Telecommunications in Afghanistan

Take Aways

- The telecoms sector in Afghanistan has been one of the **most dynamic fields of growth since 2002**, impacting both Afghan society and the economy.
- Development of strong telecoms networks in Afghanistan is **promoting an enabling environment for private sector development** as a driver for growth and employment that can help to pull the country out of poverty.
- Despite the exponential growth of telecoms since 2002, the **ongoing importance of face-to-face / word of mouth communications** and hand-delivered messages in Afghanistan should not be forgotten.

Key Facts

Situation In 2002:

- Over 99 percent of the population had no access to telecom services.
- Only 12,000 telephones in Kabul.
- Little or no access to the Internet.
- Cost of mobile handset: $400
- Cost of mobile call: $2/min

Situation Today (estimate figures):

- Over 12 million mobile subscribers
- 50,000 fixed landlines
- 500,000 Internet Users
- $1.2billion of Foreign Direct Investment in the telecoms sector
- Cost of mobile handset: less than $10
- Cost of mobile call: $0.10/min

Four Major Telecom Network Providers:

- Afghan Wireless (part govt-owned)
- Roshan (51% owned by the Agha Khan Foundation)
- Etisalat (UAE-based)
- MTN (Lebanese)

Contribution to Afghan Government Revenue: Roshan's tax bill alone accounted for approx 7% of total government revenue last year.

Key Issues and Challenges

Language and Literacy – Literacy rates in Afghanistan are very low (28%), preventing even basic use of SMS messages or Internet. The diversity of languages (Dari, Pashto, Uzbek) in Afghanistan creates issues for universal telecoms services. The majority of Internet content is in European languages & Chinese – a barrier to entry for most Afghans.

Lack of Infrastructure – Large parts of the country still suffer from lack of access to basic utilities such as electricity, severely inhibiting telecoms coverage. The four major operators are investing over $400million a year on building infrastructure to help expand their networks. A proposed 3000km fiber-optic 'backbone' connecting major urban hubs would reduce Internet costs significantly but be vulnerable to failure or sabotage.

Regulation – Afghanistan still lacks an experienced independent regulatory telecoms body that can provide reliable legal arbitration. The government's unpredictable tax policies and sudden tax hikes have created problems for telecoms providers.

Security – The Taliban have issued direct threats to telecoms providers and attacked mobile phone towers throughout the country. Taliban rationale is that international forces use mobile phone signals to track down insurgents, and they accuse mobile operators of colluding with foreign troops.

Opportunities

- **Mobile Phone Banking** – Pilot programs to pay police officer salaries via SMS messages to their phones are helping to combat fraud and corruption.
- **Employment –** The telecoms sector directly employs thousands of Afghans, and employs further 10,000s of people in indirect service provision, such as running kiosks and distributing phone cards.
- **Education**– e-learning courses can provide distance learning for students in remote locations. The private telecoms sector is providing training to thousands of its current and prospective employees.
- **Commerce** – Building frameworks for e-commerce, making payments via SMS messages, and access to international markets. Services providing key agricultural information to farmers such as market prices of crops and weather data.
- **Health Services -** Can be provided to remote areas "virtually" by specialists at a distance using e-medicine techniques. ICT systems can make the provision of health services less bureaucratic, simpler to obtain and more universal.
- **Government Capacity** – Improved public access to administrative and social services. Improved communications between Kabul and the provinces/ local districts for coordination between public agencies, ministries, etc.

Possible Questions

- What can international agencies do to support the telecoms sector in Afghanistan?
- How can government operations be successfully aligned to benefit from private sector investment and activities in the telecoms sector?
- Is the Afghan government receiving support to build the telecom regulatory system?

In the News

- During his visit to Afghanistan last week, Iranian President Ahmadinejad inaugurated the Afghanistan Telecommunication Training Center, paid for by the Iranian government at a cost of more than $6 million.
- The One Laptop per Child Foundation (OLPC), a nonprofit organization whose mission is to help provide every child in the world access to a modern education, recently delivered 774 XO laptop computers to students and teachers in Kandahar. To date, the Foundation has distributed more than 3,700 laptops in Afghanistan.

Further Reading

Afghan Ministry of Communications & IT