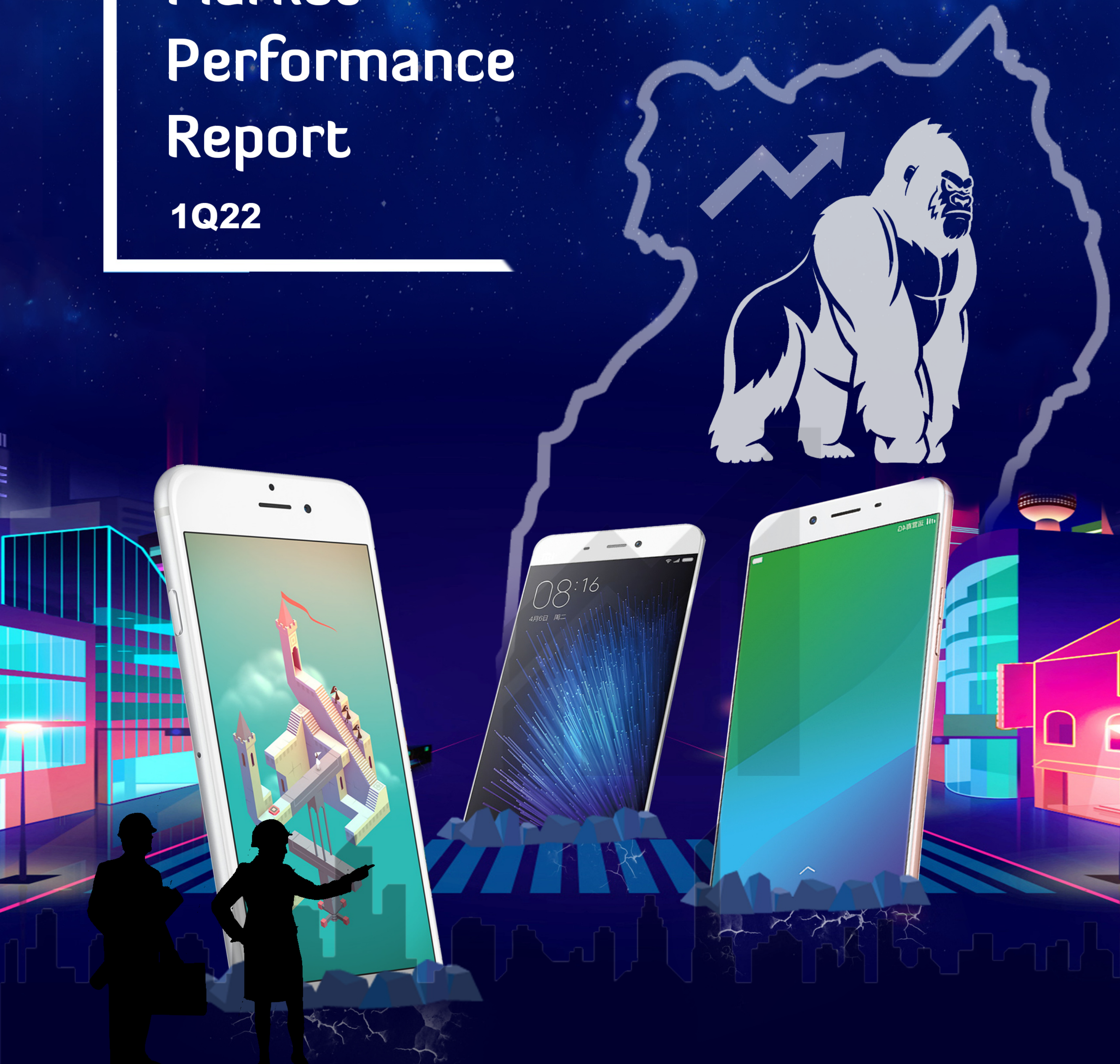
UGANDA COMMUNICATIONS COMMISSION

Market Performance Report

1Q22



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Introduction

This is a review of the industry performance, trends and key developments for the quarter starting January to March 2022. 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. World Telecommunication Standardization Assembly (WTSA-20) WTSA Concludes

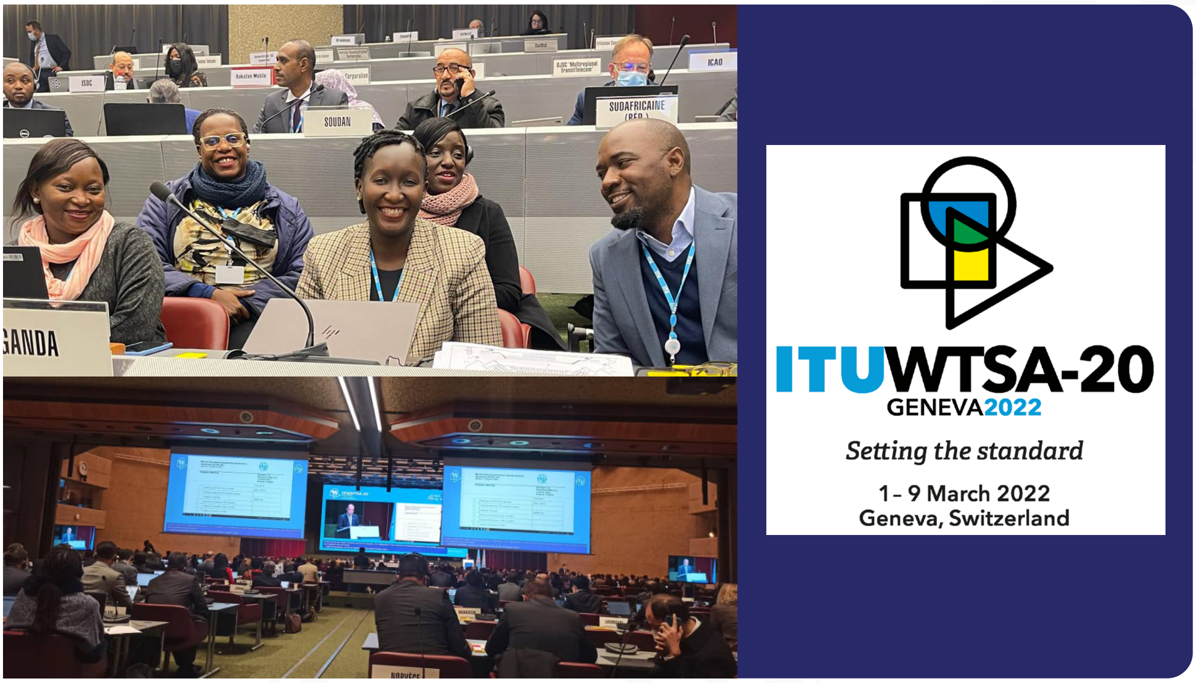
After a 2-year COVID-enforced delay, the global Technology, Media, and Telecom (TMT) industry under the membership of the International Telecommunications Union (ITU) held its quadrennial World Telecommunications Standards Assembly (WTSA) in Geneva, Switzerland.

ITUWTSA-20
GENEVA2022
Setting the standard
1 - 9 March 2022
Geneva, Switzerland

The assembly took stock and adopted telecommunications/ICTs Standards developed under the ITU membership over the last 4 years covering areas like,

- Transport and access networks
- Multimedia
- Service quality
- Numbering and Emergency Communications
- Artificial Intelligence and Machine Learning
- Cyber Security
- Internet of Things (IoT)
- Environmental efficiency
- Digital Financial Services and Digital Currencies
- Smart Mobility
- Smart Cities
- Digital Health
- Interoperability and Compatibility

The forum that brings together government regulators and sector members also set the standards agenda for emerging new interests in areas like smart mobility, DFS, e-commerce, Virtual Reality, the Metaverse, Blockchain, and emerging networks for the next 4-year study cycle.



1.2. Spectrum Auctions on the Continent

The Independent Communications Authority of South Africa in March 2022 concluded a multistage spectrum auction for Spectrum in the 700MHz, 800 MHz, 2.6GHz and 3.5GHz bands. The auction included an Opt-in phase and 58 bidding rounds in the main stage.

The auction that attracted participation from Telkom SA, Liquid Telecom, Cell C, Rain, MTN, and Vodacom raised more than R 14.4 billion (USD 910 Million).

Be that as it may, some operators like Telkom have filed complaints against ICASA for the alleged perpetuation of MTN and Vodacom dominance through a spectrum auction.

1.3. Warner Media Discovery Merger

In 1Q22, American Communications Giant AT&T spun off Warner Media it's film + TV + Cable entertainment unit in a USD 43 billion merger with Discovery.

Source: Hollywood Reporter

The new entity to trade as Warner Bros. Discovery Inc. was to start trading on the NASDAQ in April 2022 under the ticker symbol WBD.

The merged entity shall include assets like American Pay-TV network HBO, Cinemax - a Cable and Satellite Radio Network, Discovery Channel, Warner Bros Entertainment, CNN and Cartoon Network among others.

The merger also provides the new consortium rights to iconic Silver Screen characters like Bugs Bunny, Daffy Duck, Batman, Harry Porter and Pocky Pig among others.

1.4. Microsoft acquires Activision blizzard

Source: Microsoft

Software giant Microsoft acquired Video Gaming Company, Activision Blizzard, in a USD 68.7 billion all-cash transaction during the quarter. This is to date probably Microsoft's biggest move in the world of interactive entertainment and gaming.

Activision, established in 2008, has over the last 5 years established itself as a leader in game development and interactive content publishing only second to Tencent and Sony.

The acquisition brings to Microsoft legacy interactive assets like WarCraft, Diablo, Overwatch, Call of Duty, and Candy Crush on top of Activision's 400 million monthly active players.

It is estimated that more than 3 billion people play online interactive games at least once a month and this remains a sector of high growth potential in both the Global North and South.

1.5. MTN Growth Surges in 2021

During the quarter, Pan African Telecommunications giant MTN Group released its financial results for the Financial Year ended December 2021.

The Group with interests in undersea cable, terrestrial fiber, towers, data, voice, enterprise and financial services in 19 countries posted the following highlights;
- 18% growth in Group revenue in the 12 months ending December 2021.
- Nigerian and Ghanian units posted more than 20% year on year growth revenue
- Group EBITDA increased by more than 23%.
- Total active mobile subscribers crossed the 270 million mark.
- Active mobile money accounts surpassed the 56 million mark while transaction value rose to USD 239 billion during the year.
- More than 15,000 km of new terrestrial fiber bringing MTN's total terrestrial inventory to 100,000 km on the continent.

1.6. East Africa Receives 6th Undersea Cable

In the biggest infrastructure news in the region, the 6th undersea cable system landed in Mombasa at the end of 1Q22.

The 192-terabyte cable will run for more than 15,000 Kilometers connecting the region to landing stations in Pakistan, France, Singapore, Egypt, and Cyprus among others.

Above: L-R: Kenya's ICT Cabinet Secretary Joe Mucheru, Telkom chairperson Eng Eddy Njoroge, Data Commissioner Immaculate Kassait, Telkom CEO Mugo Kibati, ICT Chief Administrative Secretary Nadia Abdallah, PEACE high representative Oliver Zheng, Blockchain and AI taskforce chair Prof Bitange Ndemo and Mombasa County ICT CEC Ahmed Anwar during the launch of the sixth submarine internet cable at Nyali Mombasa on March 29, 2022. PHOTO | FAUSTINE NGILA | NMG

Other cables on the coastline include

1. The East African Marine System,
2. The Eastern Africa Sub Marine System (EASSY)
3. The Lower Indian Ocean Network (LION)
4. Seacom
5. Djibouti Africa Regional Express 1 (DEA1)

Domestic Highlights

2.1. Uganda Film Festival 2022 Submission Entries Concluded

Following the public call for UFF 2022 entries in December 2021, 282 entries have been received for consideration in the industry's flagship annual film awards.

The entries span a range of genres including feature films, TV dramas, animations, short films, student films and indigenous local films. The awards have also maintained the East African and International feature film categories.

