UGANDA
COMMUNICATIONS
COMMISSION

Market Performance Report

4Q21

MTN IPO USE SELL EXCHANGE QUARTERLY REVENUES
SHARES 20 PERCENT ACCESS
MOBILE MONEY STOCK BUY ACCOUNT BIG TECH VALUATIONS
LISTED EXCHANGE
MOBILE MONEY SUB SCRIPTIONS GROW
SECURITIES

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1. The industry,
2. Prospective entrants,
3. Government,
4. Academia and other stakeholders.
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Introduction

This is a review of the industry performance, trends and key developments for the quarter starting October to December 2021. The report covers:

1. Outlook of the Global Telecom Market Place
2. Uganda Highlights in the Telecom Industry
3. Service access
4. Traffic and Usage
5. Industry Revenues
6. Post and Courier Services
7. Multimedia and Broadcasting Market

Global Highlights

1.1 Facebook Goes META

In the biggest news of the quarter, the tech world saw social media giant Facebook rebrand to “Meta” in October 2021. This is probably the biggest tech company rebrand in the last 10 years swamping earlier rebrand efforts by tech actors like Instagram, Dropbox, and Firefox.

In rebranding statements attributed to Facebook, the company claims that the rebrand is motivated by a new focus beyond messaging to an Artificial Intelligence (AI) and Virtual Reality (VR) inspired new world. The company further claims that this is natural cooperation from the screen-centered (mobile-centered) communication that we know today to a deeply immersive virtual connectivity world. This world they have chosen to call the “Metaverse”.

That being said, brand analysts have continued to posit that the big rebrand was motivated by major brand damage over the years that saw Facebook’s brand valuation/ranking fall to 15th in the world and well behind leading tech brands like Google, Amazon, Microsoft, and Apple.
These have maintained the top 5 brand rankings in the last 3 years .

01 **Apple** +26% 408,251 $m	02 **Amazon** +24% 249,249 $m	03 **Microsoft** +27% 210,191 $m	04 **Google** +19% 196,811 $m	05 **Samsung** +20% 74,635 $m
06 **Coca-Cola** +1% 57,488 $m	07 **Toyota** +5% 54,107 $m	08 **Mercedes-Benz** +3% 50,866 $m	09 **McDonald’s** +7% 45,865 $m	10 **Disney** +8% 44,183 $m
11 **Nike** +24% 42,538 $m	12 **BMW** +5% 41,631 $m	13 **Louis Vuitton** +16% 36,766 $m	14 **Tesla** +184% 36,270 $m	15 **Facebook** +3% 36,248 $m

Source: Interbrand Website accessed on 21st February 2021

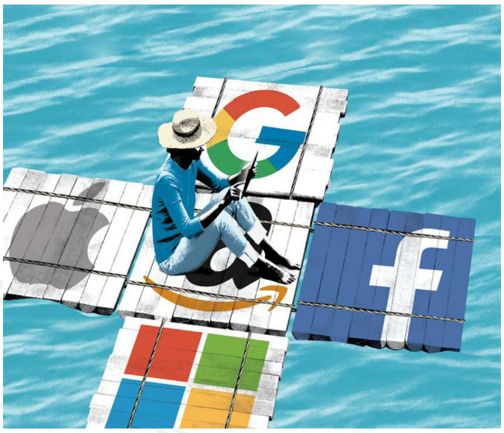
This brand damage analysts claim has been fueled by several incidents like,
1. The Cambridge Analytica Electoral Process manipulation allegations of 2018
2. Increased regulatory scrutiny and pressure on micro profiling that is a key tenet of Facebook’s business model.
3. Various antitrust investigations in the US and in Europe into Facebook’s conduct.

1.2. Big Tech Valuations and Subscriptions

December 2021 saw the big tech companies close the year with record annual surges in market capitalization. The 5 leading tech companies (Alphabet, Amazon, Apple, Meta Platforms (formerly Facebook), and Microsoft) posted a record USD 2.45 trillion increase in market caps over the 12-month period. Microsoft, Apple, and Alphabet Inc. were the top three contributors to the S&P 500 index's 2021 gains.

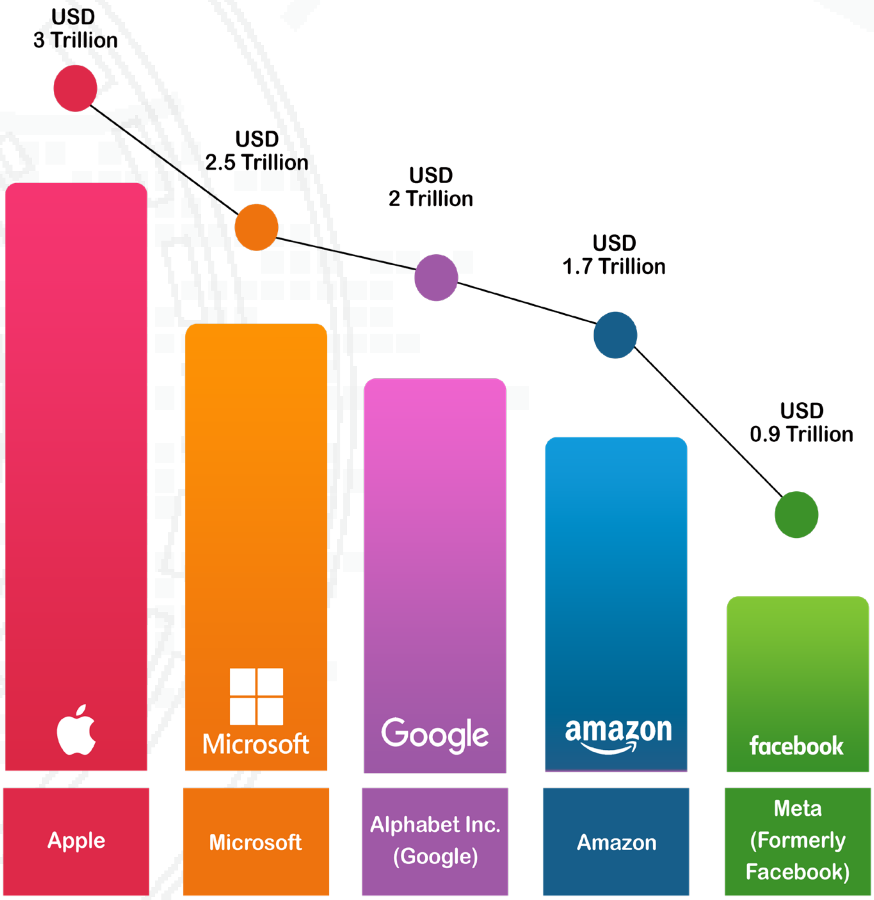
Leading this growth, was **Alphabet Inc.'s 65% annual gain** in market cap over the 12 months period. This represents Alphabet's biggest annual surge in market cap since 2009.

The big tech growth over the 12 months remains fueled by growth in cloud services, increased digital ad spend as sectors recover from the earlier lockdowns, the launch of new enterprise software as well as new hardware releases by entities like Apple.



Company	Market Cap (Dec 2021)
Apple	USD 3 Trillion
Microsoft	USD 2.5 Trillion
Alphabet Inc. (Google)	USD 2 Trillion
Amazon	USD 1.7 Trillion
Meta (Formerly Facebook)	USD 0.9 Trillion

Source: https://companiesmarketcap.com/tech/largest-tech-companies-by-market-cap/



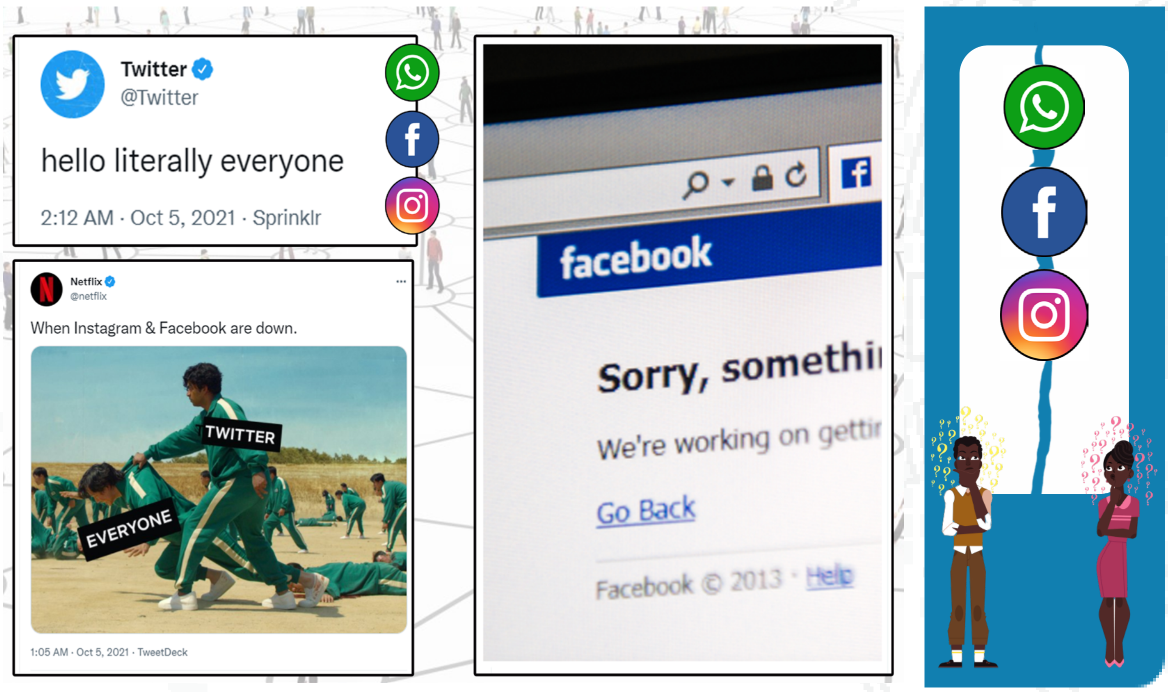
Source: Bloomberg

Source: Bloomberg

1.3. Facebook Outages

The quarter witnessed a **4-hour blackout** on all Facebook platforms including Whatsapp, Facebook Messenger, and Instagram affecting more than 2 billion users worldwide.

In a public statement, FB explained that configuration changes at the time at their various data centers were the cause of the shutdown and not a Distributed Denial of Service Attack (DDOS). Facebook further reassured its customer base that no personal data was compromised during the outage.

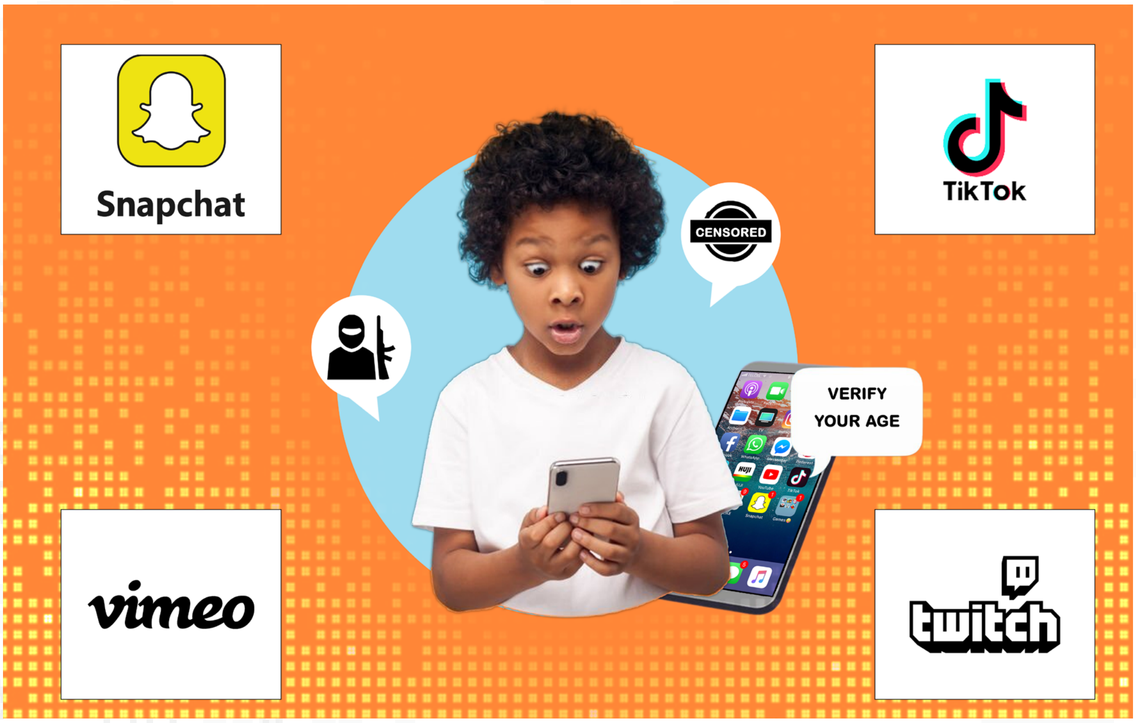


1.4. Ofcom Sets Consumer Protection and Risk Management Rules for Video Sharing Platforms

In continuing regulatory focus on video-sharing platforms, the UK regulator issued principles-based guidance on obligations of video-sharing platforms like Tik Tok, Snapchat, Vimeo, and Twitch.

