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Republic of Zambia

Ministerial Statement on Infrastructure Development and Policy Interventions to grow the Communication Industry

Ministry of Communications and Transport

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Mr Speaker,

I wish to thank you Sir, for according my Ministry this opportunity to issue a Statement on Infrastructure Development and Policy interventions undertaken to grow the Communication Sector. I appreciate the honour to have this opportunity to inform this august house and through it the nation on the developments in the Communications Sector.

I wish to mention that Government has embraced Information and Communication Technology (ICT) as an enabler of development. Indeed, Government would like to see to it that ICT infrastructure and services are equitably distributed and are available to and affordable for the greatest possible proportion of the population.

To this effect therefore, the Government launched the National Information and Communication Technology Policy on 28th March 2007 to guide the development of the sector. Furthermore, in order to stimulate growth and recognizing the evolution of Information and Communication Technologies this August House last year passed the Information and Communications Technology (ICT) Act No 15 of 2009. The ICT Act No 15 of 2009 is now fully operational. In putting into

operation the ICT Act, I issued a number of statutory instruments to support the act namely:

- Statutory Instrument No.35 of 2010 - The Information and Communication Technologies Licensing Regulation, 2010

  The said statutory Instrument provides the licensing framework consistent with the ICT Act. This was necessary in order to be able to move all licensees under the repealed Act to the new licensing regime under the ICT Act number 15 of 2009. The regulations also allow the licensed Mobile operators to have their own international gateways. I should mention that the transition was done smoothly and in conformance with the Act.

- Statutory Instrument No. 34 of 2010 – The Information and Communication Technologies fees Regulation, 2010

  In transitioning to the new licensing regime it was prudent that the license fees are revised consistent with the Act. The transition requirement under the Act is that the fee payment obligations are no less favourable than those provided for in the previous licence. In order to improve the easy of doing business, the licence fees for operating an international gateway were reduced from an equivalent

of US$ 12 Million to US$ 350 Thousand. As I alluded to earlier the transition was done smoothly.

Mr Speaker

I am happy to mention that arising from the said intervention the country has witnessed considerable reduction in international calling rates ranging from 40% to as much as 70% depending on the destination. I wish through this august house to applaud all the operators for passing on the benefits to the customers.

- Statutory Instrument No. 31 of 2010 – The Information and Communication Technologies Allocation of 3G frequencies regulations 2010

  In order to enable the Mobile operators to roll out 3G services it was necessary to make available 3G frequency spectrum. This statutory instrument made available frequency Spectrum for 3G. I should mention that under the new licensing regime all the Mobile operators can roll out 3G services upon payment of necessary frequency spectrum fees as provided for under SI number 34 of 2010. Allow me to inform this august house and through it to the nation that all operators are already rolling out 3G Mobile

services. Zain has so far rolled out 200 Base Transceiver Stations, MTN has rolled out 90, whilst Zamtel is in the process of commencing the roll out.

- Statutory Instrument No. 30 of 2010 – The information and Communication Technologies Allocation of 2G frequencies Regulation 2010

  The statutory instrument made available additional frequencies for provision of Mobile services in order to enable operator be able to provide efficient services.

- Statutory Instrument No. 29 of 2010 - The Information and Communication Technologies National numbering Plan regulations 2010

  Numbers are rare resources that need to be used prudently. The National Numbering Plan regulation provides guidelines in the use of all numbers for various services consistent with the International Telecommunication Union guidelines. For instance, certain numbers such as 999 are reserved for emergencies, 991 for Police, 992 for Hospital, 993 for Fire.