A multinational jury composed of local creatives and captains of industry from East Africa, the USA, and Canada has been constituted and preliminary reviews of various submissions have commenced.

In parallel, public screenings for select submissions have been launched in major upcountry towns in a move to take the local film to the masses. Public screenings have been held in Gulu, Mbarara, Masaka and Jinja. Kampala screenings were scheduled for May 2022.

In a build-up to the Awards Gala, a Nominee Night was designated in May 2022 to unveil the nominees for the various categories.

2.2. Seacom acquires Africell Terrestrial Broadband Assets

In continuing expansion of its footprint in the metro and last-mile enterprise broadband segment, Seacom concluded the acquisition of Africell Uganda's fiber and data assets during the quarter.

This follows Seacom's earlier acquisition of Nairobi-based Pyramid Telecom's (https://pyramids-tel.com) metro fiber network in 2021.

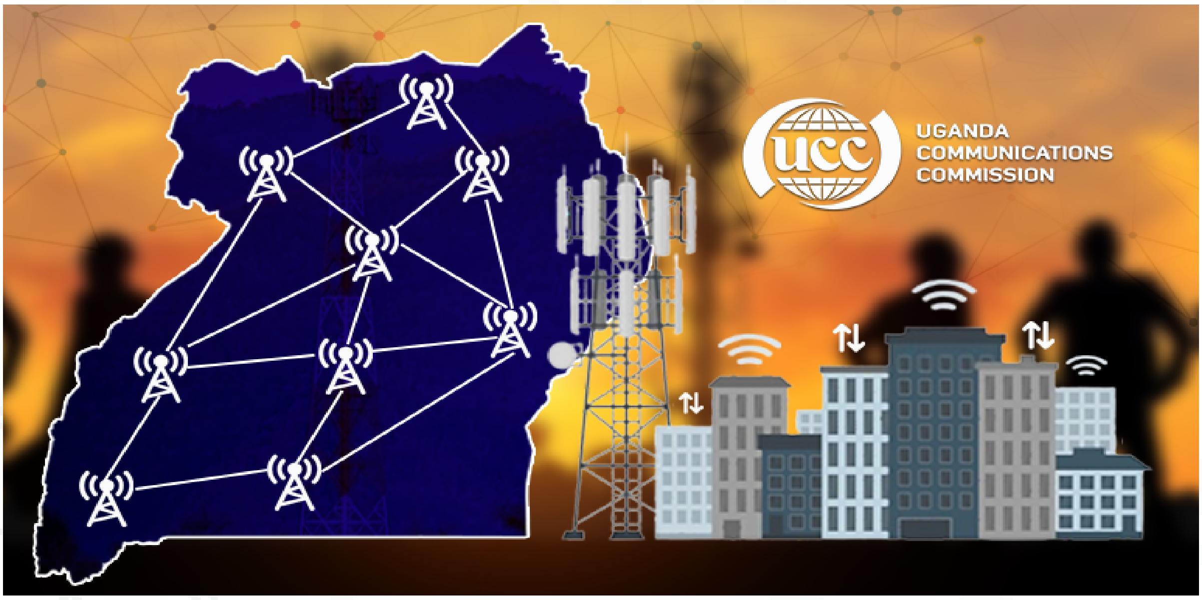
The Ugandan acquisition brings onto the Seacomm footprint more than 750kms of Metro Fibre in Kampala and a 250 Square Meter Datacenter in the heart of the city.

2.3. Cell Tower Build Stimulus

In recognition of the continued coverage deficiencies in low traffic, low population, and low revenue communities in Uganda, the Uganda Communications Universal Service Access Fund (UCUSAF), has launched a subsidy program to support passive infrastructure deployments in these areas.

The program includes a cash subsidy component to licensed cell site tower builders that would translate into tower rental discounts, to stimulate network extensions by MNOs and ISPs into these zones.

In the inaugural lot, the UCUSAF shall provide a partial cash subsidy per site towards the construction of 50m multi-tenant towers in 25 underserved locations across the country. These shall be commissioned before end of 2022.



2.4. Revisiting Rights of First Refusal (ROFR) Clauses in Infrastructure Markets

Key regulatory consideration during the quarter was review of the impact of Right of First Refusal Clauses (ROFRs) on the competitiveness and long-term viability of new providers in infrastructure markets.

ROFRs in principle mandate infrastructure seekers to exclusively provide new business to legacy infrastructure partners before the same business can be extended to new competing providers. Oftentimes, these ROFRs are part of the conditions of tower sale and leaseback agreements.

While it may be argued that ROFR clauses are designed to recover outlays from tower acquisition transactions, they may also have a long-term impact on the contestability of infrastructure markets especially if some of the biggest buyers have been locked in by one infrastructure provider.

2.5. Reviewing Domestic Mobile Termination Rates

During the quarter, Uganda announced the commencement of the review of it's domestic Mobile Termination Rates (MTR).

The review shall include; a determination of appropriate costing methodologies for Mobile Termination services (This is a choice between Top-Down and Bottom-Up, LRIC, LRAIC, FDC Costing Approaches), a view of the termination technology evolution, appropriate return on investment as well as assumed network efficiencies among other key variables.

The results of the assessment shall replace the current UGX 45 shillings per minute termination rate that is the result of a 4-year rate glide path adopted in 2018.

2.6. Uganda ITU Council Re-election

On the international policy scene, Uganda launched its candidacy for re-election on the International Telecommunications Union (ITU) Governing Council for the 2022-2026 Cycle.

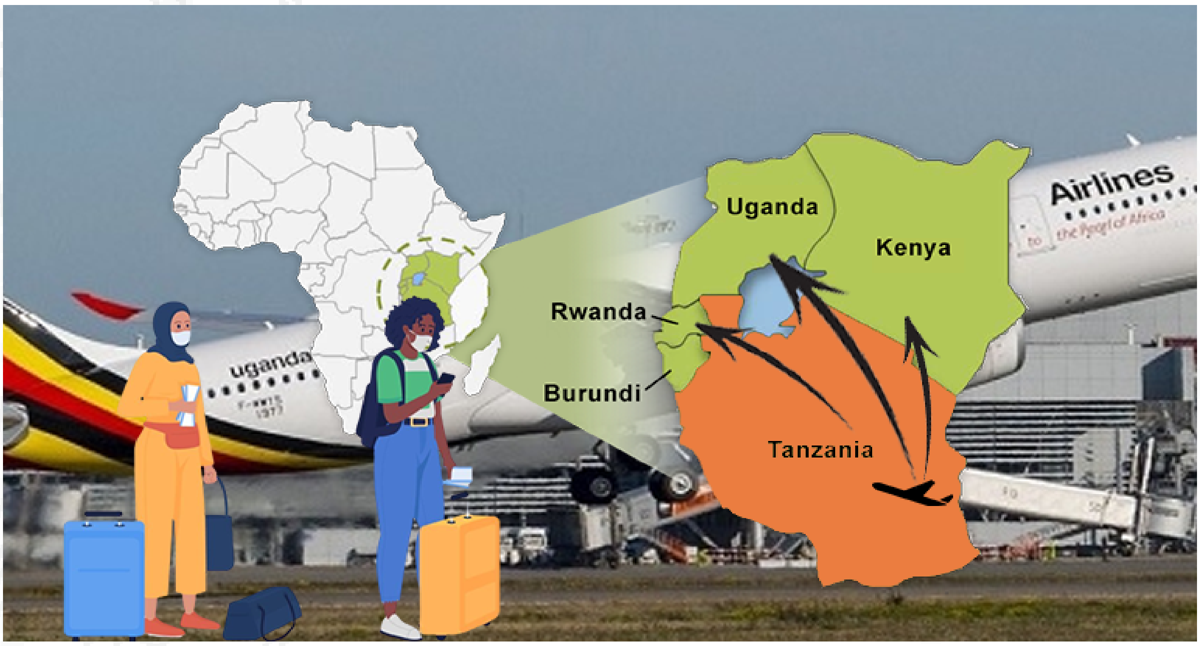
The campaign was launched in Geneva on 23rd March 2022 on behalf of the Government of Uganda.

The Council provides guidance to the 190-member Union between the Quadrennial Plenipotentiary Conferences. The Council is charged with strategic planning, work programmes as well as budgeting and financial oversight for the Union.

Uganda is a three-time council member.

2.7. Onboarding Tanzania onto the One Network Area Roaming Framework

During the quarter, Uganda and other Northern Corridor Member States (Kenya, South Sudan, and Rwanda) have held a number of discussions with the United Republic of Tanzania (URT) towards URT's joining of the One Network Area (ONA) Roaming and Traffic termination partnership.



The dialogue conducted under the auspices of the EAC seeks to extend the following principles to traffic and roamers from the United Republic of Tanzania and Burundi:

i. Waiver of surcharges on international incoming traffic from Tanzania or Burundi terminating in Uganda and other ONA partner states.

ii. A retail price cap of USD 10 cents per minute for calls between the member states.

2.8. Domestic E-Health Startups Attract More Foreign Funding

During the quarter, Rocket Health a local telemedicine and last mile health care provider that came to prominence during the COVID lockdowns announced the conclusion of USD 5 Million Serie A funding. The funding round was led by Creadev (https://www.creadev.com) that joins other early investors like Grenfel Holdings and LoftyInc Capital Management that provided some pre-seed funding.

Source:Rocket Health

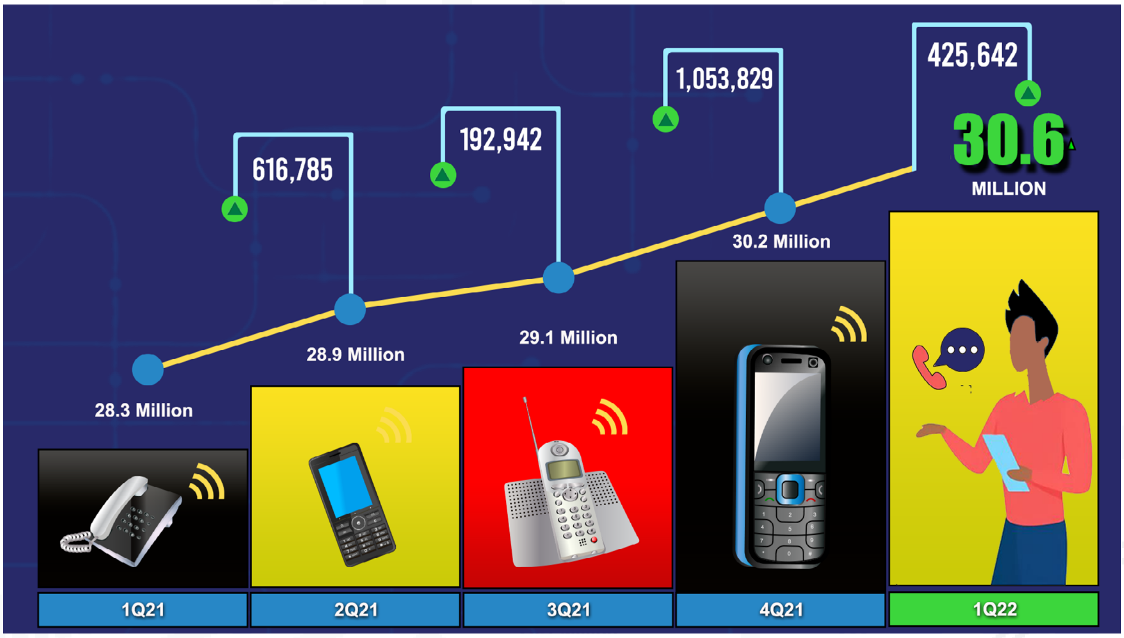
In a public memo, Rocket Health committed to use the new financing to accelerate its technology roadmap and expansion across the country and into some neighboring countries.

