

# Kenya: e-Commerce is here, finally

The arrival of the East African Marine Systems (TEAMS) fibre optic cable in Kenya has heralded a new era of better and faster internet connection. Business expectations have risen as well. Carole Kimutai spoke to Information and Communication Permanent Secretary Dr. Bitange Ndemo on how this translates into better business.

By Carole Kimutai 14 Sep 2009



## Do we expect business operations to move online?

**Dr. Ndemo:** There are several things that will need to happen first before that. First, people must upload enough content to attract traffic and hence trade activity. Secondly, people have to take advantage of the ICT stimulus package provided by the government in the 2009/10 budget. There are still very few Kenyans who have access to a computer much more the internet and we hope the launch of the one million laptop/computer campaign will double or triple the number of users and enable them to take advantage of the cheaper broadband. With more people connected, it will be possible to create content and have online tools of trade. Thirdly, and core to making electronic trade (e-commerce) a reality, the banking sector must create a payment platform to enable people pay for goods/products online.

## Does Kenya have the necessary infrastructure, platforms and manpower in place for e-commerce?

Yes. We have very many educated young people who have the knowledge and can create various online applications and products that can be used for e-commerce. The fibre optic cable will increase connectivity speeds, and make communication faster and efficient. However, banks have been very slow in embracing ICT. When they launched ATMs they positioned them as a competitive advantage. But PesaPoint came and changed everything. Now customers from several banks can share an ATM.

## With the fibre optic cable in place, can we now expect banks to provide a payment gateway?

I am sure in the next few months banks will start launching such products for their clients. Remember banks are facing very stiff competition from mobile telephone operators with their money transfer products and banks have to step up their game. Banks already use the electronic money transfer systems so it is only a matter of time.

## What kind of investment should be put in place to make e-commerce a reality?

Investments are based on what you are looking at so I can't put an exact figure on it. The government is already trying to go digital and the public can now get a lot of information online. If you log on to the immigration department, you can do a lot of things. For companies/organisations, they can partner with the youth who can assist in developing content that can be put online. When you have content, you attract traffic and then make money.

## Has the government put in a framework that will guide/govern e-commerce?

Yes. All that is contained in the Kenya Communications (Amendment) Bill 2008 also known as the ICT Bill. The law will promote electronic trade within Kenya and between Kenya and other trading partners and also provide a conducive legal

environment for all players to do business and transact. The Bill will definitely encourage e-commerce services and protect the privacy of the public, interests of consumers and clients from potential misuse.

## **E-commerce will provide a free-for-all environment for traders. What are the challenges expected?**

Of course there will be a lot of traders who will operate and not pay tax but the government is working closely with the Kenya Revenue Authority (KRA) to monitor digital traders. The authority will have a mechanism to track people down so that they can pay tax. The government needs money to fund its projects and provide amenities to its citizens and essentially create a conducive business environment.

## **What lifestyle changes should we expect to come with e-commerce?**

For one, it will mean instead of spending hours shopping, you can go online and choose, pay and have the product delivered without moving a muscle. There will also be people who will do impulse buying and go into debt.

### **ABOUT CAROLE KIMUTAI**

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