Mr Speaker

The ICT Act Number 15 of 2009 aims to grow the sector at the same time protecting the interests of both the operators and the users. The expected outcomes are:

- Greater Network reach and capacity
- High quality Services
- Efficient delivery of services
- Affordable services equitable distribution of services
- Diverse rich of both data and voice application that include VOIP and Video Telephony

Mr Speaker

In order to empower the users and also to enhance competition amongst the operators my Ministry has held consultative talks with the Zambia Information and Communication Technology Authority (ZICTA) and the Mobile operators on the possibility of introducing Number Portability. Number Portability refers to the ability of a user to change the service provider without having to change any of the digits in the number. For instance, if one had a number 09XX 777777 connected to one service provider the user might opt to change to another service provider without having to change any of the digits including the network identity number. Therefore,

changing the service provider will not require any change in the number as a user will move with the whole number thereby allowing the user not to lose any contacts or having to reprint business cards. In short operators will have to offer high reach, high quality, efficient and affordable services in order to retain customers on their network.

Mr Speaker

Electronic payment systems are the cornerstone of E-Commerce development by ensuring convenience and flexibility when undertaking commercial transactions and trade. Indeed, Mobile commerce solutions via GSM phones are increasing on the market mainly due to the convenience, flexibility and increase in the use of mobile phones. In order to enhance the proliferation of such technologies to support the business there is need to enhance security of the systems. My Ministry is holding consultative talks with the Zambia Information and Communication Technology Authority (ZICTA) and the Mobile operators on the possibility of introducing Sim Registration.

Most countries are introducing Sim Card Registration. Sim registration is simply the capturing of identity details of the person to whom the Sim card and number are assigned.

Thereby as one buys a Sim card there will be requirement to produce a valid national identity, or passport in the case of foreign nationals.

Mr Speaker

Arising from sound Policies of the Government and prudent Management, the country has witnessed continuous and steady growth in the reach and connectivity of mobile telephone services in the recent past.

Allow me to provide statistics of the growth progression.

- In 2007 there were 2,639,026 Mobile users reflecting a penetration of 22.54 users per 100 inhabitants.
- In 2008 there were 3,539,003 Mobile users reflecting a penetration of 26.96 users per 100 inhabitants.
- In 2009 there were 4,165,101 Mobile users reflecting a penetration of 32.28 users per 100 inhabitants.
- As at end of September there were 5,144,000 Mobile users reflecting a penetration of 38.5 users per 100 inhabitants.

It can be noted from the above statistics that mobile penetration has grown by over 45.4% in the last 2 years. This signifies the achievements attained under the able leadership

of H.E Mr R.B Banda in the ICT Sector. The reforms he has embarked on since assuming office are positively impacting on the growth of the sector and the overall national economy. In terms of geographical reach 42.8% of the country is covered with population coverage of about 70%. This skewed level of ICT penetration has limited the pace of development interventions.

In order to promote the widespread availability and usage of electronic communications services throughout Zambia, and to bridge the digital divide between urban, peri-urban and rural areas this august house last year passed the Information and Communications Technology (ICT) Act No 15 of 2009. The ICT act number 15 of 2009 established a Universal Access and Service Fund to address the provision of electronic communications services in un-served or under-served areas and communities. The fund is being administered by ZICTA.

Mr Speaker

Allow me to highlight the activities being undertaken by Government through ZICTA the ICT regulator in collaboration with operators to promote the reach and provision of electronic communications services in un-served or under-served areas and communities.

The activities being undertaken include tower construction to enable mobile operators extend mobile coverage, and establishment of Multipurpose Community Telecentres.

In order to promote and complement the efforts by operators to extend services to rural areas ZICTA is rolling out towers under the Universal Access and Service Fund. In the first Phase 37 towers are to be constructed in rural areas. The tender has already been issued and it closes on 26th November 2010. It is anticipated that Mobile services will be extended to these locations in the first quarter of 2011. An additional 30 sites are being prepared for Phase 2 also to be rolled out in 2011.

Mr Speaker

There is no doubt that the availability of ICT infrastructure in rural areas will render enormous impact upon the rural communities and the rural economy in general. Communities that traditionally travel long distances to communicate, whether about business or personal matters, will have instant access either via their own phone or one belonging to a friend or the community.

The availability of ICT infrastructure in rural areas would positively impact on Small – scale farmers in that, they ~~would~~ will

be able to ascertain the best selling price for commodities that they have produced using the phones and Internet.