Subscriptions and Access

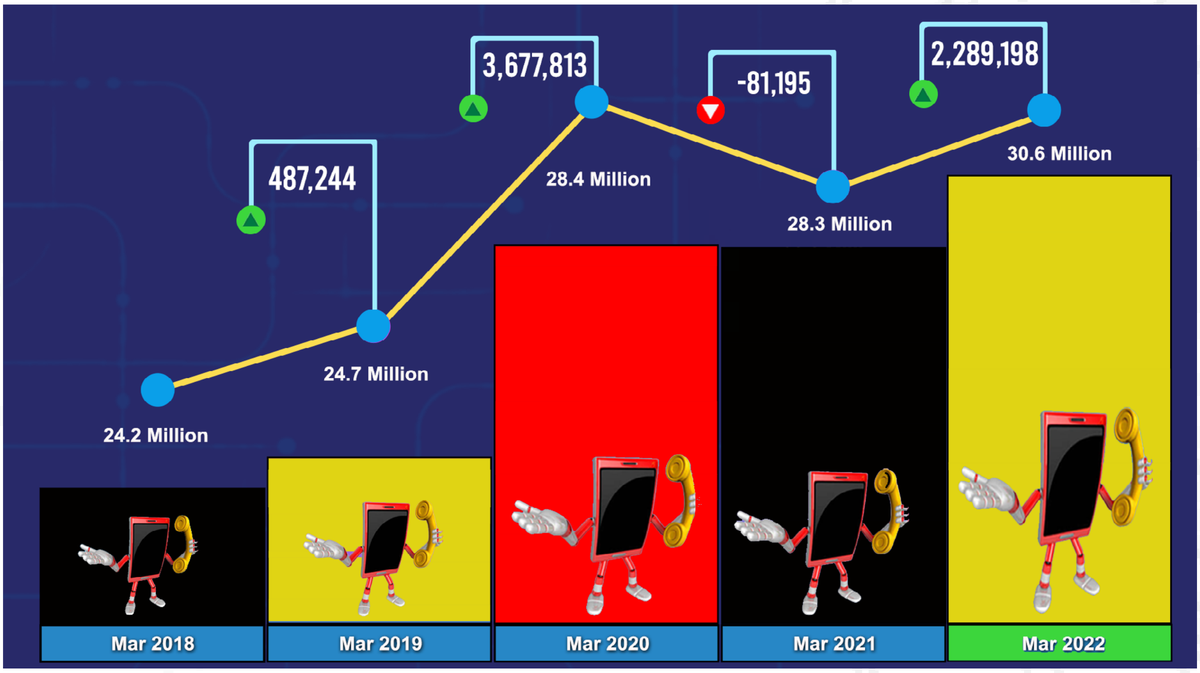
3.1 Mobile and Fixed Telephone Subscriptions

Telephone subscriptions grew by an additional **425,000 new connections** during the quarter Jan – March 2022.

This brings total telephone connections in the market to **30.6 million active lines at the end of March 2022.**



This net quarterly subscriber growth is less than 50% of new subscriptions posted in the 3 months October - December 2021. The comparatively paltry growth in contrast with the 4Q21 performance is in sync with seasonal drops that follow the holiday season annual subscription peaks. This trend has been observed in the last 5 years.



During the quarter, the National Statistical Office (Uganda Bureau of Statistics UBOS) released population projections for the year 2022. In this projection, total national population for the year 2022 was estimated at **44.2 million** Ugandans jumping from the 2021 estimate of 43.2 million.

As such the baseline for computation of telecom penetration has shifted and therefore the newly computed telephone penetration rate now stands at **69 active lines per 100 Ugandans.**

From the same population data release, it is computed that telephone penetration stands at 80% for Ugandans aged 15 and above.

3.2. Network Connected Devices

BASIC MOBILE PHONE
Can make calls and send text messages

Monthly Users

2Q21	3.95M
3Q21	3.55M
4Q21	3.53M
1Q22	3.63M

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

Monthly Users

2Q21	18.52M
3Q21	19.85M
4Q21	20.52M
1Q22	20.92M

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

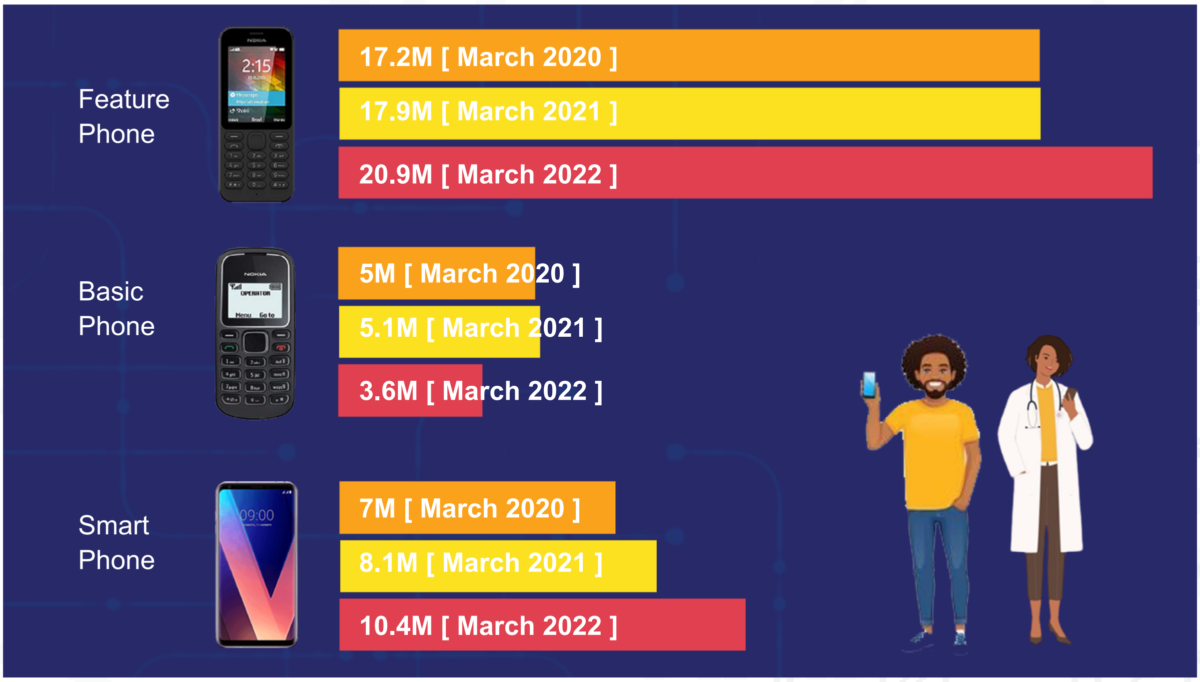
2Q21	9.73M
3Q21	9.39M
4Q21	10.1M
1Q22	10.48M

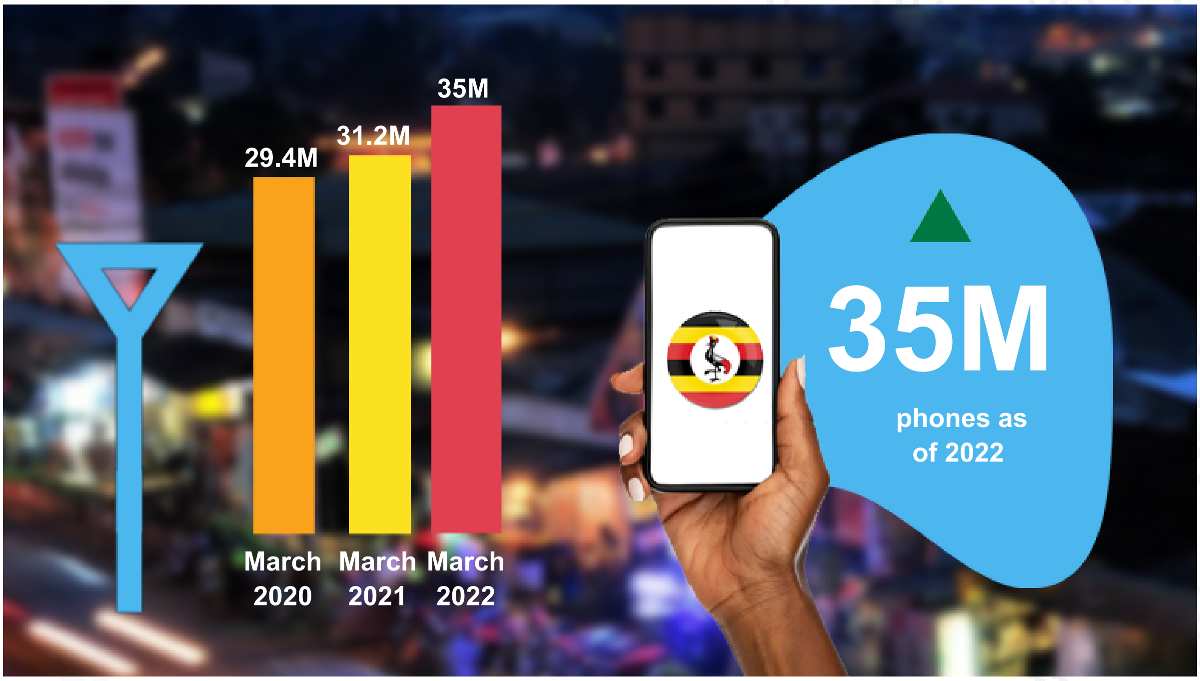
The number of devices (phones, tablets, car trackers and all SIM using devices) accessing the telecom network grew from 34.1 million in December 2021 to **35 million** in March 2022.

The **900,000 new devices** yet again outstripped the number of new active SIM cards. This trend could be indicative of:

i. Falling handset/hardware lifetimes that may be occasioned by continuous changes in technology
ii. High market adaptiveness to new hardware releases
iii. Drops in shared hardware usage.
iv. Increased handset affordability driven by hire purchase arrangements/partnerships by most MNOs and hardware vendors.

The industry has seen an addition of over **3.7 million devices** onto the network over the last 12 months.





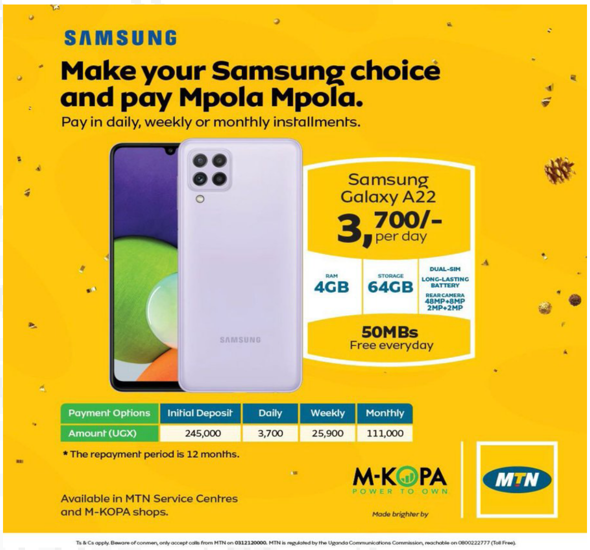
Device partnerships in the quarter include:

Source Sage Buyers

i. Sage Buyers - an Apple only e-commerce platform partnered with Lipa Pay, a Kenyan tech-led consumer credit platform to enable clients to receive iPhones and other Apple products.

Source: Airtel

ii. Airtel Uganda released its Benco Y40 phone dubbed the cheapest smartphone in the country. For a cost of UGX 250,000, one could obtain the phone that comes with a total of UGX 86,500 worth of 13GB data redeemed as 2GB for the first month and 1GB every month for the next 11 months.



