



**REGULATORY IMPACT STATEMENT (RIS)**  
**ON THE**  
**REVISED POSTAL AND COURIER MARKET STRUCTURE**



## **1.0 Introduction**

The Communications Authority of Kenya (the Authority), established in 1999 by the Kenya Information and Communications Act, 1998, is the regulatory Authority for the Information and Communication Technology (ICT) sector in Kenya. The Authority therefore facilitates development of broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce (e-commerce), as well as postal and courier services. The Authority facilitates the development of the subsectors through licensing, competition management, frequency and numbering resource management and ICT consumers protection.

Under the Authority's 2023-27 Strategic Plan, the review and implementation of the Postal & Courier market, falls under the Strategic Goal 1, which is Promotion of Meaningful Connectivity to ICT Services. This goal aims to promote meaningful connectivity to ICT services for all citizens and one of the expected outputs being the onboarding of additional Postal & Courier Operators to accommodate emerging market players within the digital space, such as courier hailing service providers.

The Regulatory Impact Statement for the revised Postal and Courier Market Structure, 2026 has been prepared in accordance with the provisions of sections 6 and 7(1) and (2) of the Statutory Instruments Act, Cap 2A. The Authority has reviewed the Postal and Courier Market Structure where it has revised regulatory fees and introduced a new licence category.

## **2.0 Statement of the Objectives**

The purpose of Postal and Courier Market Structure is to ensure efficient ICT markets and to foster competition in the Postal and Courier sub-sector. The objectives of the review of the Postal and Courier Market Structure are to:

### **i. Expand License Categories**

The aim is to broaden the range of postal and courier license categories to incorporate emerging market players and innovative service models, thereby fostering a more inclusive and dynamic market environment, reflective of the evolving demands of the present marketplace.

### **ii. Enhance the Regulatory Framework**

Strengthen the regulatory framework to address existing challenges such as unfair competition from unlicensed players and hence enhance customer protection.

### **iii. Improve Service Coverage & Sustain Provision of Universal Postal Services**

To ensure the provision of the sustainable basic postal services that guarantees all consumers equitable access to quality basic postal services in Kenya at affordable prices by clearly defining the scope of services to be provided by a Public Postal Operator. Consequently, this will ensure wider provision and accessibility of postal and courier services, especially in underserved, rural, and remote areas. This is crucial towards promoting inclusivity and socio-economic development, as outlined in the National ICT Policy Guidelines, 2020.

**iv. Leverage Technology**

Rapid technological advancements and digitalization continue to reshape communication and postal service needs. The aim is to encourage the adoption of new technologies and digital solutions within the subsector to improve service delivery standards, enhance operational efficiency, and meet the evolving needs of consumers.

**v. Promote Competition**

To foster fair competition and enhance market efficiency within the subsector by enabling more operators to enter the market, which will certainly lead to improved services and better pricing for consumer.

**vi. Support Economic Development**

To position the postal and courier subsector as a critical infrastructure supporting e-government, e-commerce, and e-financial services, enhance/improve last-mile delivery capabilities, and enhance cross-border e-commerce logistics, and the overall digital economy, thus contributing to job creation, broader socio-economic growth and development of the country.

**vii. Environmental sustainability**

To promote the use of energy efficient green transportation technologies and eco-friendly packaging materials, to reduce carbon print of the postal and courier subsector.

**3.0 Statement on the Effect of the Revised Postal and Courier Market Structure**

The following are the effects of the revised Postal and Courier Market Structure, 2026:

**3.1 Effects on Consumers**

- i. Enhanced consumer protection through the onboarding of unlicensed operators in the subsector. Enhanced regulatory oversight will lead to greater customer confidence in postal and courier services, as they are perceived as reliable and trustworthy.
- ii. Effective provisions for handling complaints, resolving disputes, and ensuring the safety and security of postal items. This will protect consumers and build confidence in the subsector.
- iii. The innovation and adoption of new technologies and services will encourage the development of a wide variety of services.
- iv. The onboarding of the "courier hailing" category will encourage more tech-driven players to enter the market. Consumers will have more accessibility, variety, quality, and affordable services.

**3.2 Effects on the Public Sector**

The revised Postal and Courier Market Structure will impact the public sector in the following ways:

- i. The Postal and Courier Market Structure will support the development of a well-structured and regulated communications market structure conducive to the provision of services across all spheres of the postal and courier sub-sector in the country.

- ii. Enhance regulatory oversight and compliance to prevent platforms from using their market power to exploit consumers through hidden fees or predatory pricing.
- iii. Facilitate the growth of e-commerce and enhance Kenya's digital economy.