Mr Speaker

By extending connectivity to rural areas, Government will be able to introduce e-health services. The potential of ICT in contributing to the efficient and effective performance of the health sector is enormous especially in remote diagnosis and treatment. Indeed, the potential impact of ICTs such as telemedicine are immense as it optimizes the constraint of limited highly experienced medical personnel and also eliminates the distance barrier in the delivery of health services.

Telemedicine also can be used to provide both basic and continuous skills transfer to health professionals. This will help mitigate isolation of health professionals in rural areas. The dissemination of medical information through ICTs will facilitate informed decision-making particularly in hard to reach areas

Mr Speaker

During the period January 2009 to September 2010 ZICTA set up 9 Multipurpose Community Telecentres in the following location; Mumbwa, Mazabuka, Kabwe, Mongu, Serenje, Mpulungu (2 centres) and Mporokoso at a cost of ZMK 2.9 billion. The Multipurpose Community Telecentres offer services such as internet, telephony, fax, photocopying, document scanning, binding and laminating. In some cases also operate as computer training centres.

Furthermore, in collaboration with Macha Linknet, an NGO focused on rural connectivity, ZICTA set up three telecentres at Chilonga (Mpika), Kalene (Mwinilunga) and Minga (Petauke) respectively at a cost of ZMK 1 billion. ZICTA provided the funds whilst Macha LinkNet implemented the project. The telecentres were commissioned February/March 2010.

Mr Speaker

A well developed ICT infrastructure and services facilitates the development and growth of other sectors of the economy. For instance, in the sphere of education, ICTs have the potential to improve the quality of education and training through e-learning and online learning. My Ministry is working in collaboration with the Ministry of Education to connect educational institutions. As part of the programme to connect

educational institutions, ZICTA in 2009 financed an initiative by the Zambia Research and Education Network (ZAMREN) aimed at connecting institution of higher learning. ZAMREN is a non-profit making association comprising University of Zambia (UNZA), Copperbelt University (CBU) and Mulungushi University (MU). The project involved connecting UNZA and Copperbelt University through fibre. The project cost was ZMK 680 million.

Following the establishment of the fibre link between the two institutions, a High Definition (HD) videoconferencing system from XVD Corporation of Japanese was installed to provide real time video interaction between the two institutions. The installed XVD is a distance learning solution that allows the two institutions to share real time lecture room interaction. This means that students at either university can participate in a lecture at the other university in real time. The system was unveiled by H.E Mr R.B Banda on 26th May 2010 during the e-learning Africa conference which Zambia hosted.

Mr Speaker

The Indian Government has been assisting African countries to establish a Pan African Electronic Network. The Pan African E-Network project involves linking 54 African countries to Indian institutions and also linking African countries to themselves. In

Zambia the project involves linking Zambian universities and health institutions to other universities and health institutions in Africa and India. The project scope entailed the installation of Tele-medicine equipment at University Teaching Hospital (UTH), establishment of a Tele-education node at Mulungushi University and the VVIP equipment at State House to interconnect with other African Heads of State. The interlinking of education and health institutions provides a platform for sharing experiences. The Tele-Education node at Mulungushi University has since been handed over to the Ministry of Education. The University Teaching Hospital has been provided with Tele-Health equipment to facilitate consultation and diagnosis by Zambian doctors with the help of their counterparts in India as well as other counterparts in Africa where similar infrastructure has been installed.

The other infrastructure development projects being undertaken by the Ministry are the construction and rehabilitation of Post offices in order to facilitate the provision of ICT and Postal services in unserved and underserved areas. Post offices provide an effective distribution channel for ICT products and services to rural areas. I wish to inform this august house that the Post Offices are regaining the status of

being centres of business transactions such as bill payments and money transfers. In addition most post offices have E-post facilities where e-mails can be turned into ordinary mail at the point of delivery thereby increasing the speed at which mail is distributed. The construction of Sinda Post Office is almost complete and that of Shang'ombo is at tender stage.