Source: MTN

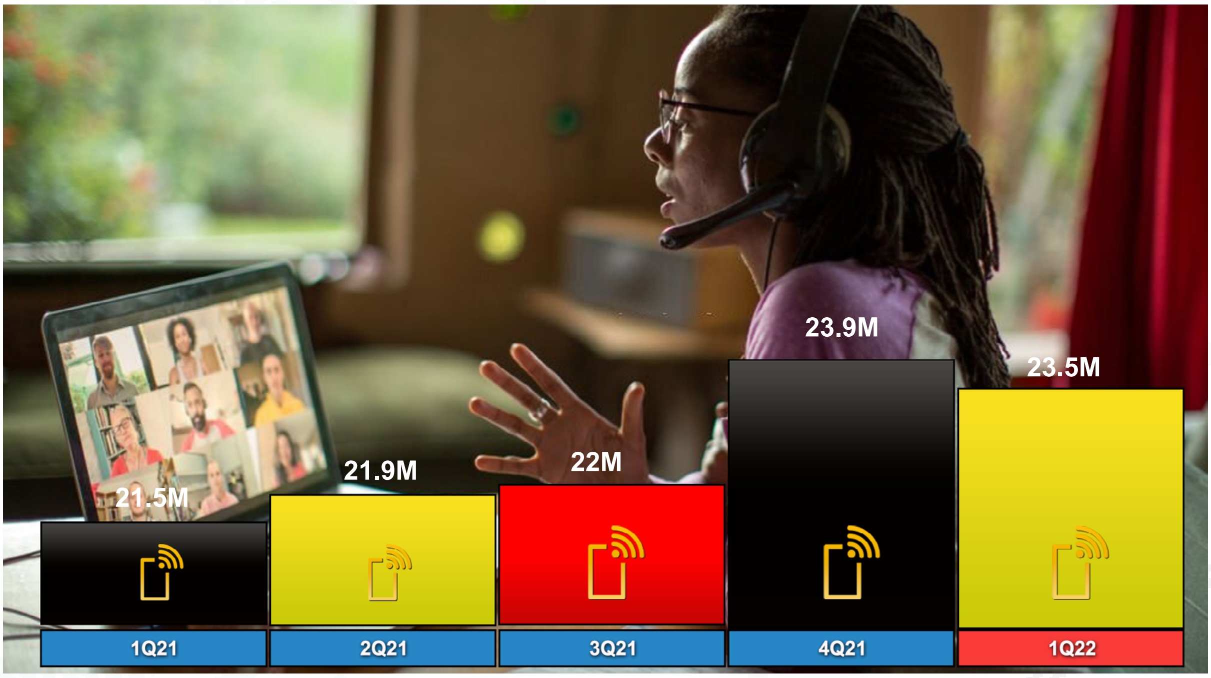
iii. MTN Uganda introduced the Itel58, and select Samsung and Nokia series on its hire-purchase programme with Mkopa dubbed the **"Pay Mpola Mpola"**.

iv. PayLater Uganda, a lease-to-own company, introduced a range of hire-purchase options for electronic and communication devices during the quarter.

Source: PayLater

3.3. Broadband Connections

The quarter posted a 400,000 shrinkage in the number of active broadband connections. At the end of March 2022, total number of active broadband connections stood at 23.5 million down from 23.9 million at the end of December 2021.

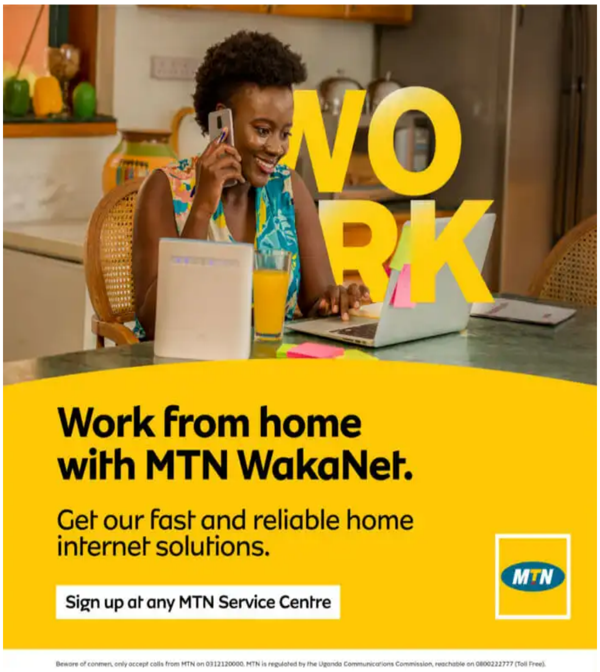


The broadband subscription shrinkage during the quarter is partly attributed to:

i. Continued network outage by one of the premier wireless broadband providers in the market.
ii. A return to school and workplaces during the quarter that has dampened demand for Study From Home (SFH) and Work From Home (WFH) packages that were the main broadband drivers during the period of extended lockdowns.

Source: Getty Images

iii). The drop in mobile broadband subscriptions is also in part attributed to aggressive roll out of home fibre connections by both incumbent MNOs and new Metro Fibre providers. This investment is seeing a gradual shift from wireless/cellular residential broadband connections to high capacity shared FTTX connections. The substitution of mobile for FTTX is at a much lower rate due to the shared nature of FTTX connections.

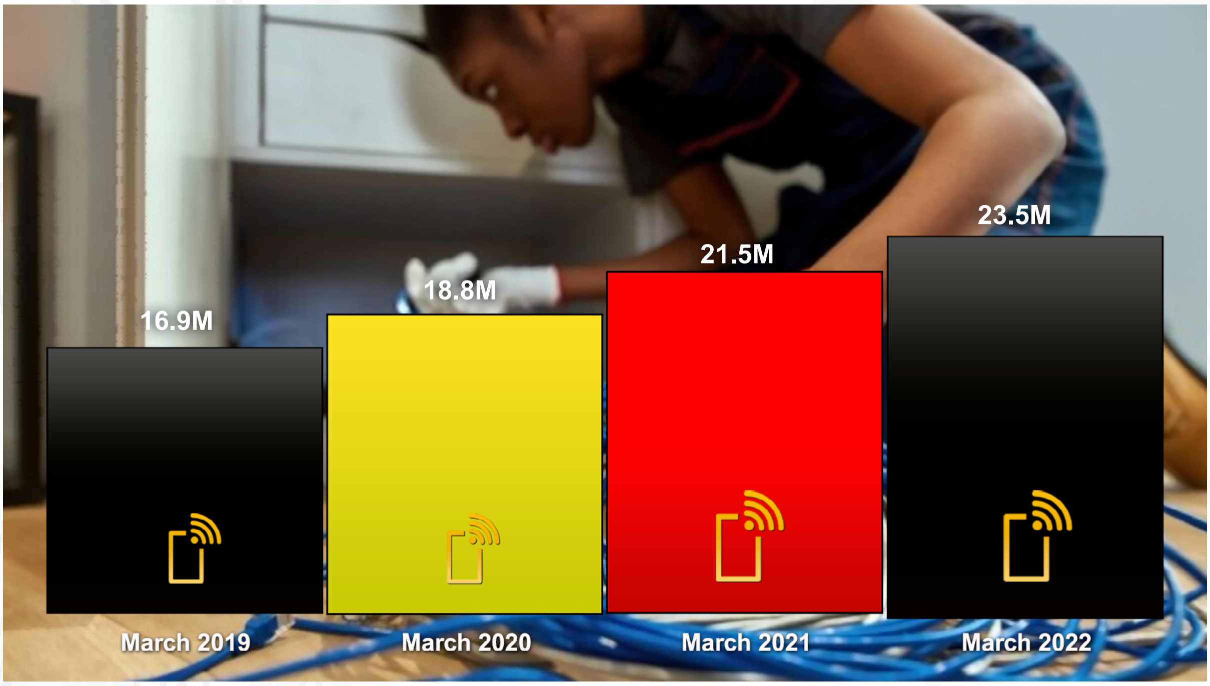


Source: MTN

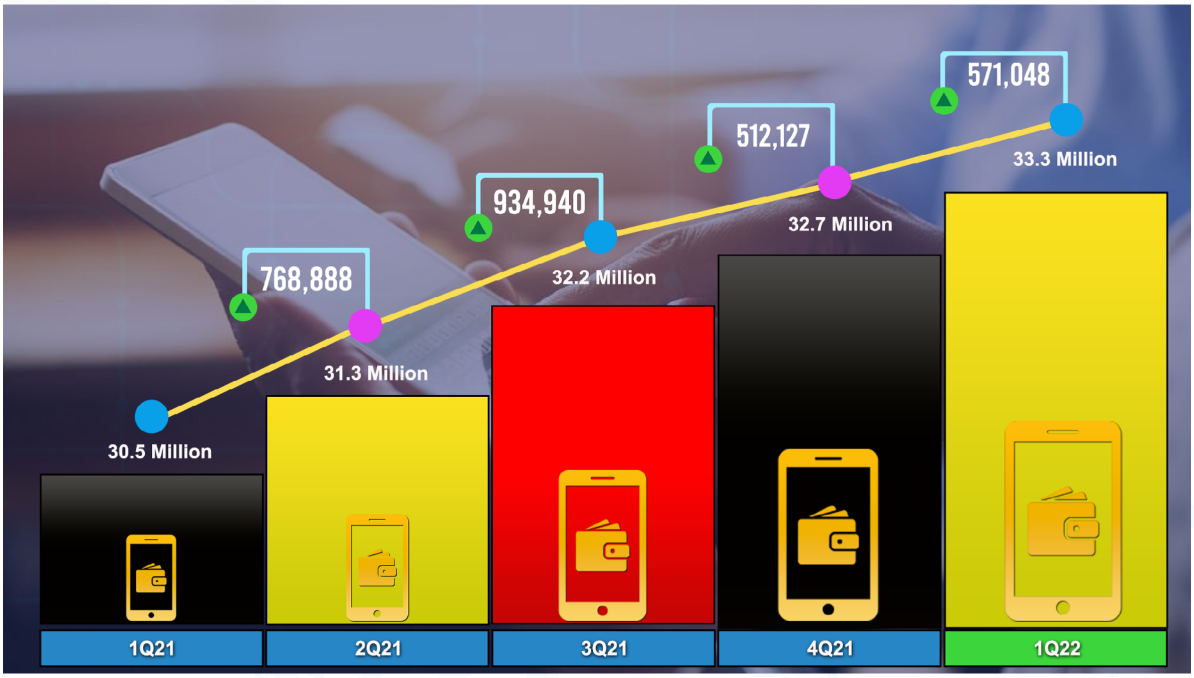
Source:Zuku

In terms of penetration, the growth in internet subscriptions and other internet-enabled devices on the market translates into an internet penetration of **53 connections per 100 Ugandans.**

On a year-on-year comparison, a total of **1.9 million** new active internet connections have been made in the 12 months ending March 2022.



3.4. Registered Mobile Money Connections

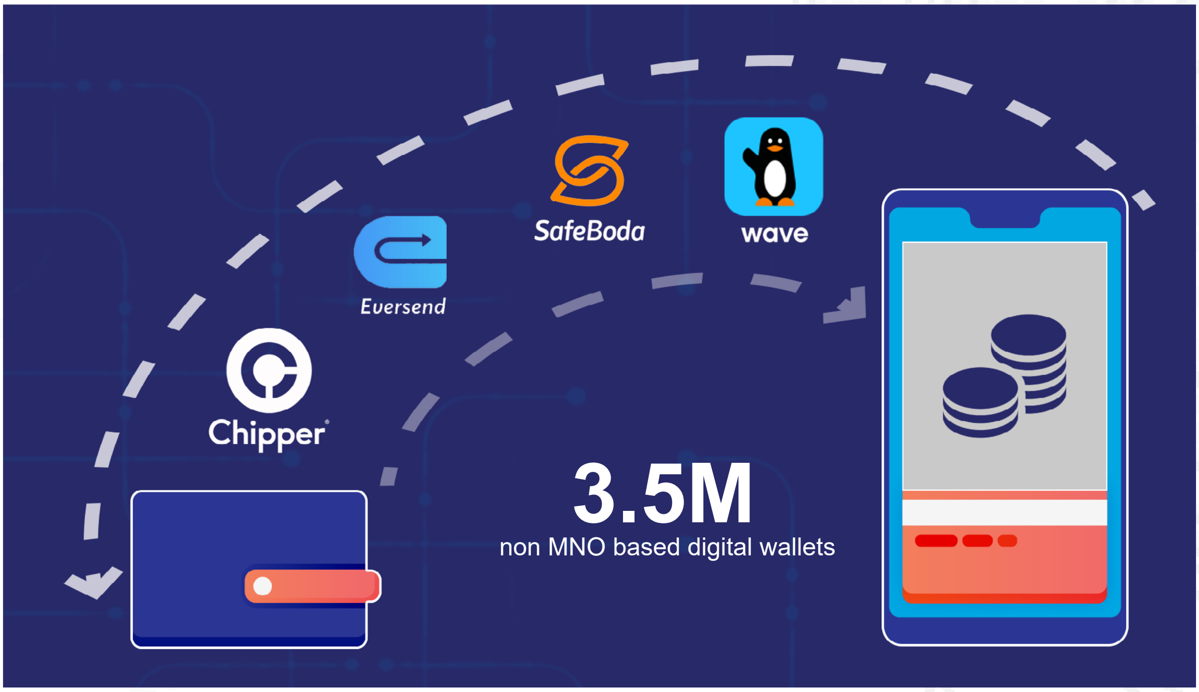


Registered mobile money accounts grew by **more than 500,000 new accounts** in the 3 months ending March 2022.This growth outpaces total new mobile lines registered during the same period.