The October 2021 guide referenced as “The video Sharing Platform Guidance” obliges platforms to put in place risk management and consumer protection systems to guard against harmful content like hate speech, terrorist content, child sexual abuse material, racism, and xenophobia.

The regulator’s effort follows statutory and self-regulation efforts like content mediation by content sharing platforms that have gained traction over the last two years.

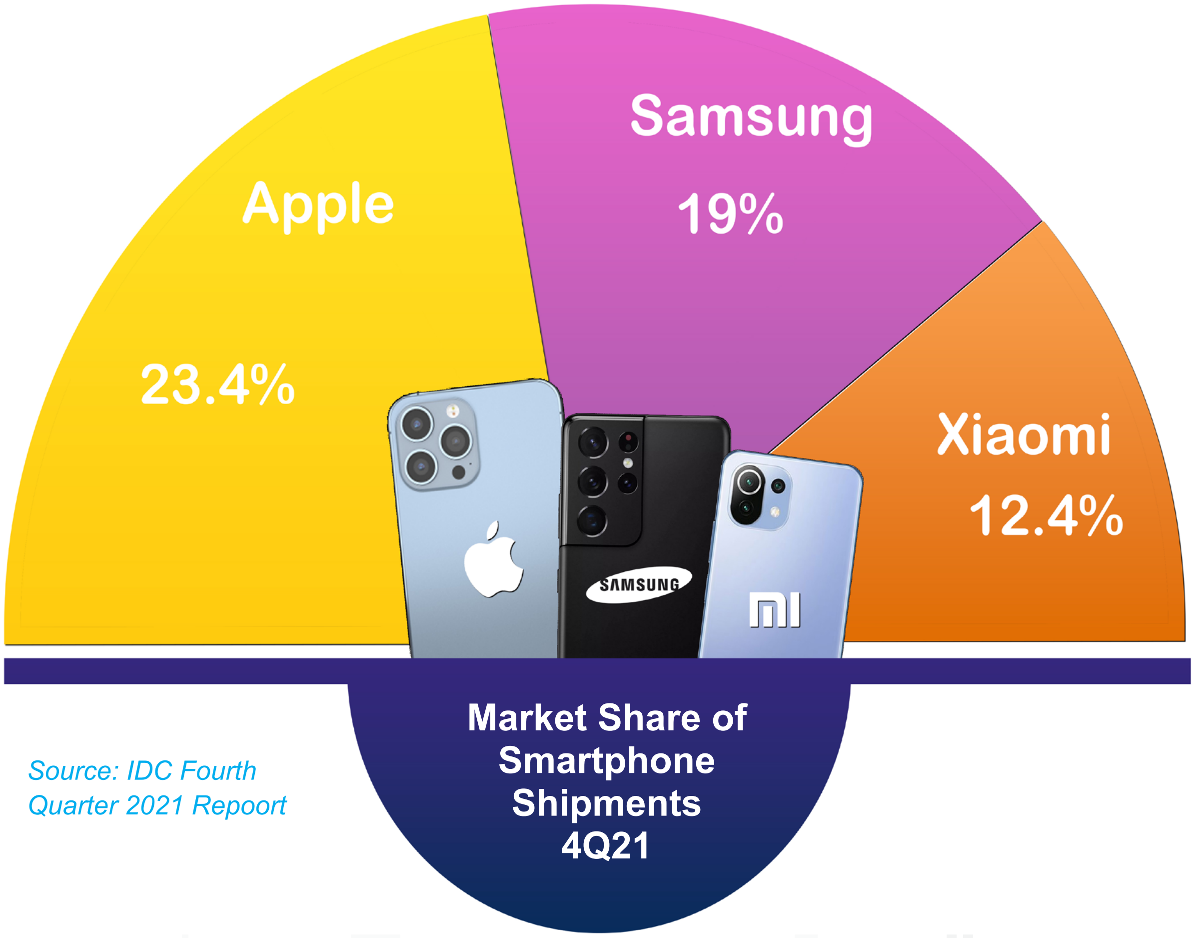


Ofcom’s decision to develop this guide was based on its research in 2021. The research conducted on video-sharing platform users showed that a third of U.K. internet users say they witnessed or experienced hateful content; a quarter claimed they were exposed to violent or disturbing content; while one in five had been exposed to videos or content that encouraged racism.

1.5. Global smartphone shipments

The quarter recorded a **40 million growth** in the number of global smartphone shipments. This translates into nearly 10% quarter-on-quarter growth of smartphone shipments despite the shortages in hardware chips witnessed during the last half of 2021.

In terms of market share, Apple led total shipments with 85 million phones sold accounting for 23% of total phone sales during the period. It was followed by Samsung and Xiaomi that accounted for 19% and 12% share of global shipments respectively during the period.

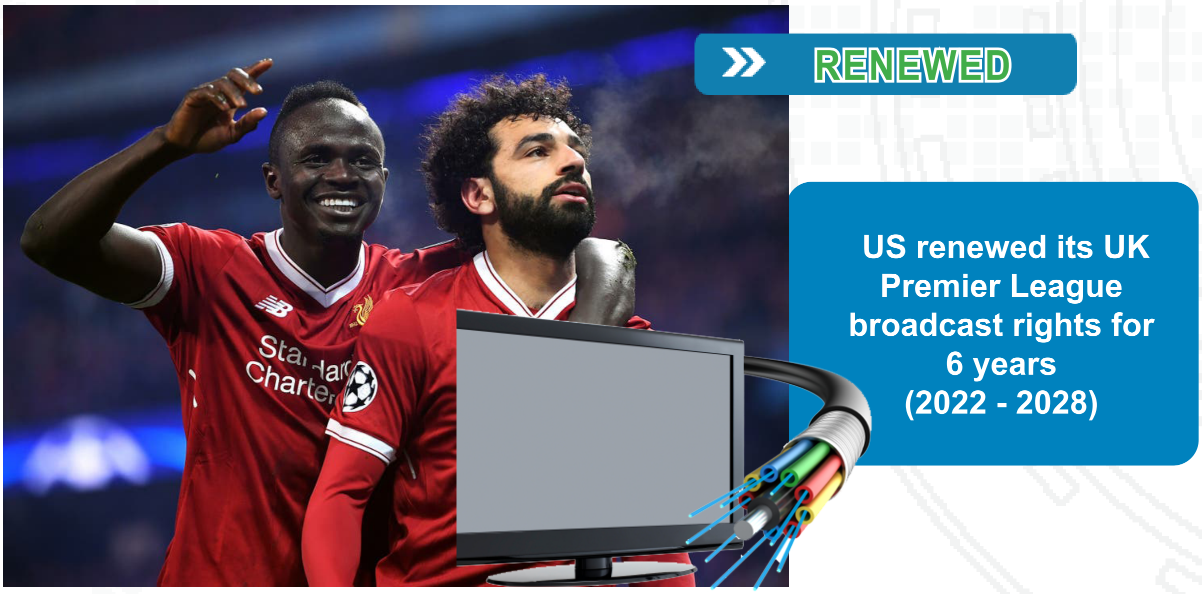


Source: IDC Fourth Quarter 2021 Repoort

1.6. NBC renews North America Premier League Media Rights

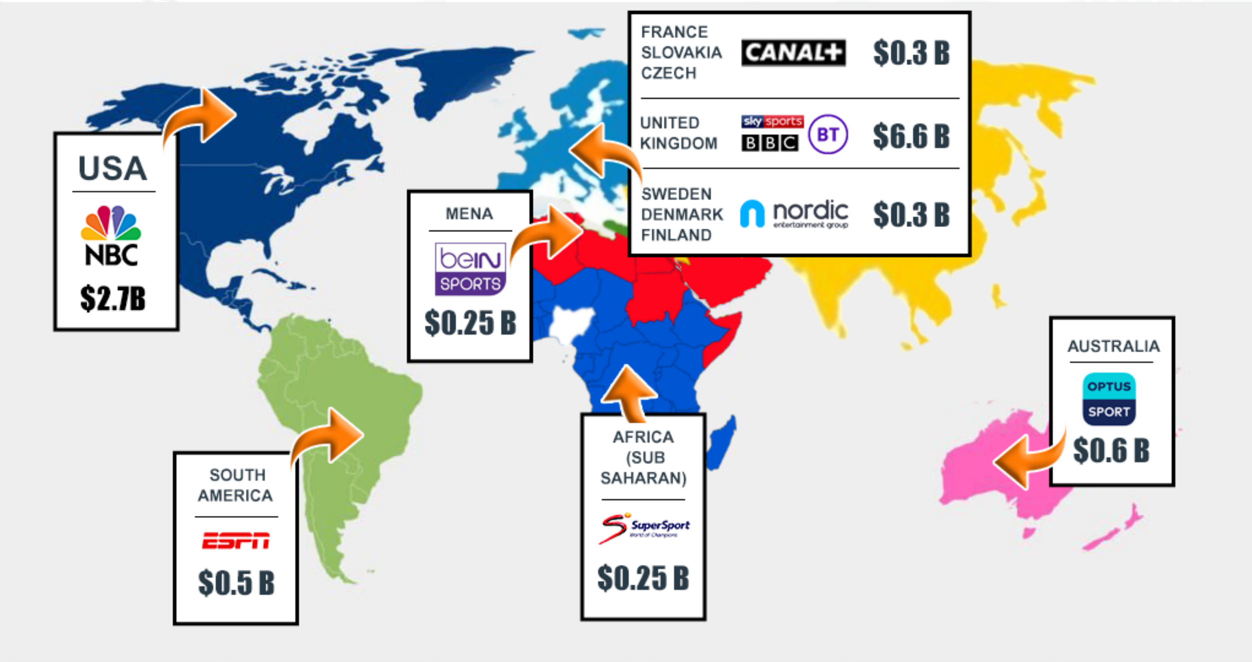
In further confirmation of the growing soccer market in North America, broadcast giant National Broadcasting Company (NBC) a commercial broadcaster in the US renewed its UK Premier League broadcast rights for a further 6 years (2022 - 2028).

The USD 2 billion fees paid by the broadcaster to beat off interest from ESPN and CBS translates into a nearly 100% increase in fees paid for the same content in 2016 for the same rights and duration. By comparison, North America continues to be a prime live sport media market with the annual payout for the premier league media rights more than tripling payments by other regional broadcasters.