Mr Speaker

Whilst there has been substantial growth on Mobile connectivity the internet and broadband connectivity has been very low with a total subscriber base of 17,754 reflecting a penetration of 0.14 per 100 inhabitants as at end of March 2010. There are eighteen (18) licensed internet service providers out of which eleven (11) are operational.

In order to facilitate growth in internet penetration Government ushered in the new licensing regime under the ICT Act no 15 of 2009 and expects the operators to extend internet services to all parts of the country utilising broadband technologies.

Mr Speaker

I wish to mention that Mobile operators have already risen to the challenge, with the provision of internet through Mobile Phones the number of users accessing internet has increased tremendously over the recent few months. There are over 600, 000 users using mobile phones to access internet services. With the roll out of 3G services a lot more people will be able to access internet. As at end of September 2010 the Mobile operators had installed over 290, 3G Base Transceiver stations.

The growth of internet penetration has partly been limited by the high cost of the services. The cost of Internet service in Zambia and Africa in general is more than ten times the cost of the same service in either Europe or Asia because of reliance on Satellite Technology for connectivity.

Mr Speaker

It is anticipated that the deployment of optical fibre networks on both sides of the African seaboard and the subsequent interconnection with inland fibre networks the cost of ICT services should come down arising from the shift from satellite technology to higher capacity and high quality fibre networks. Zambia by virtue of its geographical position is a natural regional hub for ICT in the transition from satellite to optical

fibre connectivity in that it can be able to link countries on the west to the east, and north to south.in the process contributing substantial amounts to the national economy. Furthermore, it is a prime location for establishment of a regional Internet exchange Point. Therefore in order to be able to play this significant role Zambia needs to establish fibre connectivity with all its neighbours.

In terms of national fibre backbone infrastructure three operators namely ZESCO, CEC and ZAMTEL have optical fibre networks providing the backbone infrastructure. The CEC network covers Copperbelt towns and is about 540km.

The ZESCO network covers about 1,700 km from Sesheke to Lumwana through Livingstone, Lusaka and the Copperbelt. The ZESCO fibre network has been interconnected to Namibia at Sesheke and Katima Mulilo respectively thus enabling access to undersea cable SAT 3. ZESCO has commenced its phase 2 of the fibre project that will enable Mbala, Mansa, Mpika, Kasama, Nakonde, Mpulungu, Kawambwa, Luwingu, Musonda Falls, Chishimba Falls, Lunzua, Chinsali, Isoka, Mongu, Kaoma, Senanga, Kasempa, Mfuwe, Lusiwasi, Msoro, Katete, Chipata, Mkushi, Chirundu and Maamba to be interconnected to the fibre network before the end of 2011. The project covers an additional fibre distance of 3,000 kilometres and is being executed by ZTE Corporation. The equipment has already been

manufactured and is expected to start arriving in December 2010.

The Zamtel network covers about 1,913km. So far the Lusaka to Copperbelt towns portions as well as Lusaka to Serenje routes are operational. Lusaka to Kazungula segment has been completed and is currently undergoing acceptance tests.

ZESCO and Zamtel have a signed agreement for collaboration in their fibre networks that aims at avoiding duplication of resources by combining their efforts and linking their networks. Arising from this agreement Zamtel and ZESCO are collaborating with their counterparts in Botswana to interconnect with Botswana at Kazungula to enable Zamtel link into the Eastern Africa Submarine Cable System (EASSy) on the eastern coast in which Zamtel has an investment. The EASSy cable is now operational. It is anticipated that this interconnection to the EASSy undersea cable will be completed in January 2011. Once the interconnection is done it is anticipated that there will be abundant bandwidth and that prices for internet will substantially reduce.

Mr Speaker

I would like to conclude by stating that Government is committed to see to it that ICT infrastructure and services are

equitably distributed and are available to and affordable for the greatest possible proportion of the population.

During the next five years Government intends to expand ICT infrastructure to cover all parts of the country, stimulated by the implementation of the e-government strategy that seeks to provide citizen centric integrated services covering all sectors delivered through multiple delivery channels accessible to all citizens.