This scenario is in part attributed to mobile money activation campaigns and loyalty programs targeting incumbent non-users. Case in point is the MTN Senkyu points program that awards customers convertible credits for using mobile money services.

The conversion of previously dormant/ unregistered mobile money accounts may also speak to increased customer arbitrage amidst mobile money cross wallet price differentials.

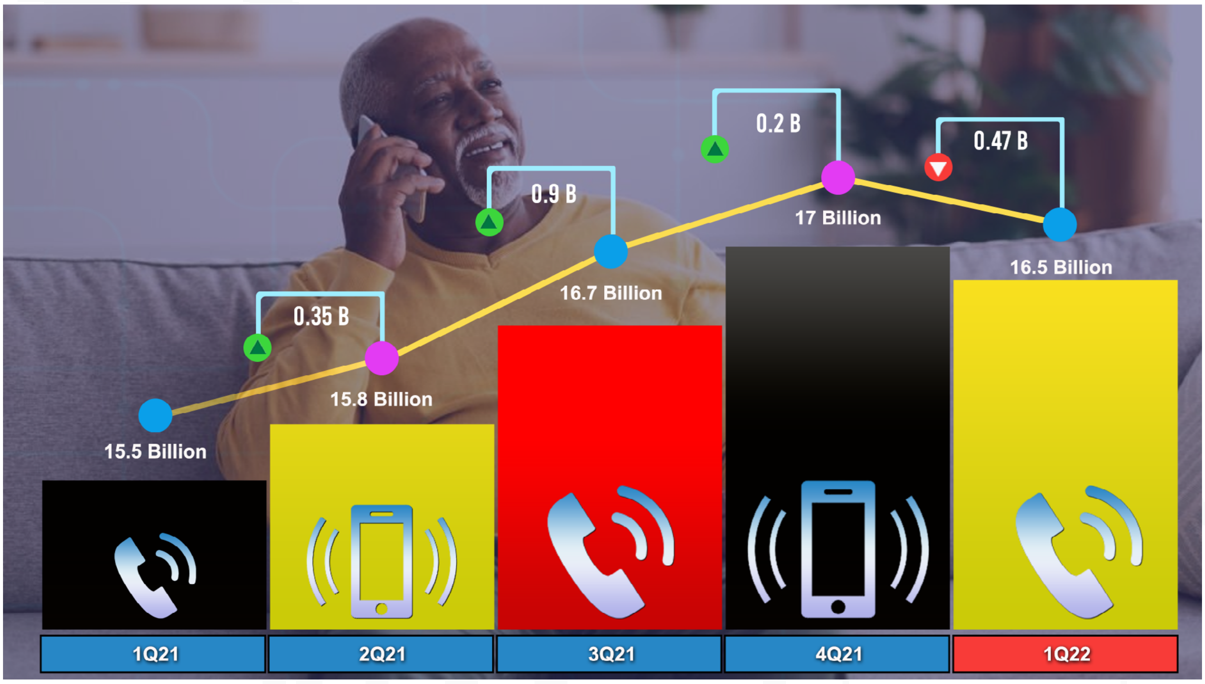
Also noted during the quarter was an estimated **3.5 Million non MNO based digital wallets.** These include deposit receiving, value holding and payments digital wallets like Chipper Cash, Ever-send, Safeboda and Wave Uganda Limited.



Source:Bank of Uganda

Products, Traffic, and Pricing

4.1 Domestic Voice Traffic



For the first time in more than 6 quarters, the market saw a stagnation in growth of domestic talk time. The months January to March 2022 posted a total of **16.5 billion domestic minutes** down from 17 billion minutes posted in 4Q21.

While it might be early days, this may be indicative of behavioural/consumption changes as consumers gradually switch from traditional voice to app-based messaging solutions. In terms of domestic traffic split, the market recorded 16.3 billion minutes of domestic onnet traffic (traffic originating and terminating on the same network). This is a 3% drop from domestic on net traffic recorded in 4Q21.

In the domestic offnet category, the market posted 152 million minutes of traffic across local voice networks.

4.2. International Voice Traffic

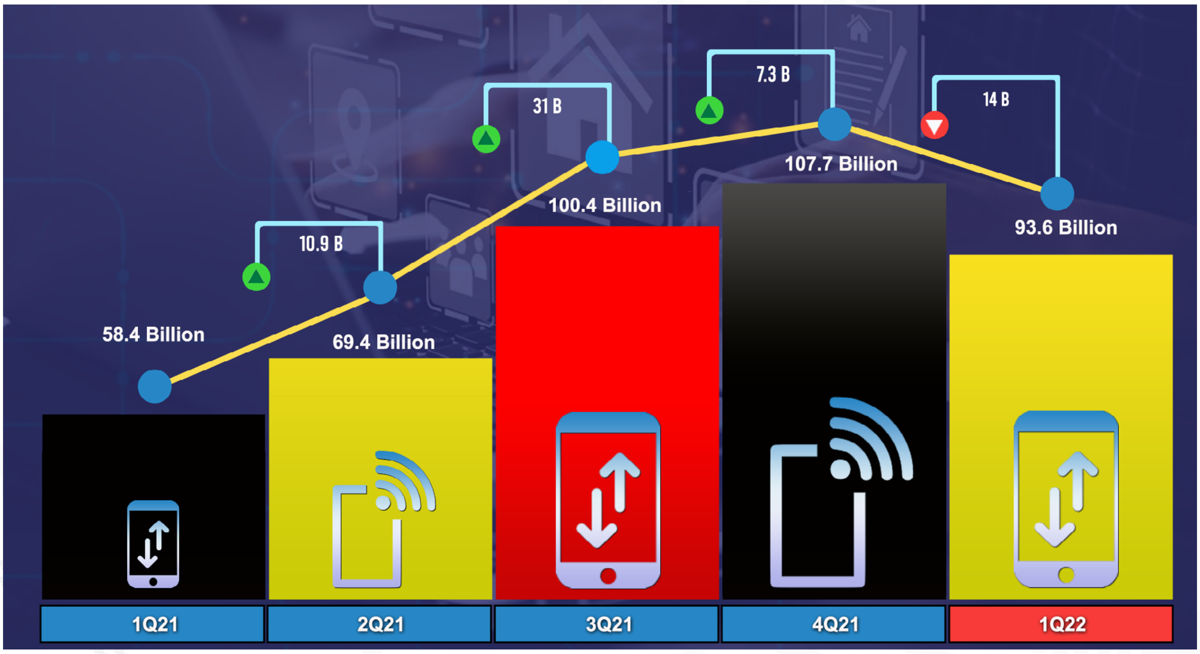
In a reversal of recent trends, the international traffic segment posted a 4-million-minute increase in traffic between 4Q21 and 1Q22. During the quarter, 127 million minutes of international traffic were recorded across all networks up from 123 million minutes in 4Q21.

The positive growth reflects further resumption in global travel as well as a relaxation in restrictions on Covid Border controls as the world is fully open for business.

In terms of traffic split, Uganda remains a net traffic recipient with 84 million minutes of international incoming traffic compared to 42 million outgoing minutes.

In terms of geographic distribution, regional One Network Area (ONA) partner states of Rwanda, South Sudan and Kenya accounted for 77% of total international traffic. Only 23% of total international traffic originated from /terminated in non-ONA member states.

4.3. Broadband Traffic



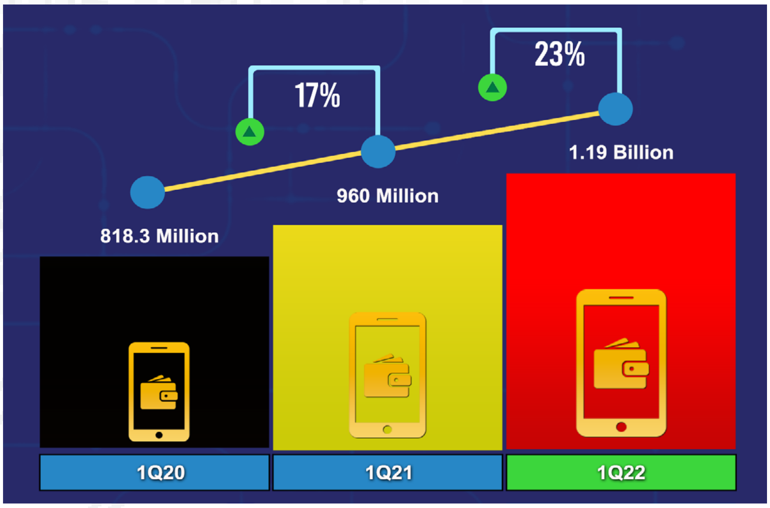
The telecommunications networks posted a combined **93.6 Billion MBs** in downloads. This is a 14 billion MB drop in comparison with internet traffic recorded in 4Q21.

The drop in internet traffic is consistent with seasonal traffic drops that follow the November and December annual traffic peaks. The drop may be attributed to reopening of schools and work places in 1Q22 that watered down broadband demand.

On a month-on-month comparison, the industry posted a broadband usage average of 1.3 GBs per broadband subscriber per month during the quarter.

4.4. Mobile Money Transactions

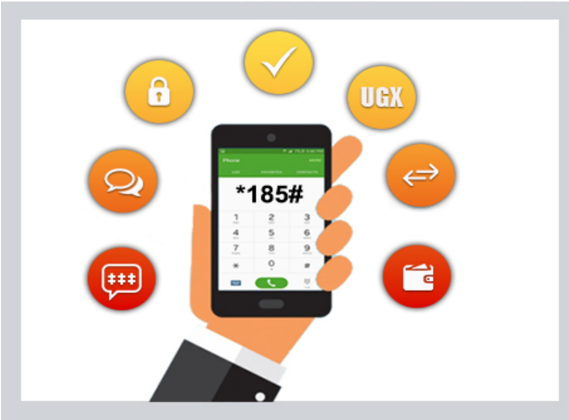
In the three months ended March 2022, the industry recorded **1.2 Billion mobile money transactions.** These include transactions like Person to Person (P2P) transfers, utility and merchant payments, gaming, school fees payments as well as new services like stock/share purchases.