Source: The Independent

Region	Broadcaster	Fees (USD Billions)	Rights Duration	Year of award
USA	NBC	2.7	6 years	2021
MENA	BeIN Sports	0.5	3 years	2020
Africa (Sub Saharan)	Super Sport	0.25	3 years	2020
South America	ESPN	0.3	3 years	2022
Australia	Optus Sport	0.6	6 years	2021
France Slovakia Czech	Canal+	0.3	3 years	2021
United Kingdom	Sky Sports, BT, BBC	6.6	3 years	2022
Sweden Denmark Finland	Nordic Entertainment Group	0.3	6 years	2021



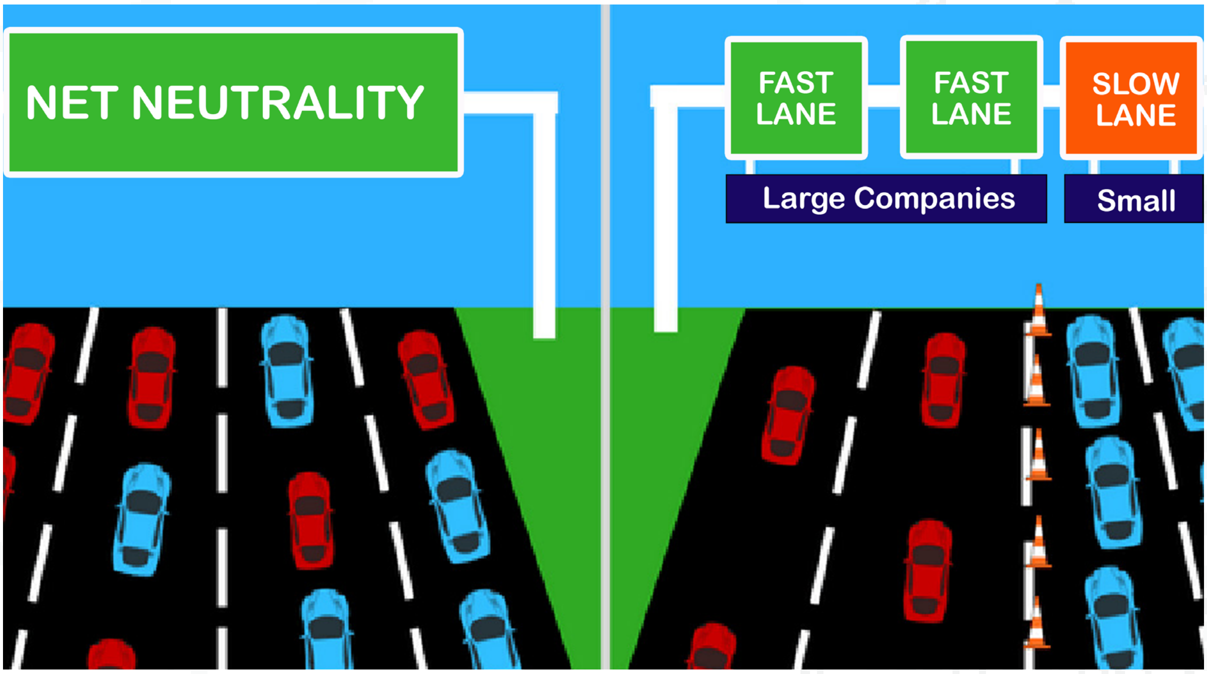
1.7. Video Streaming and New Pressure on Broadband Infrastructure

The extended lockdowns have fast-tracked the appeal and global dependence on content and video streaming services. The highlight of this during the quarter was the alleged **2.1 billion hours** of viewing attributed to Netflix's blockbuster show called Squid Game.

So significant has been the growth in traffic on account of the show's viewership that South Korean broadband Provider SK Broadband has reported a record traffic peak of 1,200 Gbps per second attributed to the Squid Gameshow. This is from an earlier traffic average of only 50 Gbps.

Subsequently, in an October 2021 lawsuit in Seoul, the broadband provider has sought compensation from the streaming giant to accommodate increased network traffic and maintenance costs. The streaming giant that has since become the second biggest traffic generator in South Korea has promised to review the claims and work with the network provider to maintain quality service with its last-mile customers.

The growth in video streaming traffic brings back earlier industry conversations on the matter of net neutrality.



Domestic Highlights

2.1. First Telco Listing on Uganda Securities Exchange

In a market first, Uganda saw a licensed telecom entity get listed for the first time on the local securities exchange. The listing of **20% of the MTN Uganda portfolio** was in fulfillment of the National Broadband Policy as well as licensing obligations from the sector regulator .

In another first, the Initial Public Offering (IPO) was issued through traditional intermediaries as well as new mobile money channels. This is probably the most inclusive IPO on the Uganda Securities Exchange (USE).

At the end of the IPO, the operator had raised **USD 151 million** while the Group maintained an 83% share of its local subsidiary.

Source:nilepost.co.ug/2021/10/06/mtn-uganda-to-float-20-of-its-shares-on-the-uganda-securities-exchange/

2.2. New FDI in Telecom Infrastructure Markets

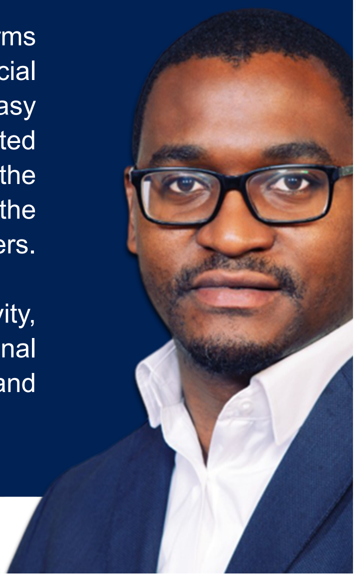
The highlight of the domestic infrastructure market was the conclusion of Towerco of Africa's (TOA) acquisition of a majority stake in Ubuntu Towers Uganda Limited, a newly licensed passive infrastructure provider in Uganda.

Towerco of Africa is a wholly-owned subsidiary of Axian Group that has terrestrial and undersea telecom infrastructure interests around the continent. The Group services a combined customer portfolio of 25 million subscribers with more than 15,000 Kms of terrestrial fiber and 3,700 tower deployments.

The transaction should release more than **USD 50 Million** in equity and debt finance for Ubuntu Towers Uganda Ltd.

George A. Ssamula
Chief Legal Officer
Ubuntu Towers

> Axian Telecom has been the most active telecom player of Africa in terms of inorganic growth. In addition to Mobile, Fixed as well as Digital Financial services and deep expertise in Telecom Infrastructure, it made it an easy choice for us as Ubuntu to make Axian an equity partner. We are delighted to be supported by Axian, especially looking at the achievements over the last 12 months some of which include the Tigo Tanzania acquisition; the successful $420m debut bond issuance and Investment in Ubuntu Towers.
>
> This transaction is in line with our strategy to bring to better connectivity, to Ugandans, especially in the under-served areas and to drive national development agenda hand in hand with a purely African founded, and focused investor



2.3. Continued Relevance of Niche Brands

The telecom landscape continues with segmentation of markets and value prepositions by providers to special interest groups.

In 4Q21, the market saw Airtel renew its partnership with K2 Telecom a central region-focused telecom brand under the number ranges 708 and 709. In the partnership, Airtel maintains a revenue share arrangement with the K2 brand owners who initially run the brand as a Mobile Virtual Network Operator - MVNO outfit.

Airtel provides all radio and core network services in the partnership. The brand owners engage in joint marketing with the MNO.

2.4. Policy Stewardship Changes in Business Process Outsourcing (BPO)

In a bid to kickstart Uganda's competitiveness in the ICT Business Process Outsourcing (BPO) space, the Ministry of ICT and National Guidance (MOICT&NG) has commissioned the inaugural BPO and Innovation Council.

The 9-member council is chaired by Prof. William Bazeyo who also doubles as the Chairperson of Makerere University Research and Innovations Fund (Mak-RIF). Other members include,

1. Dr. Rebecca Isabella Kiconco, the Vice-Chairperson of the Council and Lecturer Makerere University Business School
2. Rajeev Agarwal, a business consultant
3. Eva K. Mugerwa, a lawyer and member of the United Nations Joint Population Programme
4. Rowena Turinawe, the Business Transformation Manager at the National Information Technology Authority Uganda
5. Fred Otunnu, the Director of Corporate Affairs at the Uganda Communications Commission.
6. Richard Okuti, an International Trade expert
7. Richard Zulu, the chairperson of Startup Uganda
8. Charles Odongtho, a communications consultant
9. Dr. Diana Nandagire Ntamu, the Director of the Entrepreneurship, Innovation and Incubation Centre at Makerere University Business School (MUBS).

Dr. Rebecca Isabella Kiconco

Rajeev Agarwal

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Charles Odongtho

Dr. Diana Nandagire Ntamu

The council is tasked with:

1. Formulating strategies for job creation through ICT outsourcing and Innovation
2. Prescription of regulatory reforms and projects to facilitate the growth of ICT BPO and Innovation industry.
3. Identify, support, and scale-up breakthrough technologies and disruptive innovations.

2.5. The Uganda Film Festival is Launched

The 9th edition of the Uganda Film Festival (UFF) was launched in December 2021.

As has been the custom, the annual film awards are preceded by a **3-month long** host of activities that include regional public exhibitions and screenings, media campaigns as well as industry capacity building.

The capacity-building pieces of training focus on a range of areas including acting, sound and light management, scriptwriting, production as well as legal and commercial aspects of the creatives market. Registration and expressions of interest for training are underway.

Multichoice Uganda, Uganda Tourism Board, and Tangerine have joined the UCC as early sponsors for the 9th Uganda Film Festival.

Some of the Previous winners of the UFF awards include,

1. Best Student Film – Till Death Do Us Apart
2. Best Short Film – The Blind Date by Loukman Ali
3. Best Supporting Actress in Feature Film – Keloy Loy Kemigisha
4. Best Director for a Feature Film – Kizito Samuel Saviour

2.6. Uganda Content Development Support Programme Launched

In further support to the local creatives market, the UCC launched the Content Development Support Programme. The program is one of the many industry initiatives aimed at improving local content production in the country.

In the inaugural financing round, under the theme “Promoting Culture and Tourism”, UGX 512 million was awarded to four select projects after a competitive beneficiary evaluation.

The beneficiaries were,

1. Rachael’s Old King by Mark Byarugaba
2. Karamojong by Eleanor Nabwiso
3. Unheard by Polly Kamukama and Joseph Ssebagala
4. Borders by Ampire Daphne Rubaramira

Ampire Daphne Rubaramira

UGX **172.9M**

Polly Kamukama and Joseph Ssebagala

UGX **150M**

Mark Byarugaba

UGX **130.8M**

Eleanor Nabwiso

UGX **50M**

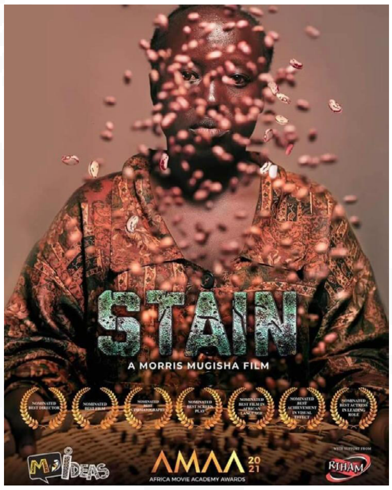
2.7. Uganda Film on the Continent

Local productions continued to make inroads on the continental film scene with several nominations in the annual Africa Movie Academy Awards (AMAAs). In the November 2021 awards held in Nigeria, the Ugandan productions were nominated in 6 categories:

1. Stain – Best Film, Best Director, Best Achievement in Screenplay, Best Cinematography, Best Visual Effects, Ousmane Sembene Award for Best Film in an African language, Best Actress in Leading Role
2. Tecora – Best Production Design, Best Makeup, Best Costume Design
3. Meat – Best Short Film
4. A Thousand Fate – Best Animation
5. Noboth – Best Documentary
6. Monica – Best Actor in a Supporting Role

Joan Agaba won Best Lead Actress for her role in “Stain” while Asher Roshen’s production “Meat” won Best Short Film category in the awards.

Source: Multichoice Talent Factory



Source: IMDB

Relatedly, in December 2021, a first Ugandan production was debuted on global streaming service Netflix. “The Girl in the Yellow Jumper” is produced by Loukman Ali a local producer and past winner of Best Short Film in the Uganda Film Festival.

Source: Netflix
https://www.netflix.com/ug/title/81505036#

Source: Loukman Ali
https://twitter.com/LoukmanAli

2.8. Solar Powered Tablet Pilot for the Digitally Excluded

In pursuit of the digital inclusion agenda, the UCC through Uganda Communications Universal Services Access Fund (UCUSAF) launched a last-mile digital inclusion pilot premised on the provision of low-cost internet-connected solar-powered tablets to rural digitally excluded groups. Special content in education, e-governance, and agriculture were specially provided to the pilot subjects/beneficiaries.

The project that was undertaken in the areas of Loodoi in Kotido, Looro in Amudat, Bubinge A and Musitu in Butaleja, Kyetume in Kayunga, Bukayo in Buvuma, Kanyashogyi in Kanungu, Mvule in Bulisa, was specially mooted to improve long term design of grid, awareness, and content limitations in digital inclusion programming.

The pilot project seeks to further further facilitate persons disadvantaged by poverty to participate in the economy and reap the benefits of access to communication.

This would provide useful insights and learnings in the mainstream of similar projects for the inclusion of other off-grid communities and the promotion of relatable relevant content for target communities.

