

Kenya's biggest telecom firm slashes SMS price

NAIROBI: Safaricom, the mobile phone operator in which Britain's Vodafone has a 40% stake and which has more than 70% of the Kenyan market, said on Friday (7 January 2011) it is slashing its SMS prices.



An SMS sent within the Safaricom network will fall to one shilling (€0.01) from 3.5. An SMS to another operator will cost two shillings rather than five.

The new reduced rates will be permanent and will apply to both pre-paid and post-paid customers, Safaricom CEO Bob Collymore said.

"In this increasingly competitive environment, Safaricom must continue to ensure that our customers' needs are the central point of all our actions," said Collymore, who has just taken over from Michael Joseph who ran the company for a decade.

Safaricom, which counts some 17 million subscribers, was founded at the turn of the last decade following the liberalisation of Kenya's telecoms sector as a joint venture between Vodafone and the government of Kenya.

Shortly after Safaricom's announcement, the country's telecom regulator said it had directed all mobile operators to immediately implement lower termination rates, the fee that a network charges to deliver a text message, and pass on the benefits to the consumers.

Communications Commission of Kenya (CCK) said that a study published last year noted that the prevailing wholesale rates for SMS's were way above the incremental costs of providing these services across networks.