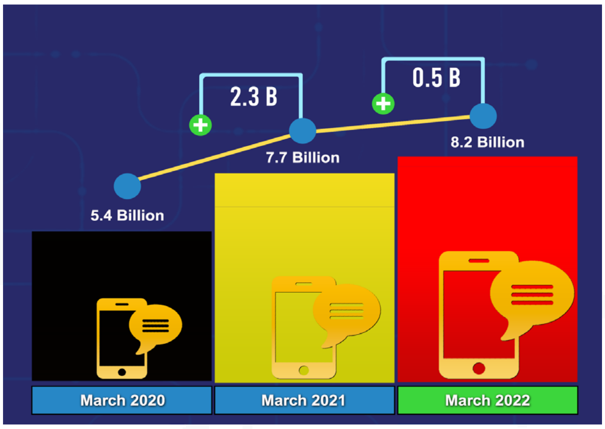


4.5. USSD Traffic

For the quarter ending March 2022, the market registered 8.2 billion USSD sessions down from 9 billion sessions in 4Q21.

The drop is synonymous with the seasonal traffic dips in the first quarter of the year as well as loosening of Covid restrictions that dampened electronic transactions during the period.





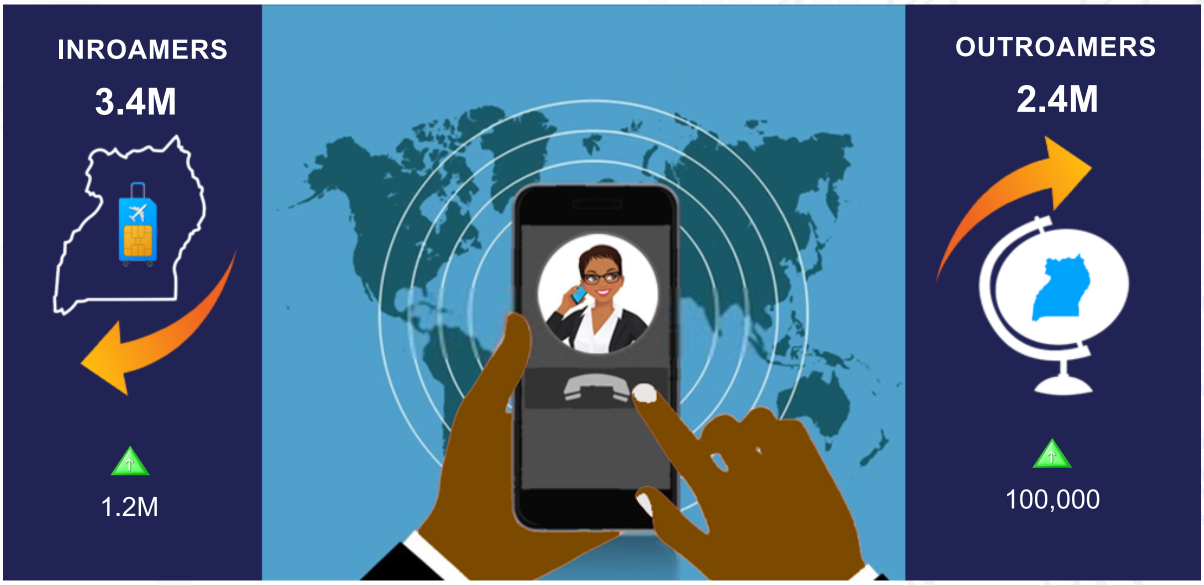
4.6. Roaming Services

During the quarter, domestic networks serviced a total of **3.4 Million visiting roamers** from partner networks. Conversely, a total of 2.4 million Ugandan subscribers roamed on foreign networks during the quarter.

The quarterly performance translates into a 1.2 million jump in inbound roamers and a 100,000 growth in outbound roamers between the 2 quarters. This growth is in tandem with increased global travel during the period.

In terms of distribution, the ONA member states remained the priority destination for Ugandan roamers hosting 57% of total outbound roamers during the months January to March 2022.

On the other hand, ONA roamers accounted for 64% of the inbound roamers hosted on Ugandan networks during the period.



4.7. Retail Pricing Highlights, March 2022

The Commission received a total of 14 tariff notifications/applications during the quarter. These included new permanent tariff applications, re-adjustments and offer discontinuations.

a) Airtel 2GB bundle

Airtel Uganda launched a 2GB bundle priced at Ugx.5,000 with validity of 24 hours. Key terms of the bundle include;

- Bundle is available for prepaid customers
- Bundle can be gifted
- Can be purchased through USSD 175 & 100
- Data share and Me2u is not available for this bundle

Source: Airtel

b). Bundles for registered business and Enterprise Customers

Airtel launched new Enterprise Business bundles dubbed “Airtel Office Internet” bundles for registered Business and Enterprise customers.

Bundle Name	Volume data	Price (Ugx)	Daily Bonus after depletion
WIFI_EBB_50GB	50 GB	110,000	0.5 GB
WIFI_EBB_120GB	120 GB	210,000	1.5 GB
WIFI_EBB_200GB	200 GB	315,000	3 GB

Source: Airtel

Key terms of the bundle offer include:

- A onetime set up fee of Ugx.250,000 for the router and Ugx.100,000 for 51GB for connection.
- All Bundles are valid for 30 days from time of purchase
- Daily bonus data is only allocated when data volume is used up before the 30 days expiry date.
- Data bundles are not shareable

Source: Airtel

c). Airtel Music Data Bundles

Airtel Uganda launched 3 new music data bundles for Airtel customers. These included 200MB at Ugx.600 with validity of 24 hours, 1GB Weekly bundle at Ugxx.3,000 and 3GB Monthly bundle at Ugx.9,000.

d). Change in MTN Daily Bundles

MTN Uganda ammended its daily, weekly and monthly bundle offerings

Old daily data bundle	New daily data bundle	%age increase	Price (UGX)
15 MB	25 MB	40%	250
40 MB	65 MB	38.5%	500
100 MB	165 MB	39.4%	1,000
300 MB	365 MB	17.8%	2,000

Source: MTN

Source: MTN

Old daily data bundle	New daily data bundle	%age increase	Price (Ugx)
25 MB	30 MB	16.7%	250
65 MB	80 MB	18.8%	500
165 MB	180 MB	8.3%	1,000
365 MB	400 MB	8.8%	2,000

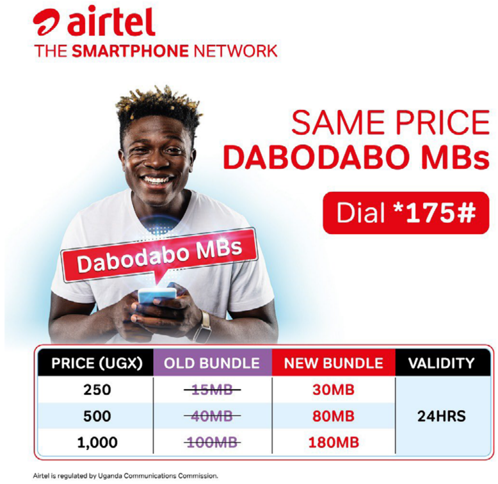
Source: MTN

e). Change in Airtel Daily Bundles

Airtel Uganda amended its daily, weekly and monthly bundle offerings.

Old daily data bundle	New daily data bundle	%age increase	Price (Ugx)
15 MB	30 MB	50%	250
40 MB	80 MB	50%	500
100 MB	180 MB	80%	1,000

Source: Airtel



Source: Airtel

f). Gaga Wednesday Bundle Amendments

MTN revised its Gaga Wednesday mid week product bundle, revising bundle validity and marketing name for the campaign. Below are highlights of the product revision:

- The Gaga weekend bundles now start on Thursdays, shifting away from the earlier Wednesday activation days.
- The Monday 05:59am expiry timeline has been maintained.
- This effectively reduces the bundle validity window by 24 hours.
- Every purchase of the Gaga Weekend bundle now includes 30 On net minutes on every purchase

MTN Gaga Product Amendments		
	Before February 2022	After February 2022
Product Name	Gaga Wednesday	Gaga Weekend
Activation Day	Anytime on Wednesday from 00:01 am	Thursday, 00:01 am
Validity period	Wednesday to Saturday 05:59 am (3 days and 6 hours)	Thursday to Monday 05:59 am (4 days and 6 hours)
Payment Channel	Mobile Money only	Airtime and Mobile Money
Bonus Voice Minutes	Nil	15 MTN to MTN minutes for bundles of less than UGX 4,500 30 MTN to MTN minutes for bundles of more than UGX 4,500
Maximum Activations	A customer could only buy the product a maximum of two times between Wednesday and Saturday	A customer can buy the bundle multiple times between Thursday and Monday.

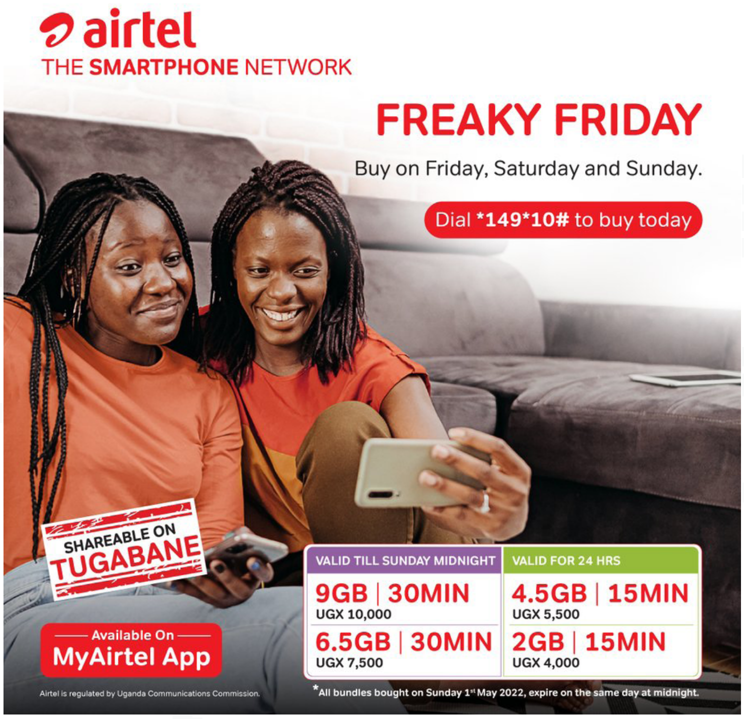
Source: MTN

Source: MTN

g). Airtel Freaky Friday Ammendments

With the refresh of MTN Gaga Wednesday effected on 3rd March 2022, Airtel retaliated on 18th March 2022 with the revision of validity or expiry terms for Freaky Friday and Freaky Holiday Bundles. The revised terms included:

- Bundles available for purchase from Friday, Saturday until Sunday Midnight
- Bundles are valid until Sunday Midnight, regardless of the day of purchase.



Source: Airtel

Airtel revised its flagship weekend bundle (Freaky Friday) as shown below:

Freaky Friday Airtel		
	Before March 2022	**After March 2022**
Product Name	Freaky Friday	Unchanged
Activation Day	Anytime on Friday from 00:01 am	Bundles can be purchased anytime between Friday and Sunday at Midnight
Maximum Activations	A customer could only buy the product a maximum of two times between Wednesday and Saturday	A customer can buy the bundle multiple times between the validity window
Validity period	Friday to Sunday at 23:59 Hours (3 days)	Friday to Monday at 05:59 am (3 days and 6 hours)
Payment Channel	Airtime and Mobile Money	Unchanged
Bonus Voice Minutes	Nil	15 Airtel to Airtel minutes for bundles of less than UGX 5,500 30 Airtel to Airtel minutes for bundles of more than UGX 5,500

Source: Airtel

h). Freaky Friday bundles join Tugabane Data Sharing Scheme.
In another key ammendement, freaky friday bundles can now be shared across multiple users as part of the wider Tugabane framework.