Hon. Nyombi Thembo
Director UCUSAF

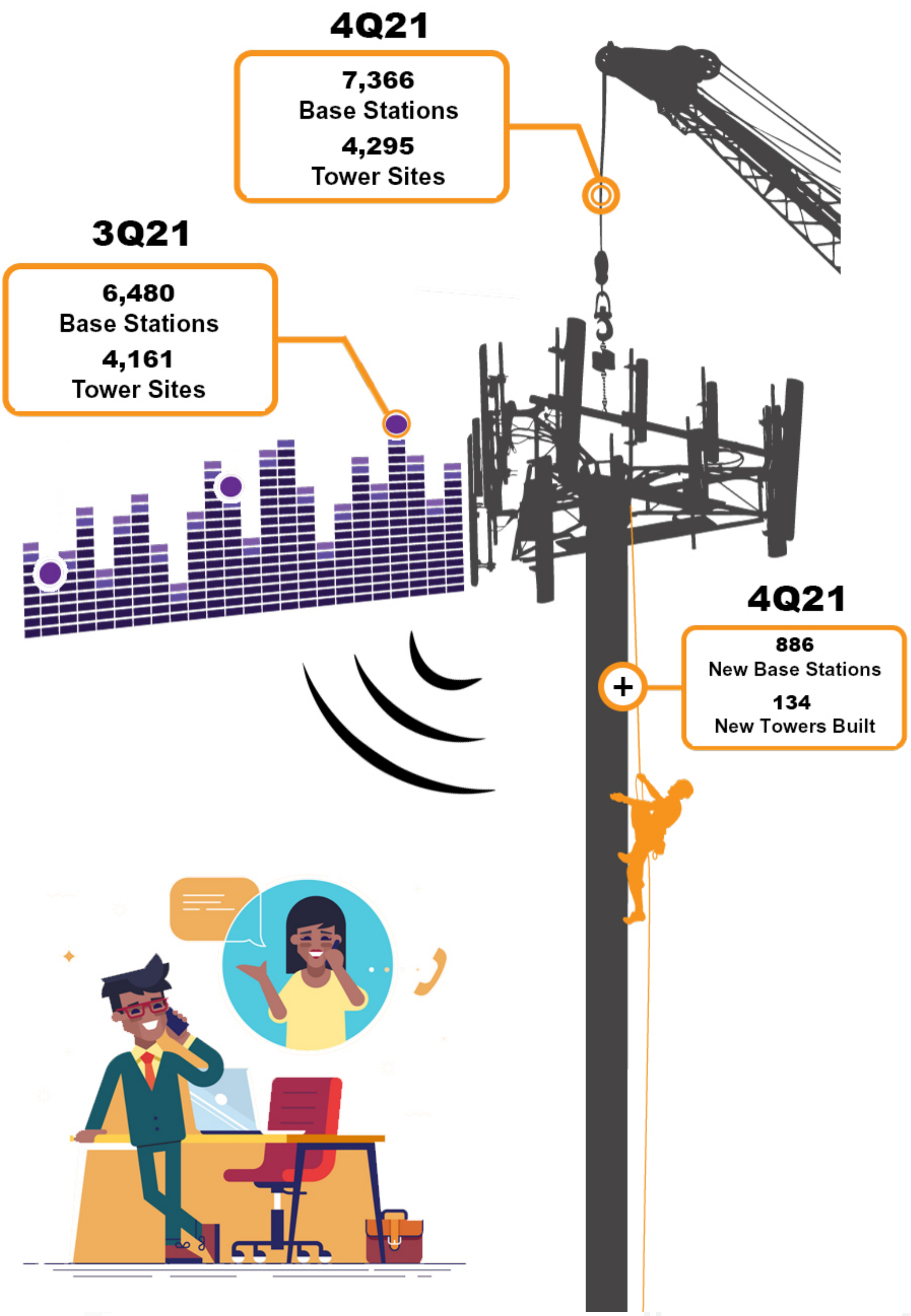
UCUSAF (formerly RCDF) has in the last 10 years made significant interventions in addressing infrastructure gaps through initiatives like the financing of passive infrastructure deployments.

That notwithstanding, new research has shown that there remains significant inclusion bottlenecks on account of device affordability, low penetration of grid electricity as well as limited digital literacy. This pilot project seeks to grow insights to improve programme design in addressing this kind of digital exclusion

Subscriptions and Access

3.1. Radio Network Infrastructure Access

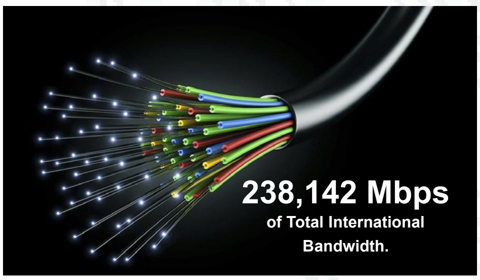
Passive Towers



3.2. Broadband Access Capacity

In terms of broadband access total international bandwidth capacity grew from 228,546 Mbps at the end of September to **238,142 Mbps** at the end of December 2021.

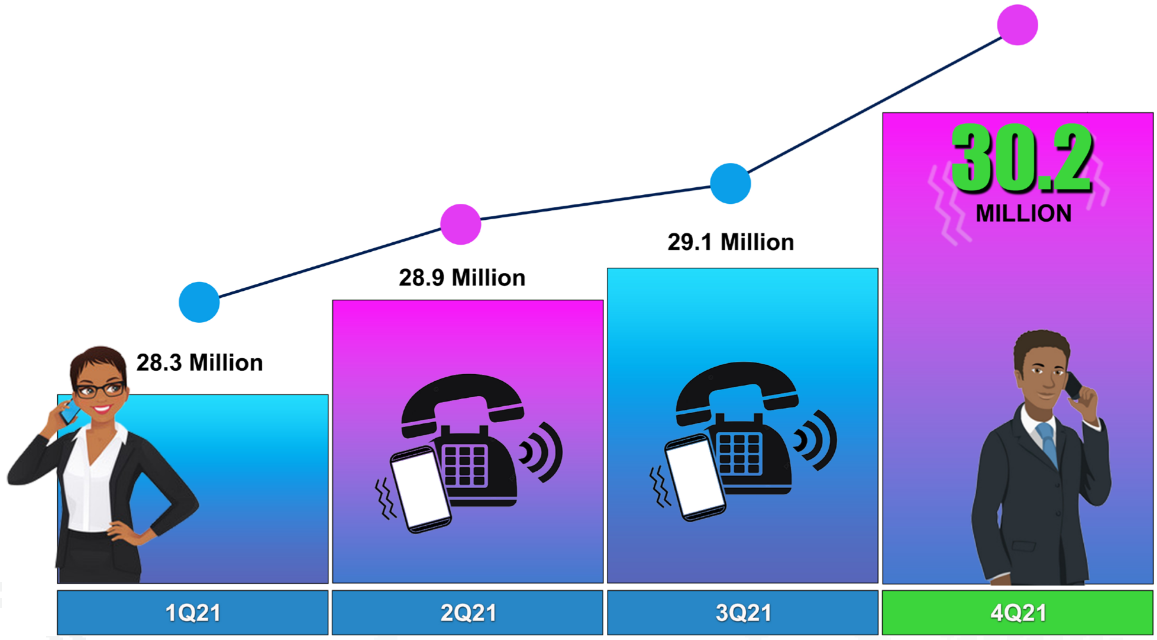
This growth in bandwidth translates into an access indication of 5,515 Mbps for every million inhabitants from 5,293 Mbps per million inhabitants.



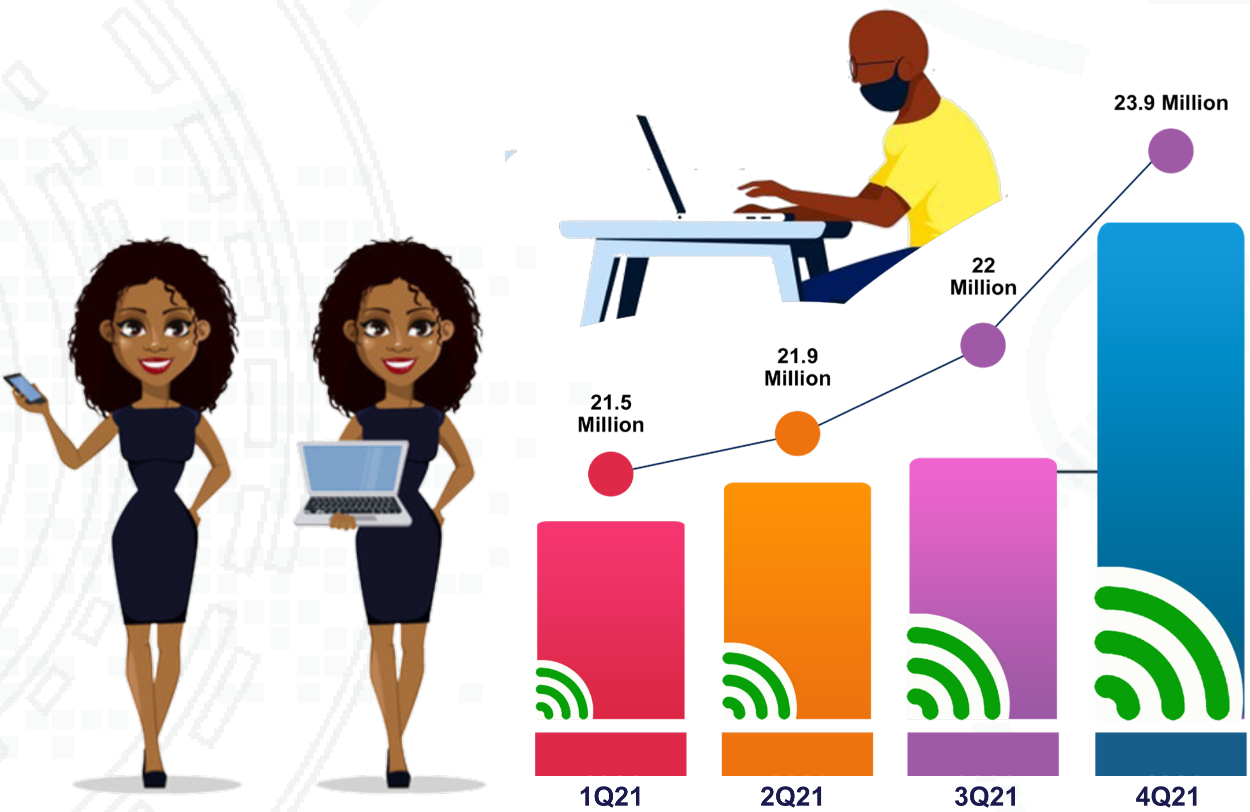
3.3 Last Mile Voice Connectivity

In terms of connectivity, the last three months of 2021 saw 1.05 million jump in subscriptions matching the previous 12 months quarterly peak of **1.05 million new subscriptions** posted in 3Q21.

This growth in subscriptions is a 4% quarter on quarter growth and a 9% annual growth in the 12 months ending 31st December 2021.



3.4. Last Mile Broadband Connections



1 in every 2 Ugandans is connected to a broadband connection

The quarterly peak performance for the year during 4Q21, 1.8 million new subscriptions is attributed to traditional seasonal demand of the festive season characterised by heavy promotional campaigns for both gadgets and data offerings as well as continued loosening restrictions on cross boarder travel.

3.5. Devices and Terminals

At the end of December 2021, a record 34 million devices were connected to the network. These include mobile handsets, laptops, tablets and other IOT devices.

BASIC MOBILE PHONE
Can make calls and send text messages

Monthly Users

2Q21	3,949,752
3Q21	3,549,893
4Q21	**3,532,047**

FEATURE PHONES
Can make and receive calls, send text messages and provide some of the advanced features found on a smartphone.

Monthly Users

2Q21	18,524,536
3Q21	19,849,299
4Q21	**20,519,692**

SMARTPHONES
A class of mobile phones and of multi-purpose mobile computing devices. They are distinguished from feature phones by their stronger hardware capabilities and extensive mobile operating systems, which facilitate wider software, internet (including web browsing over mobile broadband), and multimedia functionality (including music, video, cameras, and gaming), alongside core phone functions such as voice calls and text messaging.

Monthly Users

2Q21	9,729,758
3Q21	9,390,005
4Q21	**10,098,098**

In terms of quarterly net growth, device additions on the network stood at 1.3 million new devices in the 3 months ending December 2021. This is the highest net quarterly addition in the last 12 months.

Worth noting is the fact that net terminal additions (of 1.3million gadgets) were less than the new broadband connections (2.5million data connections) during the period. This is on account of the fact that most new gadgets have multi sim capabilities.