### **3.3 Effects on the Private Sector**

The revised Postal and Courier Market Structure will impact the private sector in the following ways:

- i. Enhance regulatory transparency, accountability, certainty and predictability. The clear market structure reduces ambiguity around new licensable services and applicable fees thus enabling private operators to plan investment, scale operations and manage risks more effectively.
- ii. Promote fair competition and equal treatment in the postal and courier subsector that accommodates all the players. The market structure prevents traditional courier companies from being unfairly undercut by unregulated apps that don't follow the established regulatory framework, ensuring a stable marketplace.
- iii. Innovation and adoption of new technologies and services will create additional opportunities for investment in the Postal and Courier market subsector.

## **4.0 Statement on Regulatory & Non-Regulatory Options**

This section highlights other regulatory and non-regulatory options that may be adopted to achieve the same intended objectives of the Postal and Courier Market Structure in Kenya.

### **4.1 Option 1: Do Nothing Approach**

The first option is the do-nothing approach. This involves the Authority not making any changes to the existing Postal and Courier Market Structure.

This approach is not appropriate as it would not allow for adequate regulatory oversight and consumer protection with respect to emerging postal and courier services that are currently not accommodated within the existing Market Structure. Failure to review the Postal and Market Structure will also not enable the realisation of the identified positive effects arising from the proposed review that have been identified in Item 3 of this RIS.

### **4.2 Option 2: Review the Postal and Courier Subsector Market Structure**

The revised Postal and Courier Market Structure will incorporate new market players and innovative service models thereby enhancing consumer protection and fostering a more competitive and inclusive market environment.

The review of the Postal and Courier Market Structure is therefore the most ideal option.

## **5.0 Costs-Benefit Analysis**

This section analyses the economic, environmental and social impacts as well as the cost of adopting the revised Postal and Courier Market Structure.

## **5.1 Economic Impacts of the Revised Postal and Courier Market Structure**

### **5.1.1 Economic benefits**

The anticipated economic benefits of the revised Postal and Courier Market Structure are as follows:

- i. Encourage more players to regularize their operations through structured licencing. This will enhance the tax base and improve sector accountability and promote a level playing field for all market players.
- ii. Encourage local and foreign investments in logistics infrastructure, fleet expansion and last mile delivery innovations.
- iii. Growth and formalization will generate direct and indirect employment opportunities especially for youth in both rural and urban centres and last mile delivery services.
- iv. Postal and courier services are a critical enabler of ecommerce growth and support MSME's and online traders by expanding their customer reach, improving delivery, reliability and building consumer trust thereby accelerating digital trade.
- v. Promotes harmonization, coordination and scalability in the national logistics system, benefiting other sectors such as agriculture, health and manufacturing that rely on effective postal and courier services for market access.

### **5.1.2 Economic costs**

The anticipated economic costs of the revised Postal and Courier Market Structure are as follows:

- i. There will be increased regulatory costs for monitoring compliance of additional operators.
- ii. Operation and capital costs will be incurred to set up and scale postal and courier businesses.
- iii. The Exchequer will be required to fund the Public Postal Operator to provide basic postal services and fulfilment of any other public service and international obligations that may be assigned to the licence holder(s).

## **5.2 Social Impacts of the Revised Postal and Courier Market Structure**

### **5.2.1 Social benefits**

The anticipated social benefits of the revised Postal and Courier Market Structure are as follows:

- i. Maintenance of social ties by helping people, including vulnerable groups, to stay connected by ensuring provision of basic postal services.
- ii. Facilitate convenient access to postal and courier services including access to information.
- iii. Increased public confidence in postal and courier services.

### **5.2.2 Social costs**

It is anticipated that there will be no social costs of implementing the revised Postal and Courier Market Structure.

## **5.3 Environmental Impacts of the Revised Postal and Courier Market Structure**

### **5.3.1 Environmental benefits**

The anticipated environmental benefits of the revised Postal and Courier Market Structure is the reduction on reliance on paper-based systems and processes, supporting broader environmental sustainability goals through automated tracking and electronic invoicing.

### **5.3.2 Environmental costs**

The anticipated environmental costs of the revised Postal and Courier Market Structure are as follows:

- i. Postal services contribute to greenhouse gas emissions using vehicles such as lorries, and aeroplanes for mail and courier transportation and the energy consumption of courier and postal facilities.
- ii. Packaging materials used for shipping can contribute to waste generation and landfill burden.

## **6.0 Conclusion**

The revised Postal and Courier Market Structure will enhance regulatory oversight and consumer protection by incorporating new market players and innovative service models that are currently not provided for in the existing market structure.

This review will also encourage the adoption of new technologies and digital solutions within the subsector to improve service delivery standards, enhance operational efficiency, and meet the evolving consumer needs.

The review has defined a clear scope of the services that will be provided by a Public Postal Operator, to ensure provision of sustainable, equitable, quality, and affordable basic postal services.

## **7.0 Implementation and Review**

The Authority will implement the Revised Postal and Courier Market Structure, 2026, following its publication in the Kenya Gazette.

Review shall be done on a need basis by consulting all the stakeholders and gazettelement of the amendments, if any.