenya's prospects in tapping global markets.

A liberalized, competitive marketplace is now being fostered. Telkom Kenya, the fixed-line operator, is being prepared for eventual privatization, and a second fixed-line operator will be licensed imminently. The mobile market has become increasingly competitive with the current 34% mobile penetration rate slated to rise to 60% over the next four years.

Uhuru Kenyatta, Kenya's Minister of Finance and Deputy PM, highlights the economic changes Kenya has made in recent years. "We have just come out of a five-year economic recovery strategy, during which time we managed to double our revenues and increase the amounts available for development. We underwent major reforms, particularly in public financial management, the financial sector, and business regulatory reforms. Vision 2030 is a very achievable objective."

Kenyatta defines other growth sectors as: agriculture—the country is a key producer of cut flowers, coffee, and tea, and is also diversifying into meat, leather products, and cotton; construction; manufacturing; and services, especially the banking and finance industry.

With more than 40 insurance companies, 150 brokers, and well over 3,000 insurance agents, the Kenyan insurance market is one of the most intensely competitive in Africa.

Nelson Kuria, visionary managing director of CIC Insurance, the only cooperative insurer on the market, notes: "The environment requires bigger players that are well-capitalized with viable market shares so they can also invest in research, technology, improved penetration, improved customer care, and an improved image of the industry. This will create a certain momentum of growth in itself."

Formed and wholly owned by cooperatives, CIC is now one of the top ten players in Kenya and doing a sterling job competing head on with the multinationals.

"We are likely to see more of the large global players, as this is one of the emerging markets. Consolidation will come as a

result of global pressure and trends," Kuria says. "The level of penetration is currently only 2.6% of GDP, which means the majority of Kenyans have not embraced the insurance concept. This is not about cultural traditions; it is because there is a perception among the population that insurance companies are quick to collect premiums but reluctant to pay claims. The industry has to work hard to dispel that notion. We also need to innovate as a nation on how to reach low-income Kenyans."

Over the last five years, CIC has pioneered the development of microfinance to low-income communities, and is now the leading microinsurer on the continent. "Strategic partnerships are very important to us," Kuria says. "I have sent some of my senior managers to a Canadian financial cooperative to get a feel for a developed market and best practice."

Meanwhile, the Ministry of Information and Communications is working round the clock to implement plans that will enable Kenya to become an ICT hub for the region. A "smart town" is being developed on 5,000 acres of land in Athi River, a town outside Nairobi, which will house Business Process Outsourcing parks, science parks, convention centers, hotels, malls and recreational facilities. The national fiber-optic backbone is also being expanded to reduce the cost of telecoms in general.

Jamii Telecommunications Ltd (JTL) is playing a key role in the nation's ICT development, with its connection to The East African Marine System (TEAMS)—a high-speed fiber-optic

undersea cable that was officially launched last year. The 5,000-km long link, which connects Kenya's coastal town of Mombasa with the United Arab Emirates, was built at a cost of U.S.\$130 million as a joint venture of the government and Kenyan operators—who hold an 85% share—and UAE-based Etisalat.

**"The East Africa Marine System has addressed many of the challenges of broadband connectivity."**

*Joshua Chepkwony, Chairman and CEO, JTL*

For Joshua Chepkwony, chairman and CEO of JTL, Kenya has the potential to become as big as South Africa and India in ICT. "TEAMS has addressed many of the challenges Kenya suffered with broadband connectivity and will open up other opportunities," he says. "We are now rolling out fiber networks to metropolitan cities, and focusing on pilot projects to bring fiber-optic cables to peoples' homes. This is part of a greater objective to bring high-speed connectivity to the real users."

With a robustly designed national network based on fiber and other cutting-edge technologies, and its own metro fiber networks in all the major cities, JTL would consider strategic alliances to create value for clients, partners and itself.



## Looking for international partners to join our family

A pioneering company with a growing market share, CIC is Kenya's leading microinsurer and prides itself on providing products with a social conscience.



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