Further, it was noted that smart and feature phones account for more than 95% of new network connected terminals.

Basic handsets **shrunk by more than 15,000 units** during the period. The shrinkage in basic handsets is a continuation of observations made in the preceding three quarters.

3.6 Growing E-waste Challenge

The withdrawal of basic handset terminals from networks more than ever puts pressure on industry actors to mainstream e-waste management policies as the market migrates to new data centric technologies (3G, 4G and hopefully 5G).

Early market research by the UCC estimates more than **4.5 tonnes** of electronic waste shall be collected in Uganda per year.

On the UCC's part, the National e-waste management facility was commissioned in June 2021 while sector (telecom and broadcast) waste disposal guidelines are under development.

Relatedly, some countries and network operators continue to decommission 2G networks and by extension service to basic handsets. This creates new pressure on the management of terminals, radio and core network 2G infrastructure.

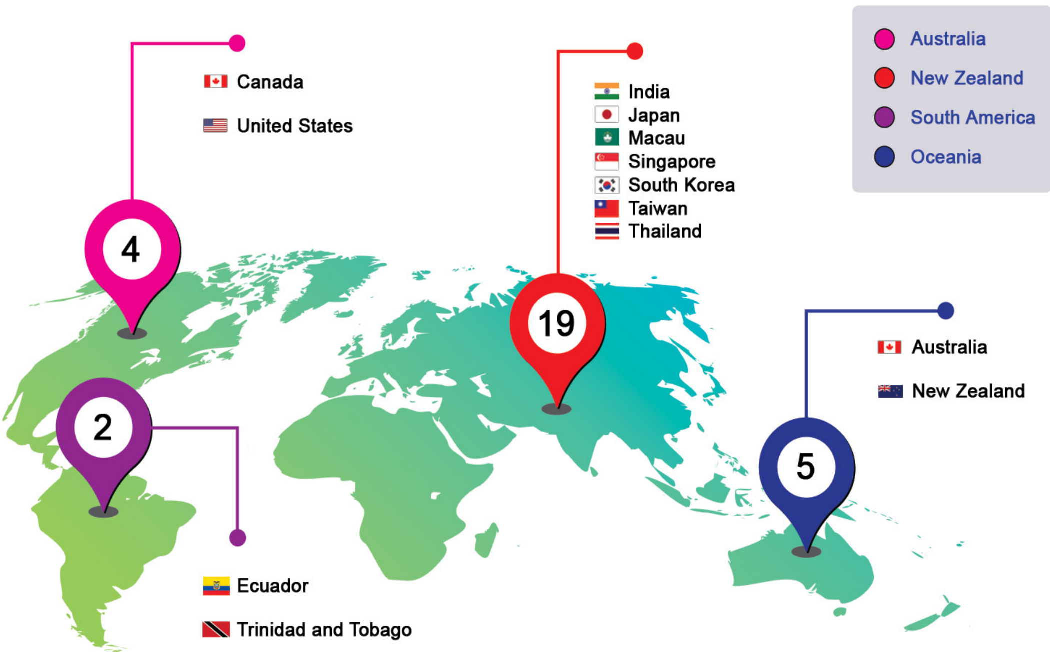


Table 1: Network 2G Decommissioning Status

Mobile Network Operator		Country	Continent	Status
RELIANCE	Reliance	India	Asia	Decommissioned
NTT docomo	NTT DOCOMO	Japan	Asia	Decommissioned
KDDI	KDDI	Japan	Asia	Decommissioned
SoftBank	Softbank	Japan	Asia	Decommissioned
Hutchison Telecom	Hutchison	Macau	Asia	Decommissioned
SmarTone	SmarTone	Macau	Asia	Decommissioned

Mobile Network Operator		Country	Continent	Status
	CTM, Hutchison, SmarTone*	Macau	Asia	Decommissioned
	M1	Singapore	Asia	Decommissioned
	Singtel	Singapore	Asia	Decommissioned
	StarHub	Singapore	Asia	Decommissioned
	M1	Singapore	Asia	Decommissioned
	SingTel, M1, StarHub	Singapore	Asia	Decommissioned
	KT Corp	South Korea	Asia	Decommissioned
	Chungwa, FET, Taiwan Mobile	Taiwan	Asia	Decommissioned
	FET	Taiwan	Asia	Decommissioned
	Taiwan Mobile	Taiwan	Asia	Decommissioned
	AIS	Thailand	Asia	Decommissioned
	CAT Telecom	Thailand	Asia	Decommissioned
	DTAC	Thailand	Asia	Decommissioned
	Bell MTS	Canada	North America	Decommissioned
	Telus	Canada	North America	Decommissioned
	SaskTel	Canada	North America	Decommissioned
	AT&T	United States	North America	Decommissioned
	Telstra	Australia	Oceania	Decommissioned
	Optus	Australia	Oceania	Decommissioned
	Vodafone	Australia	Oceania	Decommissioned
	2degrees	New Zealand	Oceania	Decommissioned

Source: www.oliviawireless.com accessed on 22nd February 2022

3.6. Digital Financial Services Subscriptions and Access Infrastructure

i.) DFS and Payments Provider Licensing

The Central Bank continued with its licensing of non-bank payment service providers (Mobile Money and payments agencies). At the end of December this number had grown to 12 licensed non-bank payments entities across different licensing classes.

Table 1 below shows the different licensed Non-Bank Payment Service Providers and Payment System Operators as of January 5, 2022.

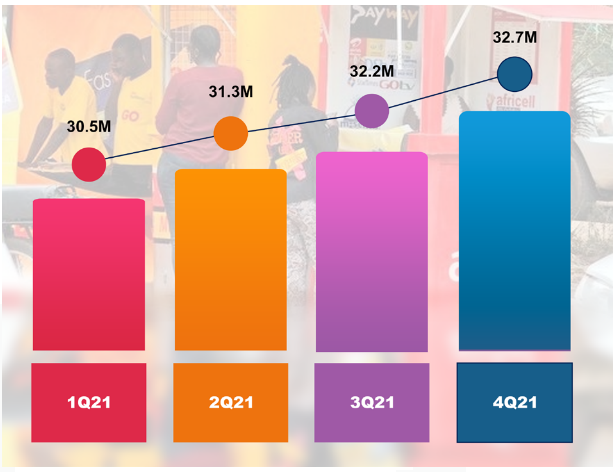
Institution		Category of Licence	Class of licence	Address of HQ	Telephone Contacts	Email and Website
MTN	MTN Mobile Money Uganda Limited	Payment Systems Operator	Large Funds Transfer	Plot 1-4 Wampewo Avenue, Nyonyi Gardens. P. O. Box 40340, Kampala, Uganda	+256323120000/ +256323120001	Website: www.mtn.co.ug Email: talkbusiness.ug@mtn.com
		Payment Service Provider	Class A (Large electronic money issuer			
airtel	Airtel Mobile Commerce Uganda Limited	Payment Systems Operator	Large Funds Transfer	Airtel Towers, Plot 16A, Clement Hill Road, Nakasero, P. O. Box 6771, Kampala, Uganda	+256200202003	Email: customerservice@ug.airtel.com Website: www.airtel.co.ug
		Payment Service Provider	Class A (Large electronic money issuer)			
mcash A bigger world!	Mcash Uganda Limited	Payment Systems Operator	Medium Funds Transfer	AHA Towers, Plot 7 Lourdel road, Nakasero, P. O. Box 8020, Kampala, Uganda	+256414233799/ 0800100166	Email: info@mcash.ug Website: www.mcash.ug
		Payment Service Provider	Class A (Medium electronic money issuer)			
MICROPAY	Micropay Uganda Limited	Payment Systems Operator	Small Funds Transfer	Wildlife Tower Building, Plot 31, Kanjokya, P.O. Box 4593, Kampala, Uganda	+256414696462	Email: Info@micropay.co.ug Website: www.micropay.co.ug
		Payment Service Provider	Class A (Small electronic money issuer)			

	Interswitch East Africa (U) Limited	Payment Systems Operator	Large Funds Transfer	Plot 2B, Nakasero Hill Road, P. O. Box 7555, Kampala, Uganda	+256414256671	Website: www.interswitchgroup.com/ug
		Payment Service Provider	Class A (Large electronic money issuer			
		Issuer of Payment Instruments	Class A (Payment Cards)			
	Pegasus Technologies Limited of Uganda Limited	Payment Systems Operator	Large funds transfer and Third-party systems	Plot 38A Martyrs Way. P. O. Box 36817 Mukuru Curve, Ntinda, Kampala, Uganda	+256393193255	E-mail: info@pegasus.co.ug
	Agent Banking Company	Website: www.pegasus.co.ug	Medium Funds Transfer	AHA Towers, Plot 7 Lourdel road, Nakasero, P. O. Box 8020, Kampala, Uganda	+256414233799/ 0800100166	Email: info@mcash.ug Website: www.mcash.ug
	Wave Transfer Limited	Payment Systems Operator	Large Funds Transfer	Mirembe Business Centre, 4th Floor, Plot 46, Lugogo Bypass P.O. Box 102187 Kampala, Uganda	0200909103	E-mail: ugoffice@wave.com Website: www.wave.com
		Payment Service Provider	Class A (Large electronic money issuer)			
	Chipper Technologies Uganda Limited	Payment Service Provider	Other Payment Services	7th Street Industrial Area, SMS House 2nd Floor, Room 203 P.O Box 29274 Kampala, Uganda	0200 935 935	Email: uganda@chippercash.com Website: www.chippercash.com
		Payment Systems Operator	Large Funds Transfer			
	Yo Uganda Limited	Payment Systems Operator	Large Funds Transfer	2nd Floor, Block A, UAP Nakawa Business Park, Plot 3-5 Portbell Road, P.O.BOX 27105 Kampala.	+256312244641 +256771622909	Email: info@yo.co.ug Website: www.yo.co.ug

	Future Link Technologies	Payment Systems Operator	Medium Funds Transfer	Plot 97 Bukoto Street, P.O. Box 75408, Kampala	+256312316900 +256393238278	Email: info@fltug.com Website: www.fltug.com
	Guinness Tech (U) Ltd	Payment Systems Operator	Medium Funds Transfer	BLOCK 210, PLOT 1704 Kanyike Road, Kyebando	0200502050	Email: robsanford@safeboda.com www: safeboda.com
	Stanbic Bank Uganda Ltd	Payment Service Provider	Class A (Large electronic money issuer)	Crested Towers, Short Tower. Plot 17, Hannington Road. P.O Box 7131. Kampala	0800200160 0312224600	www.stanbic.co.ug

Source: Bank of Uganda website accessed on 22nd February, 2022

ii.) Registered Mobile Money Accounts



Following 2021's highest net additions of 0.9 million mobile money accounts recorded in 3Q21, 4Q21 only posted a paltry performance with only 500,000 new mobile money accounts.

The new growth translates into a national mobile money account total of 32.7 million from 32.2 million accounts at the end of September 2021. This is a national mobile money penetration of 76 accounts per 100 persons in Uganda

iii.) Account Activity

In the Quarter ending December 2021, total active mobile money accounts stood at 22.6 million of the 32.7 million registered accounts. At the end of the quarter, 70% of registered mobile lines conducted at least one mobile money related transaction in the preceding 90 days.

