

EACO 23rd Congress and 26th Meeting of Assemblies

Telecom and Broadcast Panel Discussion on 1st July 2019

Title: Infrastructure, Connectivity and the Digital Economy

Session Background

The session was aimed to deliberate efforts to grow East Africa's contribution to the Digital Economy.

The workshop session was chaired by Mr. Hussein Abul-Enein of Access Partnership and included the following panelists:

- Mr. Ravi Suchak, Vice President, Public Affairs – EMEA (American Tower Corporation)
- Mr. Kenneth Tweheyo, Head Competition Affairs (Uganda Communications Commission)
- Ms. Caroline Koech, Senior Policy Manager (GSMA)
- Mr. Jerome Albou, Chief Technical and Information Officer (TIGO)
- Mr. Andrew Kisaka, Head of Licensing (Tanzania Communications Regulatory Authority)
- Ms. Beata Mukangabo, Head of Legal, Consumer and Economic Regulation (Rwanda Utilities Regulatory Authority)
- Eng. Vincent Adul, Communications Expert (National Communications Secretariat, Kenya)

Key Note Summary

Mr. Ravi Suchak, Vice President, Public Affairs EMEA at American Tower Corporation (ATC) delivered a keynote speech.

- In his keynote, Mr. Suchak thanked EACO for its efforts to boost East Africa's contribution to the digital economy and thanked the Republic of Tanzania for its hospitality.
- Mr. Suchak further noted that infrastructure is key to enabling digital transformation and highlighted the importance of towercos as basic building blocks for the rollout of wireless connectivity.

- Mr. Suchak emphasized that bringing Africa's 900 million unconnected individuals online is a prerequisite to fully leverage the benefits of the digital economy, which is estimated to grow in Africa by over US \$300 billion by 2025.¹
- He also noted some compelling facts, including a World Bank statistic indicating that a 10% increase in broadband penetration rates would lead to a 1.38% increase in GDP per capita in developing markets.² He added by emphasizing that in Africa, connectivity improvement and the ICT sector directly contributes 7% of the continent's GDP and thus there is a clear need to foster efforts to boost investment in the sector.³⁴
- Mr. Suchak then turned to highlight some of the regulatory issues hindering the growth of the East African Digital economy, including the infrastructure deficit⁵ and the lack of harmony of rules across the region and within countries, and unwarranted regulation, specifically arbitrary/multiple taxation..
- According to Mr. Suchak, such regulatory issues reduce investment incentives and network expansion efforts, ultimately to the detriment of the end user.
- Concluding, Mr. Suchak noted that multi-stakeholder collaboration and openness to hearing different perspectives will be key to tackling East Africa's challenges and will set the region to leapfrog into sustained economic development by harnessing technological innovation.

Session Summary and Recommendations

The session saw extensive discussions on the efforts needed to boost East Africa's contribution to the digital economy, including the need for increased infrastructure investment to bridge the digital divide and enhanced regulatory certainty. The panelists further provided insights and best practices in relation to 5G and next generation networks, the internet of things (IoTs), artificial intelligence (AI) and the convergence of telecoms and broadcasting. They also discussed issues on connectivity and affordability, Digital financial inclusion, spectrum management efficiencies. The panelist shared case studies of what is being done in the region to promote the digital economy, and shared the challenges being faced.

¹ McKinsey&Company (2013), "Lions Go Digital: The Internet's Transformative Potential in Africa," https://www.mckinsey.com/~/media/mckinsey/industries/high%20tech/our%20insights/lions%20go%20digital%20the%20inter%20nets%20transformative%20potential%20in%20africa/mgi_lions_go_digital_full_report_nov2013.ashx

² Zhen-Wei Qiang, C., C.M. Rossotto and K. Kimura (2009), "Economic impacts of broadband", in Information and Communications for Development 2009: Extending Reach and Increasing Impact," World Bank, Washington, DC (http://siteresources.worldbank.org/EXTIC4D/Resources/IC4D_Broadband_35_50.pdf)

³ World Bank, African Development Bank, African Union, "The Transformational Use of Information and Communication Technologies in Africa" (<http://siteresources.worldbank.org/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/Resources/282822-1346223280837/Summary.pdf>)

⁴ Internet World Stats (2018).

⁵ The African Development Bank estimates that poor infrastructure shaves up to 2% off Africa's average per capita growth rates. See African Economic Outlook 2018, African Development Bank (https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/African_Economic_Outlook_2018_-_EN.pdf)

The session recommended that EACO Member States should:

- adopt efforts to protect telecommunications assets such as macro towers as critical national infrastructure;
- take action to increase spectrum efficiencies and ensure that current allocations are fully utilized prior to providing new spectrum allocations;
- encourage infrastructure sharing as an effective, cost-efficient solution for infrastructure rollout;
- prepare digital strategies to clearly define objectives, vision and action items to increase their contribution to the digital economy;
- increase regulatory certainty and take efforts to harmonize digital and telecom policy across all six EACO countries;
- consider meeting more frequently and with the private sector to discuss methods to harmonize digital and telecom policy;
- Sufficient use of the Universal service Fund for rural connectivity
- address issue of affordability of services
- Promote Research and Development
- take efforts to increase digital literacy and boost capacity; and
- refrain from imposing arbitrary and excessive taxes.

EACO organized the workshop in collaboration with American Tower Corporation and Access Partnership.