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i). Airtel Discontinues the following products:

- Airtel Monthly and Quarterly bundles
- Select Prepaid bundles

DISCONTINUED

Product Name	Price	Validity	Mins	SMS	Data(MBs)
Kyabise Night Combo-500	500	22 to 06	15	15	15
Kyabise10	750	1	10	10	10
Kyabise20	1,500	1	20	20	20
Zaweze Bundle 1	2,000	1	40	40	200
Kyabise75	2,500	1	75	75	75
Zaweze Bundle 2	3,000	1	40	40	350
Weekly Kyabise Combo-10k	10,000	7	300	300	300
Monthly Kyabise 20K	20,000	30	500	500	500
Monthly Kyabise 50K	50,000	30	1,300	1,300	1,300

Source: Airtel

New Product	Price	Validity	Mins	Data (MBs)
Daily SupaCombo	2,500	1 Day	30	300
3 Days SupaCombo	5,000	3 Days	50	750
Weekly SupaCombo	25,000	14 Days	500	4,098
Monthly SupaCombo	50,000	30 Days	1,200	10,240

j). MTN ammends the Supa Combo

Current Supa Bundles			
Validity	Data	Minutes	Price
3 Days	½ GB	35	4,500
14 Days	10GB	750	20,000
30 Days	6GB	1,200	40,000

DISCONTINUED

Source: MTN

Refreshed (New) Supa Bundles			
Validity	Data	Minutes	Price
1 Day	300MB	30	2,500
3 Days	750MB	50	5,000
14 Days	4GB	500	25,000
30 Days	10GB	1,200	50,000

j). Roke Telkom reduces bundle effective prices by 50%.

During the quarter under review, Roke Telkom upgraded its Roke Plus packages to effectively reduce the in-bundle GB price by 50% across all packages.

Source: Roke

k). Changes in International Long-Distance Rates for Denmark Destinations

Airtel Uganda increased its International Long Distance (ILD) rates to Denmark by more than 70%. The rate increase from UGX 8 per second to UGX 30 per second was largely on account of increase in International termination rates for traffic landing in Denmark by International termination partners.

l). Changes in Azam TV Bouquet pricing

Azam TV revised its Azam Pure bouquet from Ugx. 23,000 to Ugx. 13,000 in addition to termination of its Azam lite bouquet. This was effected on 13th March 2022.

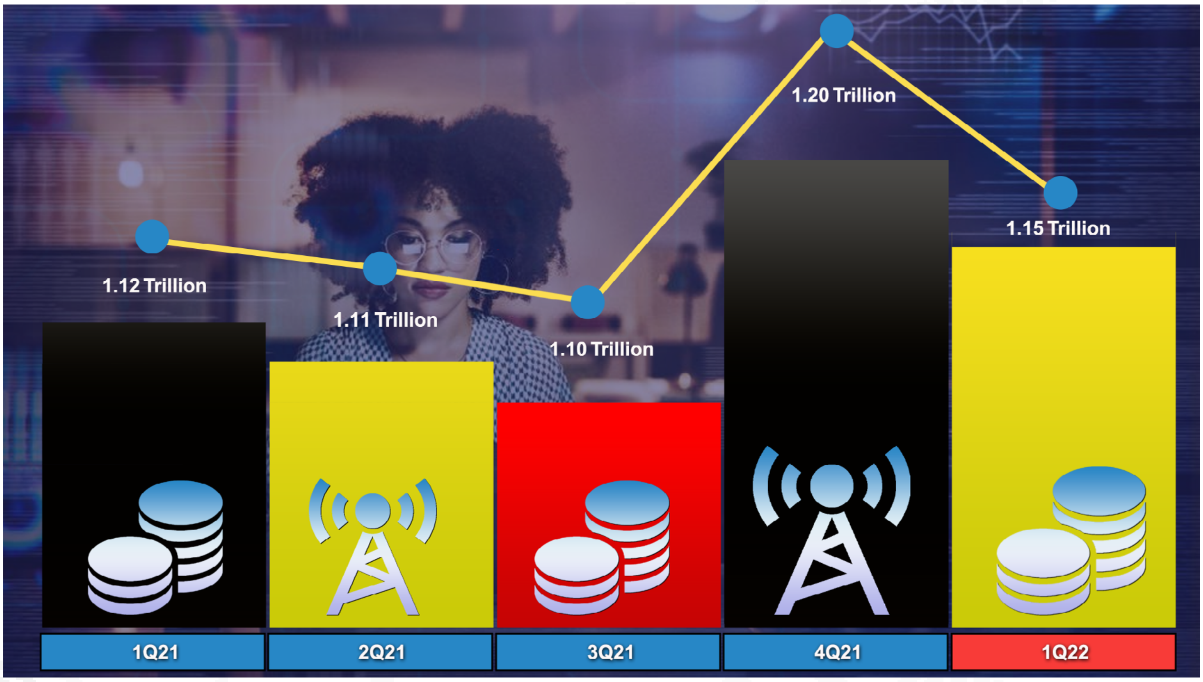
Kompare.ug

The Commission renewed the accreditation of Kompare (**www.Kompare.ug)** price comparator website to provide an easy-to-manage one stop centre for comparison of latest voice, data, Pay TV tariffs to consumers.

Revenue Performance

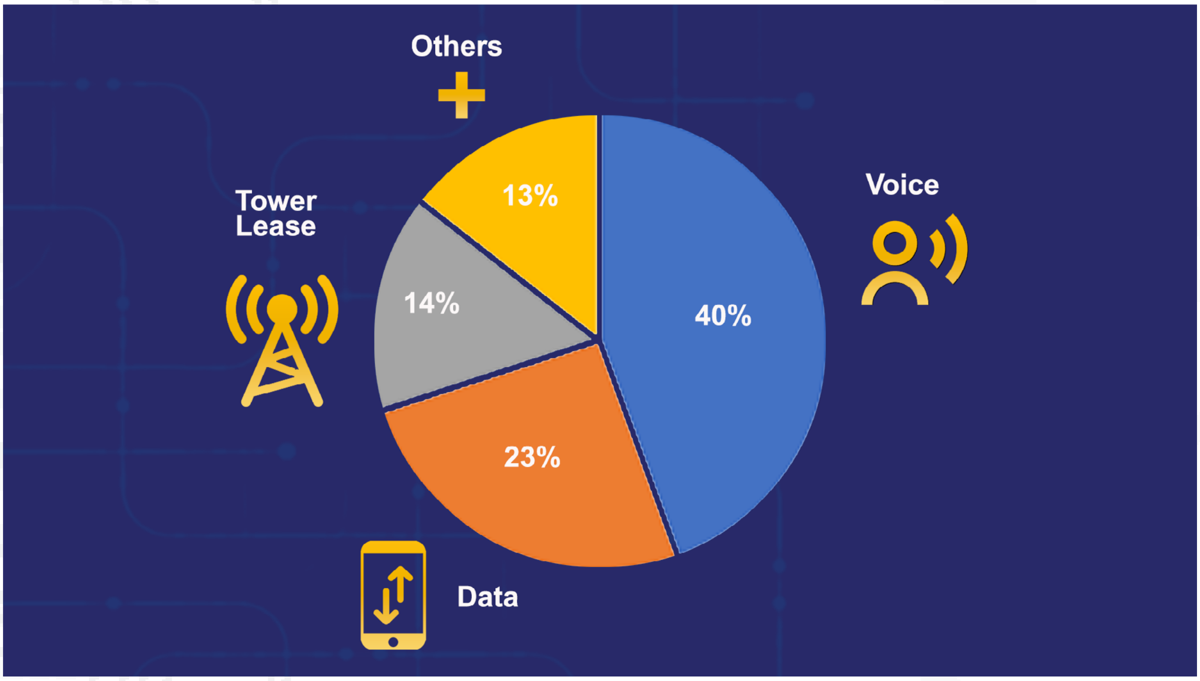
5.1. Telecom Revenues

The industry recorded quarterly revenues of **UGX 1.15 Trillion** bettering the quarterly average of UGX 1.13 Trillion recorded in 2021.



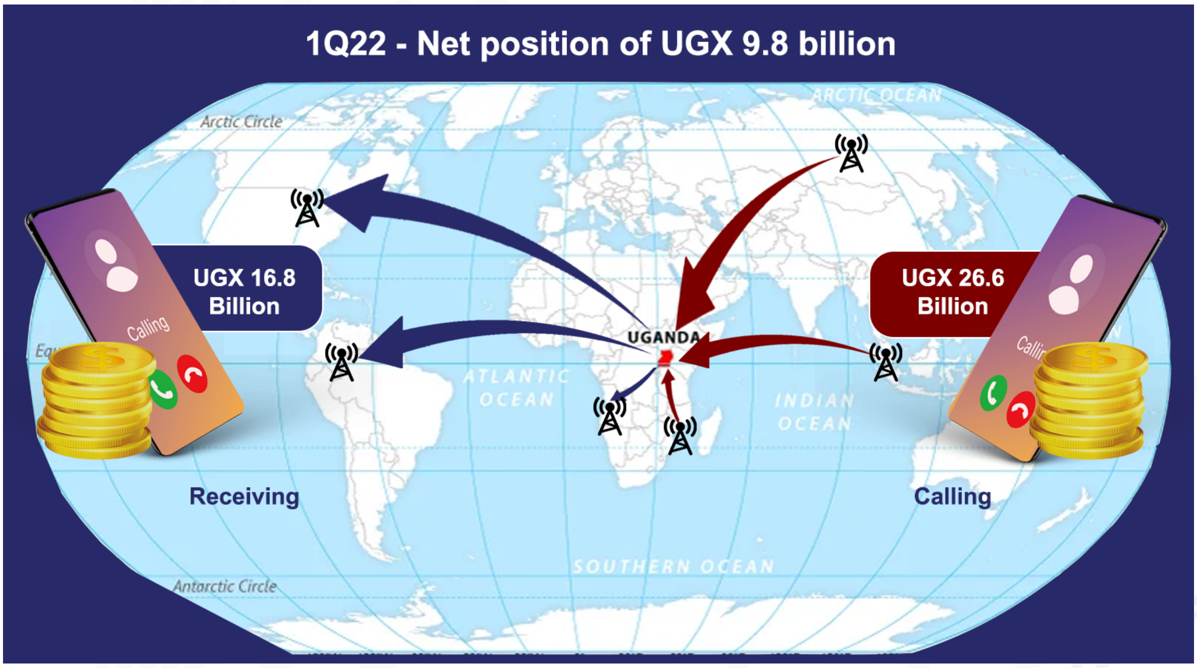
The UGX 1.147 trillion revenues is a combination of earnings from voice, data, infrastructure lease and other communication services but excludes mobile money revenues.

Revenue generated from Voice and Data Services continues to dominate the telecom market followed by tower leases and other revenue lines. This is despite reported drops in domestic voice and broadband traffic.



5.2 International Interconnect Revenues

Total industry monthly revenues from international incoming traffic have averaged 8.8 billion shillings in 1Q22. The industry posted interconnect revenues totaling UGX 26.6 billion during the quarter.



Post and Courier

6.1. The e-commerce Revolution

Global courier markets have recovered as e-commerce platforms and order fulfillment services have replaced walk in business models.

For example, according to Bain & Co, the Indian e-retail market is predicted to reach nearly 300 to 350 million shoppers over the next five years translating into the online Gross Merchandise Value (GMV) of $100 to $120 billion by 2025.