1.3 Million Active Accounts added in 4Q21

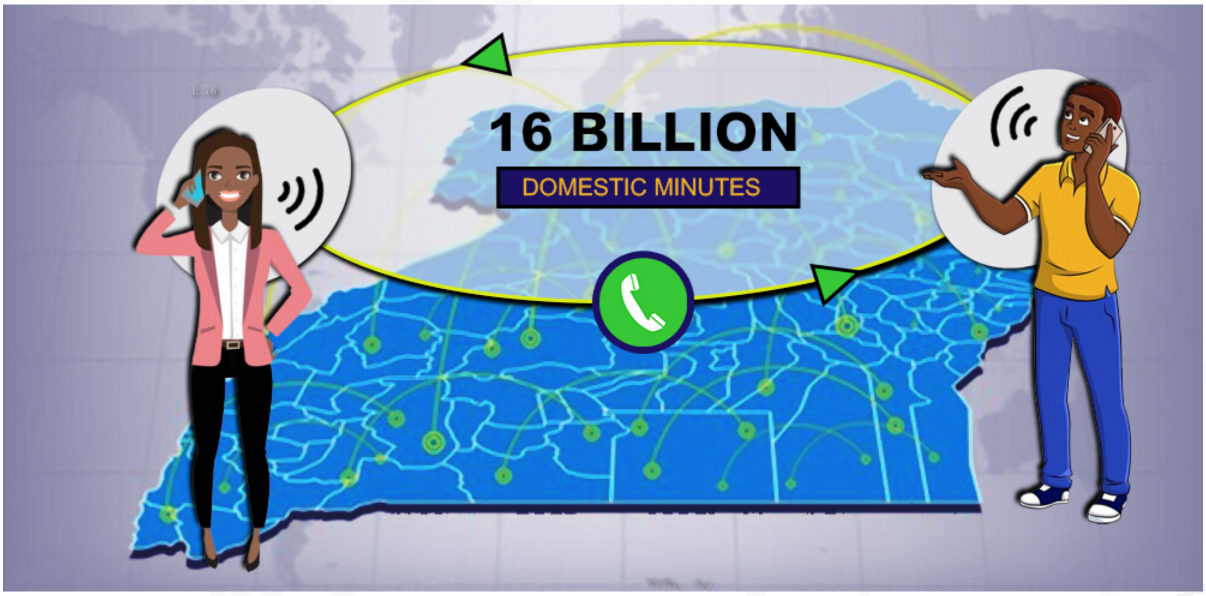
In terms of quarter on quarter account activity, there are **1.3 million active accounts** in 4Q21.

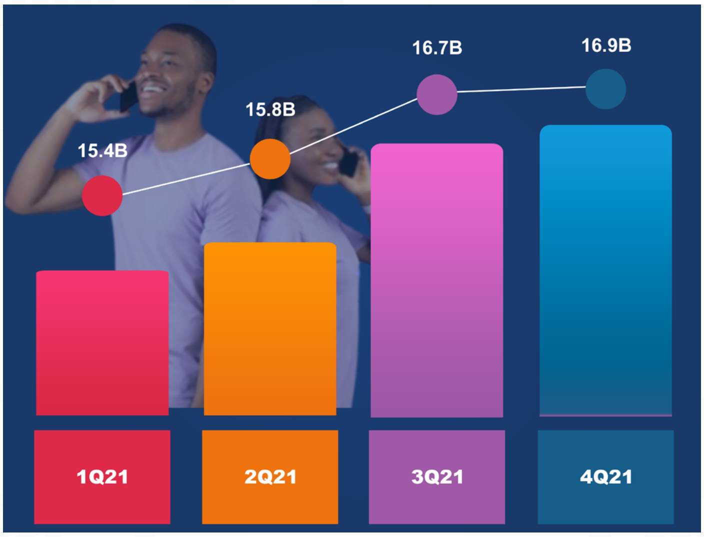
The active accounts supersede the newly registered 500,000 accounts largely due to the resumption of transacting observed on previously inactive mobile money accounts/sim cards.

Service Traffic and Pricing Highlights

4.1. Domestic Voice Traffic

The market yet again surpassed **16 billion** in total (offnet and onnet) domestic minutes. This is the highest recorded domestic traffic since the UCC started tracking domestic traffic indicators.





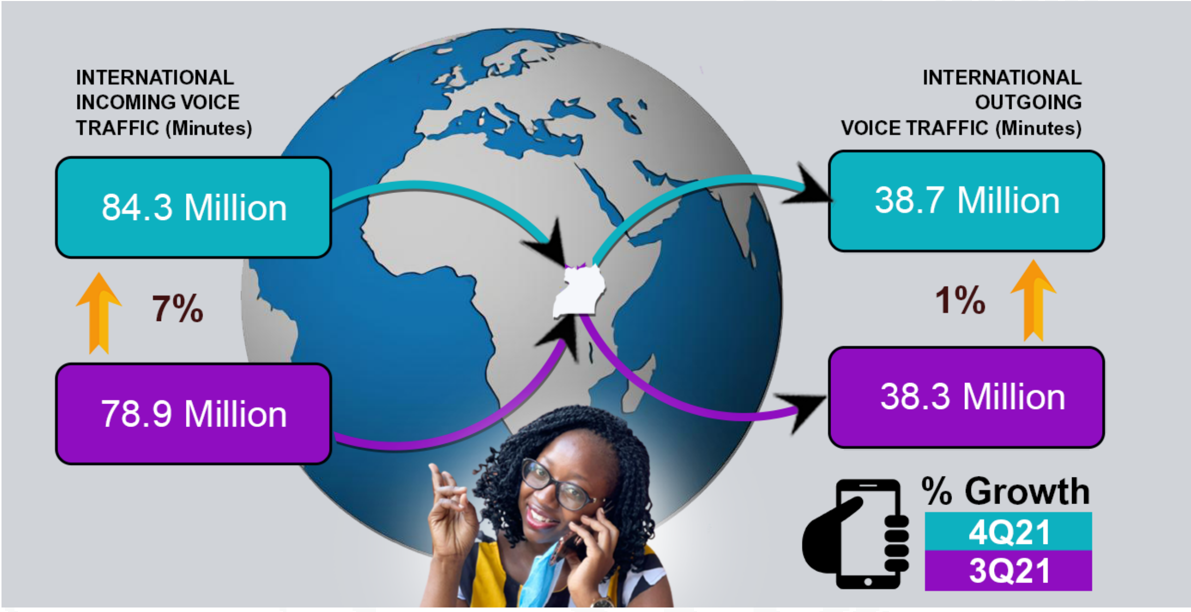
Consistent with previous usage patterns, domestic traffic remains largely 99% onnet resulting from bundle pricing patterns and bonuses.

The market remains a predominantly 2 SIM market as consumers seek to maximise the onnet voice call discounts. The multi SIM behaviour is further buttressed by significant cross network mobile money charges that exist in the payments and P2P remittance markets.

The new growth in traffic translates into an estimated 186 minutes of domestic calls per subscriber per month.

4.2. International Voice Traffic

For the first time in the previous 6 quarters, total international voice traffic (inbound and outbound) posted a net quarter on quarter growth.



The 5% quarterly international traffic growth is attributed to traditional seasonal demand as well as the continued resumption of global and regional business.

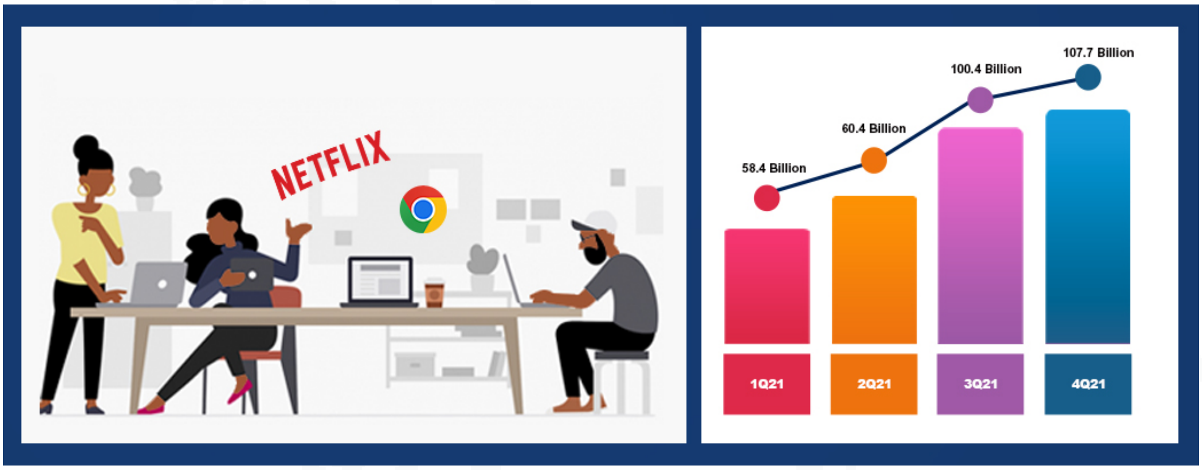
4.3. USSD Traffic

For the quarter ending December 2021, the market registered **9 billion USSD sessions** translating into a net quarter on quarter growth of 6%.

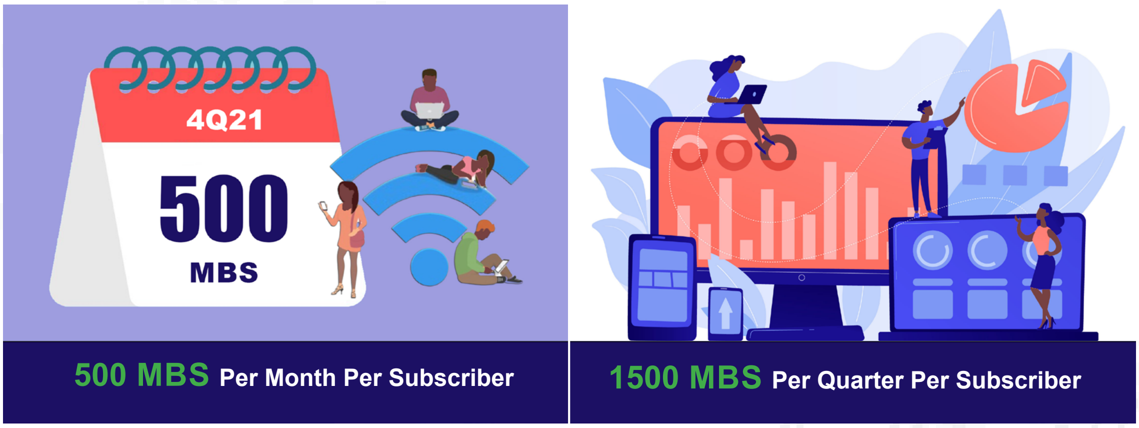
This growth is in sync with the growth in mobile subscriptions and mobile money transactions registered during the three months period ending December 2021.

4.4. Broadband Traffic

For the 4th quarter running, the market recorded a growth of more than 107 billion MBs. This translates into a 7% quarter on quarter broadband traffic growth which is near similar to the 8% growth in broadband subscriptions.

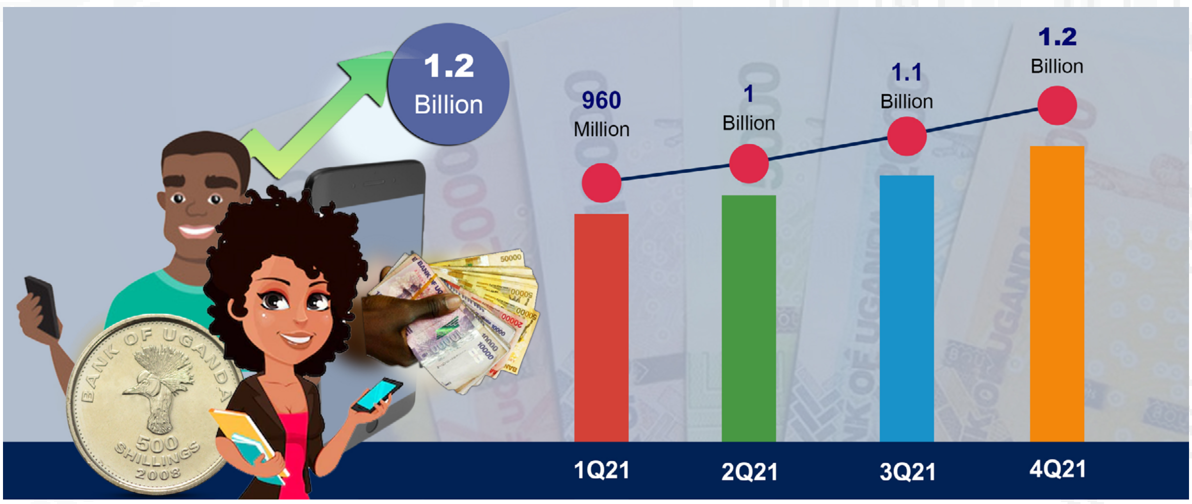


The broadband traffic growth translates into an estimated **500 MBs of data** downloaded per broadband subscriber per month.

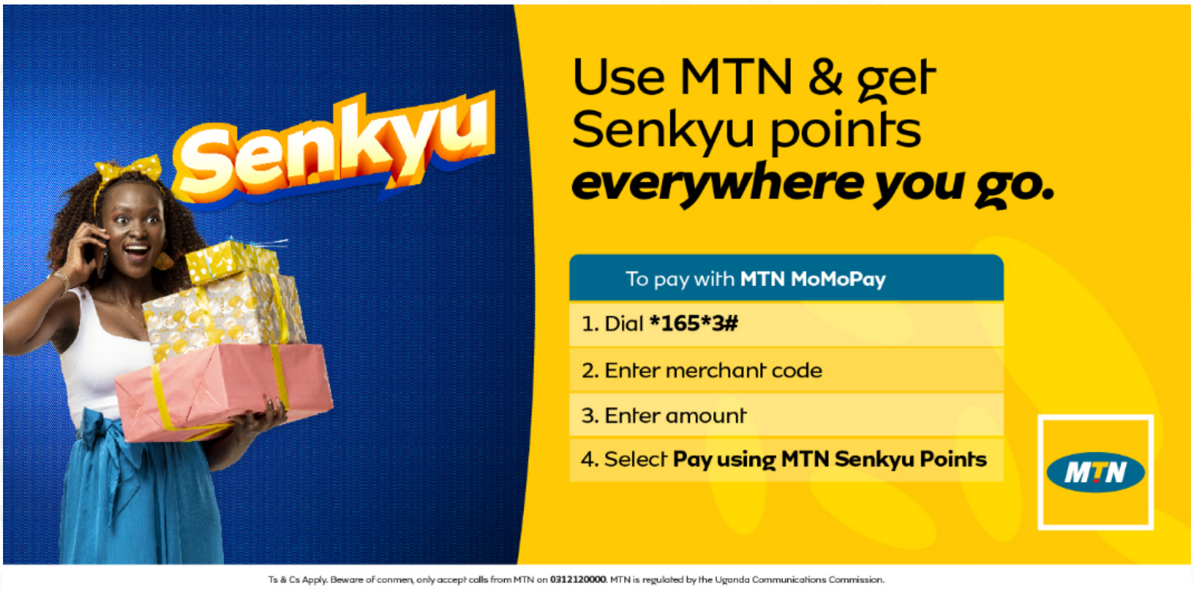


4.5. Mobile Money Transactions

The market yet again registered over **1 Billion Mobile Money transactions** in 4Q21 slightly outperforming the previous 2 quarters by 105 million transactions.



This is attributed to the growing P2B and P2P mobile money applications in addition to the offers from the different operators in the industry particularly during the festive season like, Airtel's "Money After Money" promotion and MTN's "Senkyu" bonus points upon mobile money transactions.



4.6.Pricing Highlights

Retail service pricing in the market was largely driven by the seasonal Christmas calendar and the associated influx of foreign nationals coming into the country for the festivities.

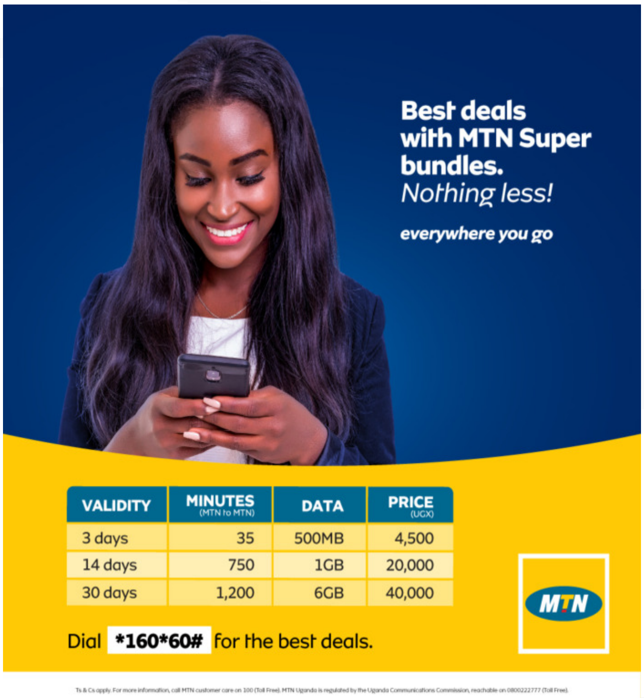
The growing demand for voice, broadband and mobile money services was largely driven by a host of offers from different operators. These include:

1. MTN Super Bundle offers: provide more voice and data for the same price. These were launched in three (3) variants; 3-day, 14-day, and 30-days and can be accessed at *160*60#.

2. Airtel Smartphone offers: provided a bonus data offer for all of its new customers who purchased smartphones at their outlets.

3. Smile Forever bundles:In 4Q21, Smile introduced the forever non-expiry data bundles that have different packages ranging from 1GB to 100GBs of data.

•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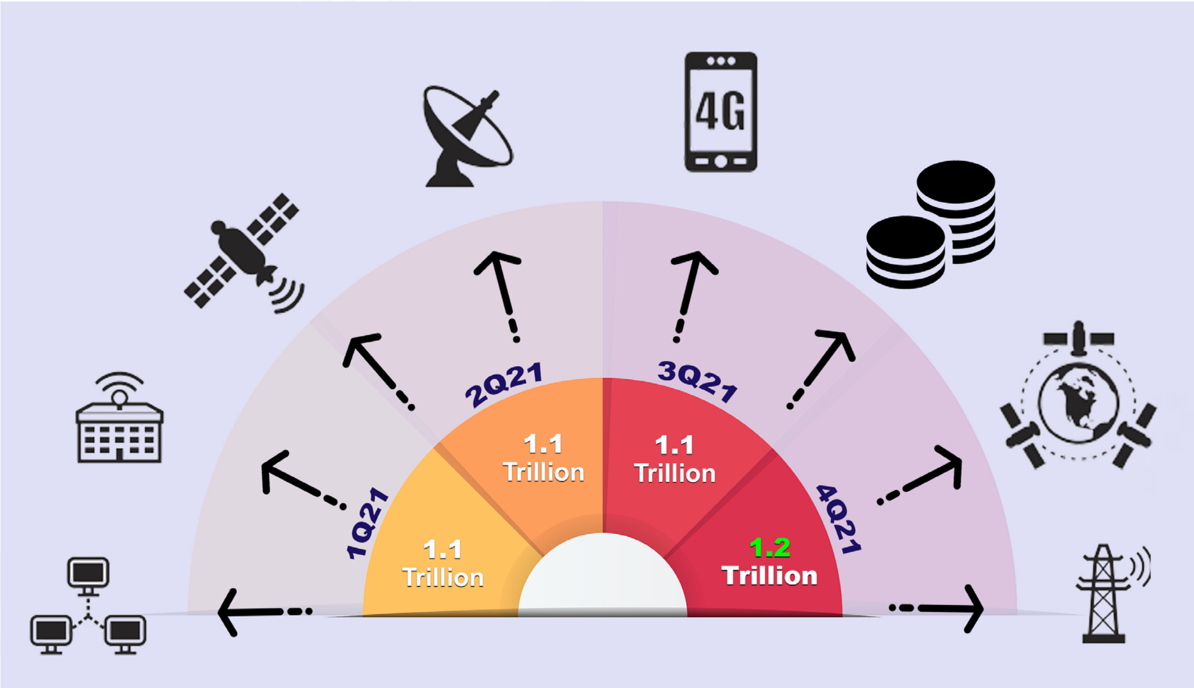
Financial Highlights

5.1. Revenue

In the three months ending December 2021, the industry posted a revenue performance of UGX 1.2 trillion. This is against the backdrop of maintaining a trillion gross revenue mark all year round.

In terms of a year-on year comparison, the gross revenue grew to a tune of UGX 60 billion translating into a 10% growth.



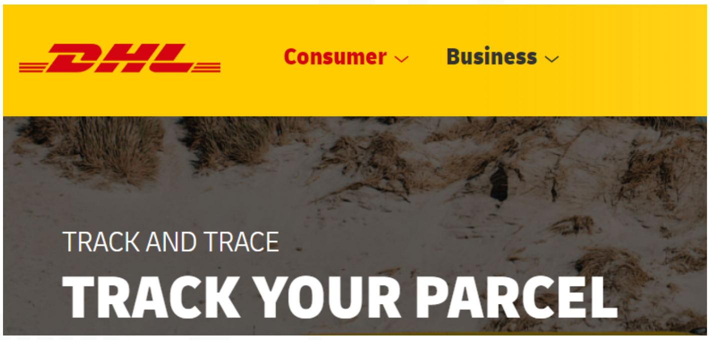
Post and Courier

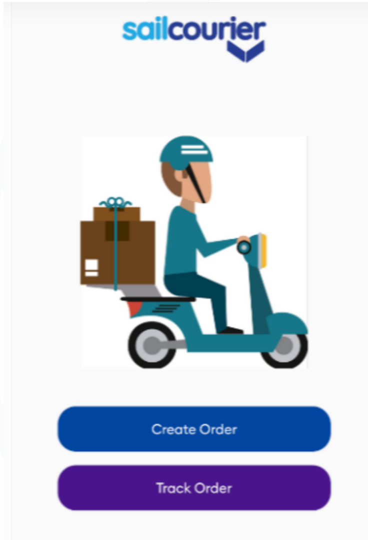
6.1. Trending Models in the Sector

The post and courier services sector in Uganda has developed into evolving services and business models like Real time mail tracking systems, On-time door to door delivery, Order & pay on-delivery, among others.

The sector is comprised of operators -such as DHL, Sky Net, TNT, Link Bus, Godel, SGA (Big Orange), Nation courier, S-M Cathan Logistics, Sail Courier, Courie- Mate, Uganda Post Limited (UPL) among others. These have been enablers in facilitating global trade, especially among small and medium-sized enterprises (SMEs).

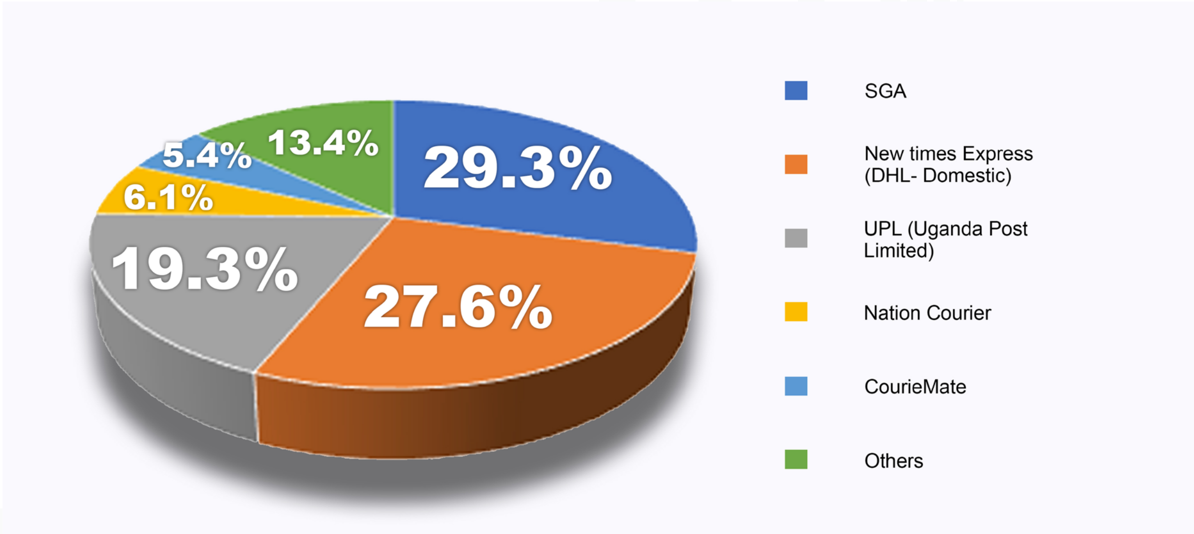
The Post and Courier service segment has therefore been a facilitator of last mile and point to point mail deliveries countrywide, with a host of operators remodeling their business towards e-commerce and digital addressing.





6.2. Mail Volumes

In 4Q21, the domestic mail volumes were posted by SGA with 29.3%, New Times Express (DHL) with 27.6%, UPL with 19.3%, Nation Couriers Ltd with 6.1%, CourieMate with 5.4% and other courier operators contributed 13.4%.