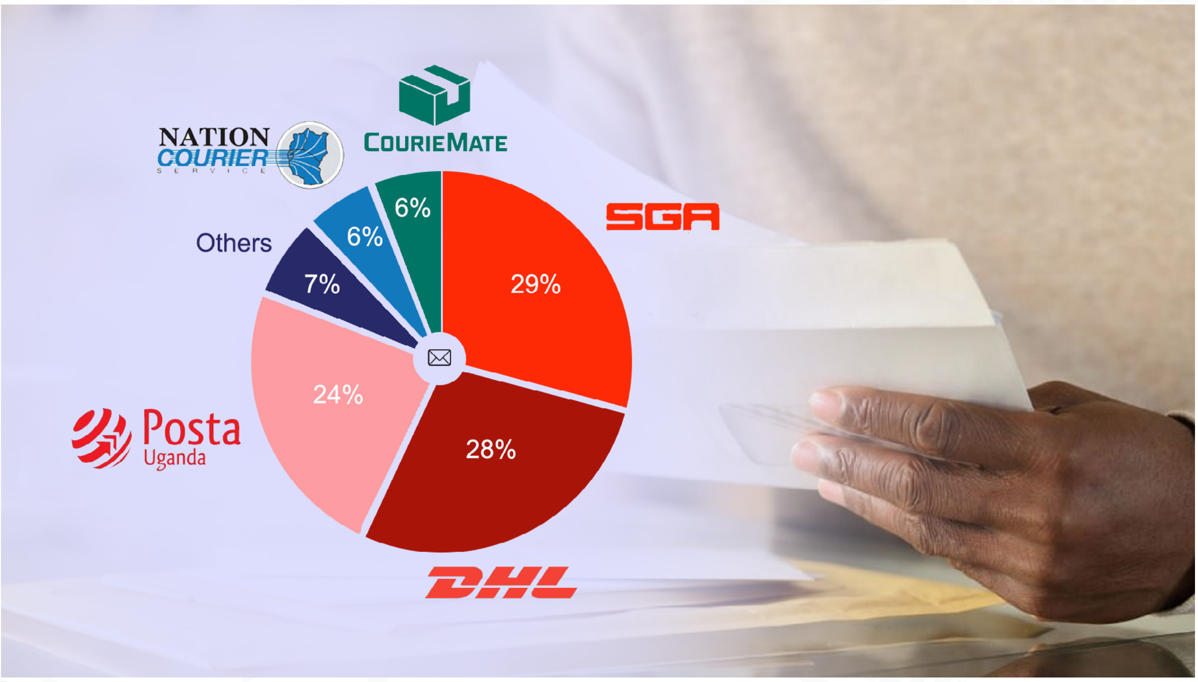
As the global e-retail realises a sharp increase in shopper penetration, driven by lower data prices and investments to improve customer experience, online platforms are innovating to onboard the next hundreds of millions of shoppers.

In Uganda, the online platforms have evolved into marketplaces for great deals on items like mobile phones, electronics, fashion, hardware, auto spares and more. B2B/B2C sellers market their goods and services online, with customers and vendors linking first by phone followed by physical meeting.

Advertising in Uganda's eCommerce market remains unsophisticated and is largely on social media platforms such as: WhatsApp, Instagram, and Twitter.

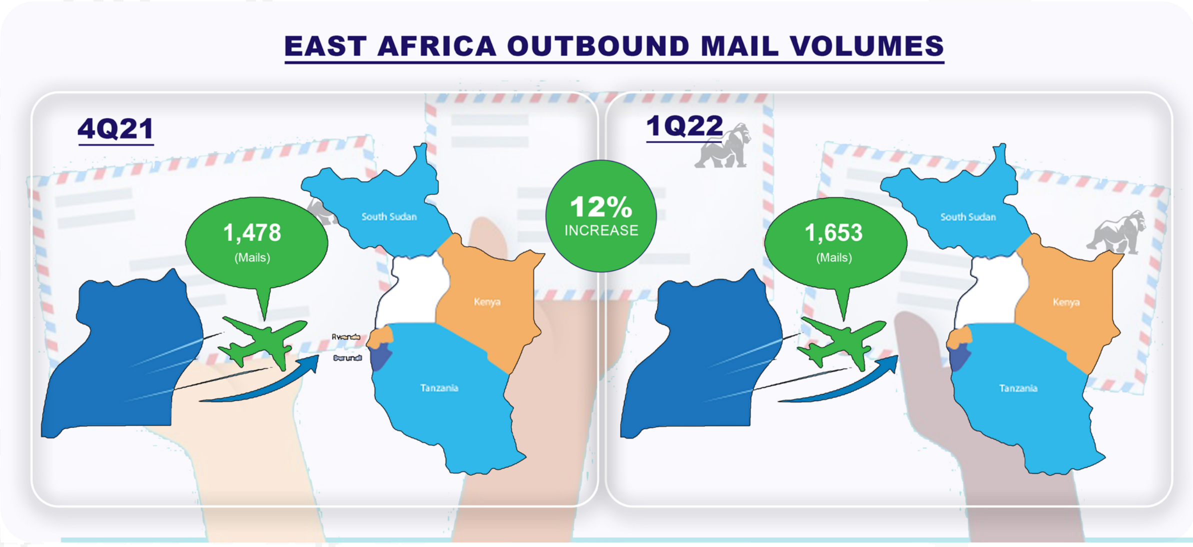
6.2. Domestic Courier Deliveries

In 1Q22 , the domestic deliveries were distributed as follows: SGA - 29%, New Times Express - 28%, UPL- 24%, CourieMate - 6%, Nation Courier - 6% while others stood at 7%.



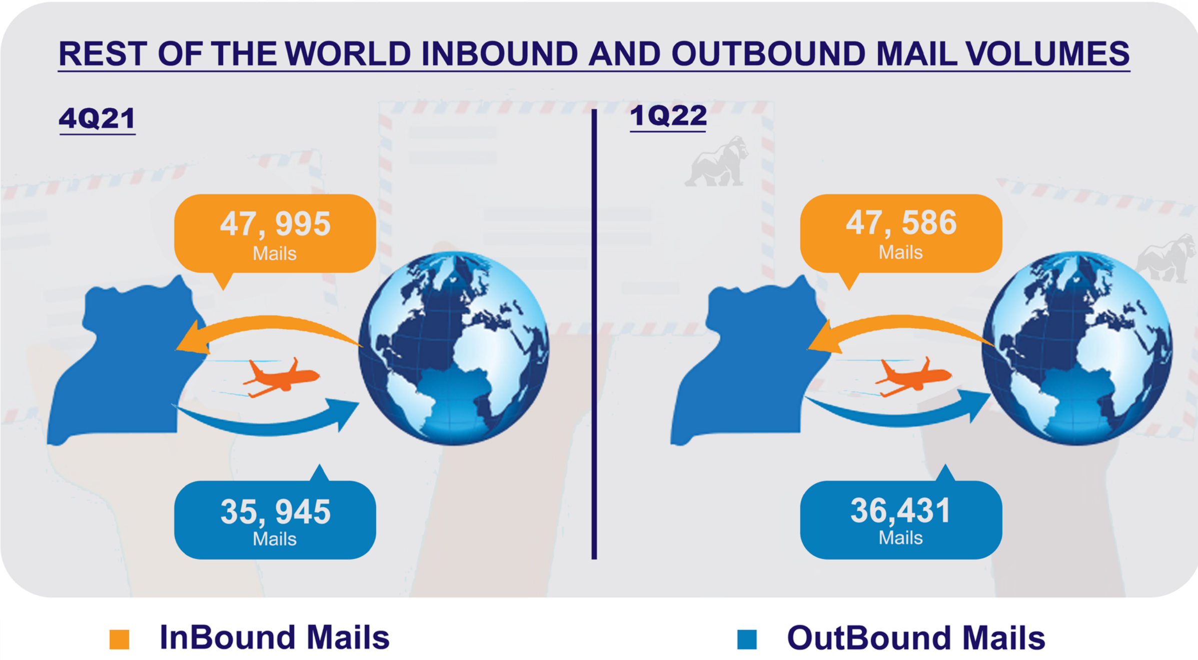
6.3. Outbound East Africa Mail Volumes

East Africa out bound Mail volume grew from 1,478 mails in 4Q21 to 1,653 mails in 1Q22, translating into a 12% quarter on quarter increase., This growth is an indication that the post and courier sector is steadily recovering from the Covid-19 shocks.



6.4. Rest of the World mail volumes

In the January – March 2022 period, the mails posted to Uganda from the Rest of the world increased to 47,586 mails from 45,997 in 4Q21 translating into 3% quarter on quarter growth.



The mail volumes sent from Uganda to the Rest of the world grew from 35,945 mails in 4Q21 to 36,431 mails in 1Q22, translating into a 1.4% quarter on quarter growth.

Broadcast and Multimedia

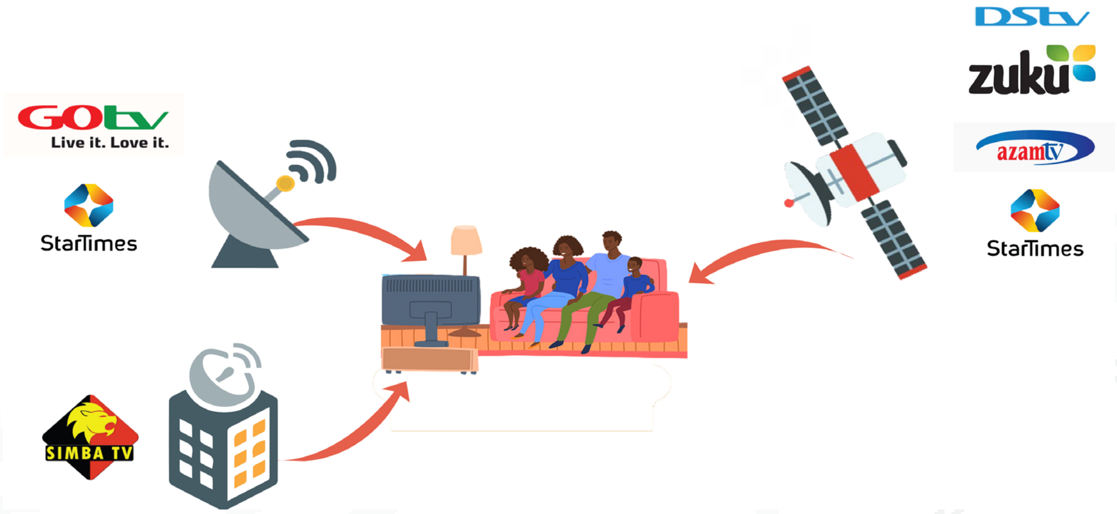
7.1 TV Market

i). Free-to-Air

The delivery of FTA channels is mainly via the government-owned SIGNET UG Ltd. By the end of March 2022, 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.

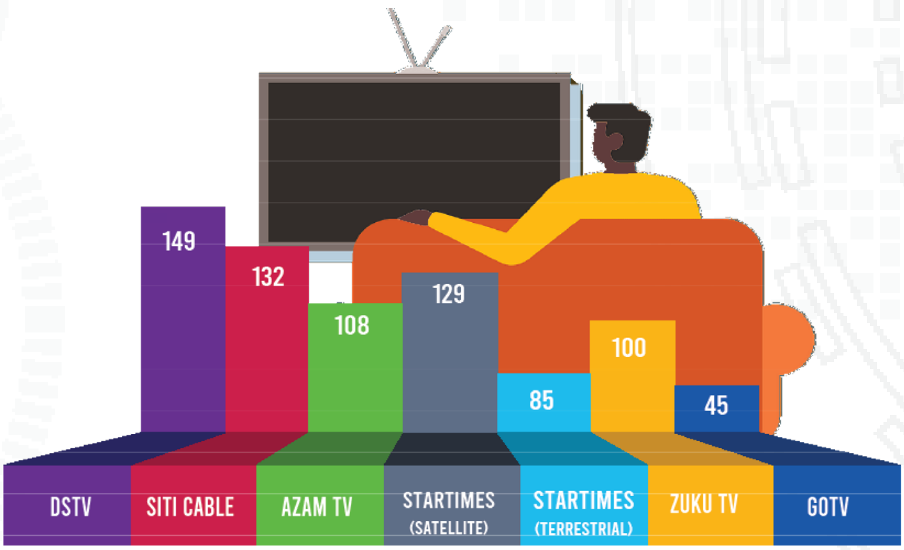


iii). Active Pay TV Subscriptions

1Q22 has seen a decrease in the total active subscribers from a total of 1.65 million as of December 2021 to 1.45 million in March 2022. The dip in pay tv subscriptions may be attributed to new school fees pressure following the resumption of physical classes after a two year lock-down. This has in turn cut back spending by households on contingencies such as pay TV access services.

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. Value Bouquet Prices as of 31st March 2022

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