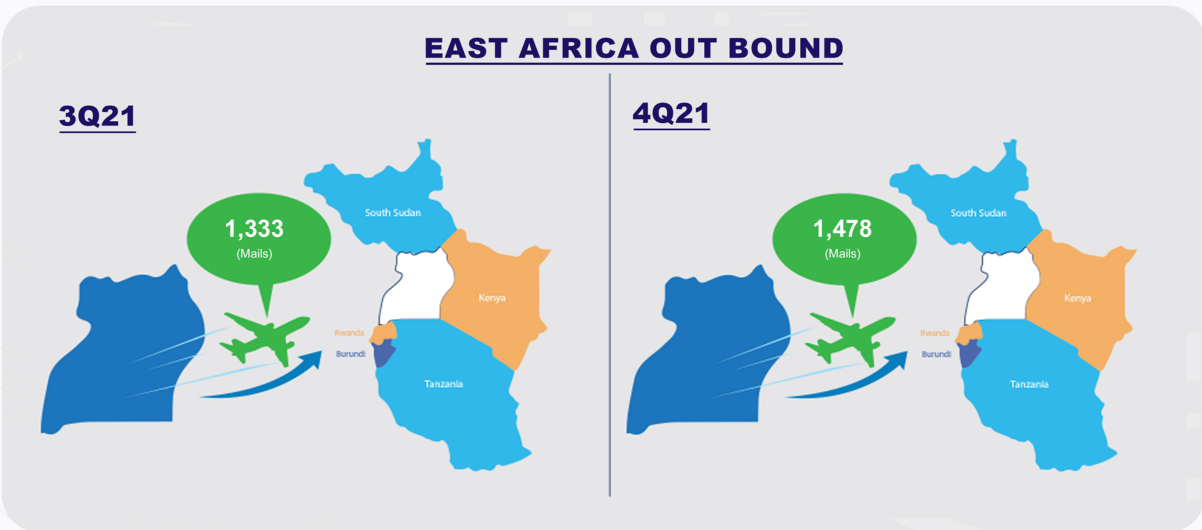
6.3. Outbound and Inbound East Africa Mail Volumes

EMS Inbound International Mail Volumes

The Expedited Mail Service (EMS) - In bound international Mail volume grew from 1,271 mails in 2Q21 to 1,438 mails in 3Q21 registering a 13% increase. This growth continued in 4Q21 to 2,186 mails translating into a 52% quarter on quarter growth.

East Africa Out-Bound Mail volumes

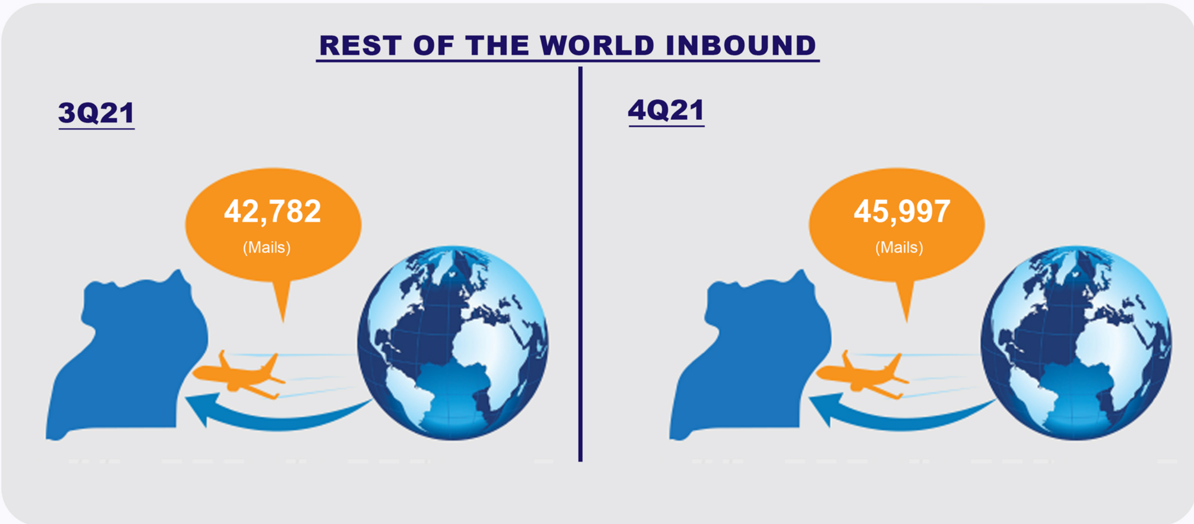
In the period of October -December 2021, the East Africa out bound Mail volume grew from 1,333 mails in 3Q21 to 1,478 mails in 4Q21, registering 11% quarter on quarter increase.

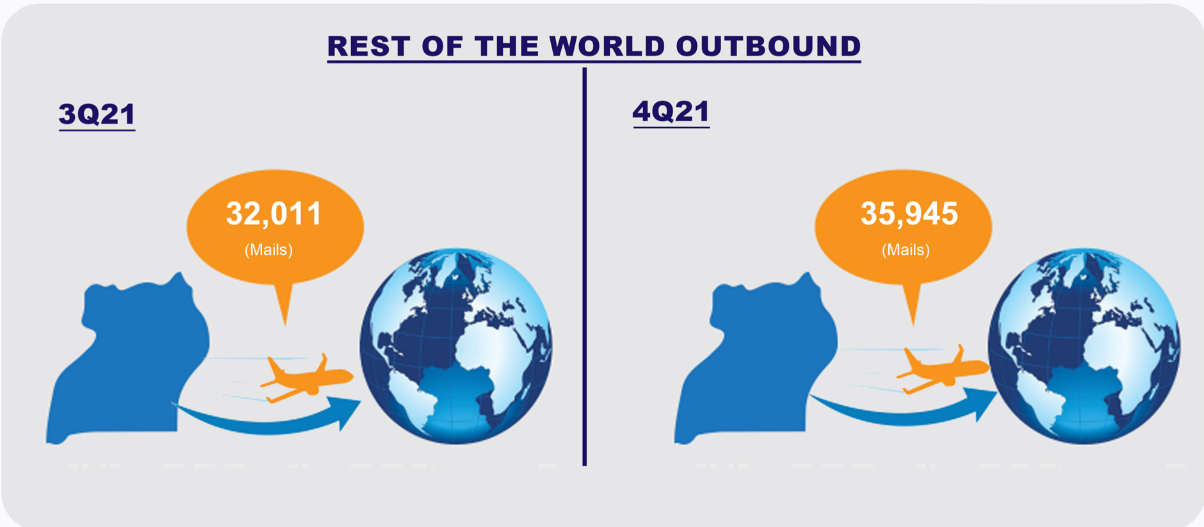


6.4. Rest of Africa Out bound and In bound mail volumes

In 4Q21, the mails sent from Uganda to the Rest of the world increased from 32,011 mails in 3Q21 to 35,945 mails in 4Q21, registering a 12% quarter on quarter growth. On the other hand, the mail volumes received in Uganda from the Rest of the world grew from 42,782 mails in 3Q21 to 45,997 mails in 4Q21, registering 8% quarter on quarter growth.

In the October - December 2021 period, the imported mails were higher than the exported mails by 10,052 mails which is about 28% of the exported mails in 4Q21.





Broadcast and Multimedia

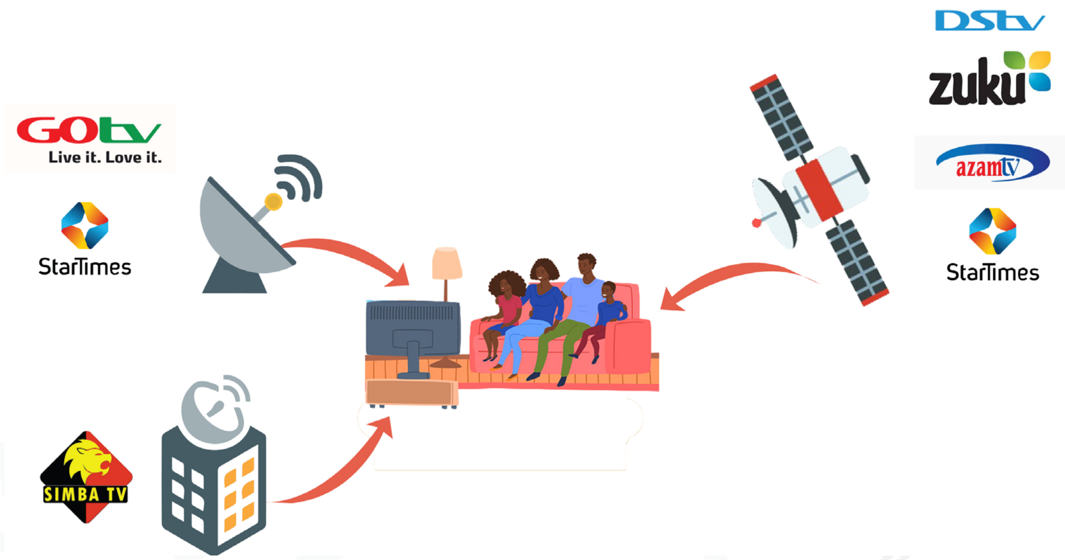
7.1 TV Market

i). Free-to-Air

The delivery of FTA channels is mainly via the government-owned SIGNET UG Ltd. By the end of December 2021, 40 FTAs were carried on the SIGNET platform.

ii). Pay TV

The Pay-Tv market in Uganda is served by a combination of Satellite, Cable and Digital Terrestrial networks, with 7 licensed content aggregators.

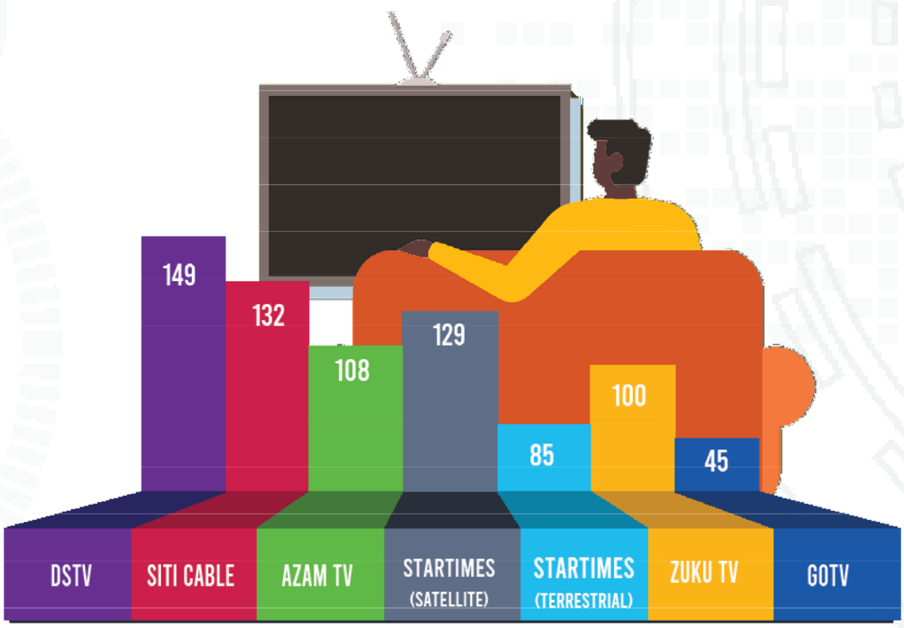


iii). Active Pay TV Subscriptions

4Q21 has seen an increase in the total active subscribers from a total of 1.51 million as of September 2021 to 1.65 million in December 2021. The growth in pay tv subscriptions is seasonal relating to the resumption of major sports leagues which was expected to kickstart the subscription numbers.

iv). Programming

Pay-Tv service providers deliver a range of content on their platforms and the number of channels on a network may vary slightly month to month.



v). Bouquet Pricing

Bouquet pricing is diverse, with Pay Tv providers offering packages targeted at various market segments. Subscriber numbers by and large vary heavily with price, indicating a high price sensitivity for Pay-Tv content.

7.2. Subscription Distribution Across Bouquet Categories as of December, 2021

Value Bouquet Prices			
Station	Bouquet	Price	Channels
DSTV	Access	UGX 37,000	75
SITI CABLE	Ugandan	UGX 15,000	80
AZAM TV	Azam PURE	UGX 10,000	68
STARTIMES (Satellite)	NOVA	UGX 13,000	38
STARTIMES (Terrestrial)	NOVA	UGX 12,000	31
ZUKU TV	Smart	UGX 12,000	54
GOTV	GOTV Lite	UGX 12,000	10

Premium Bouquet Prices			
Station	Bouquet	Price	Channels
DSTV	Premium	UGX 239,000	140
SITI CABLE	ASIAN	UGX 85,000	142
AZAM TV	Azam PLAY	UGX 37,000	128
STARTIMES (Satellite)	Chinese	UGX 54,000	21
STARTIMES (Terrestrial)	Classic	UGX 28,000	14
ZUKU TV	Asia Stand Alone	UGX 36,500	79
GOTV	GOTV Max	UGX 40,000	40

UGANDA COMMUNICATIONS COMMISSION

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