



UGANDA
COMMUNICATIONS
COMMISSION

Market Performance Report 3Q20

MOBILE MONEY

ACCOUNTS RECORD QUARTERLY REVENUES

20 MILLION DATA CONNECTIONS

QUARTERLY REVENUES 1.8 MILLION NEW

20 MILLION DATA CONNECTIONS 1.2 MILLION DATA

RECORD QUARTERLY REVENUES RECORD DOWNLOADS CONNECTION

MOBILE MONEY ACCOUNTS

1.8 MILLION NEW

RECORD QUARTERLY REVENUES 20 MILLION

NEW DATA SUBS 1.2 MILLION NEW DATA SUBS

20 MILLION DATA CONNECTIONS

RECORD

1.2 MILLION RECORD QUARTERLY REVENUES

1.2 MILLION NEW DATA SUBS

Legal Disclaimer

The information and figures contained herein were obtained from licensees' submissions to the Commission and other sources available to the Commission. It is intended to provide the communications market overview to:

1. The industry
2. Prospective entrants
3. Government
4. Academia and other stakeholders
5. Any other interested parties

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Introduction

Throughout the report we have made an effort to assess the post lockdown performance of the sector in the months July to September 2020. By and large, we have seen strong recovery across the major performance indicators with growth in subscriptions, domestic traffic, mail volumes, as well as industry revenues. The highlight of this quarterly performance includes record quarterly revenues, as well as almost 2 million new broadband subscriptions.

The report covers:

1. Emerging role of technology in the public health domain
2. Global trends in 5G deployments
3. Key licensing and policy changes for the Uganda Telecommunications Market
4. Trends in mobile and mobile money subscriptions
5. Product and service Performance
6. Revenue Performance
7. Highlights in postal and courier services
8. Highlights in broadcast and multi media markets

Access

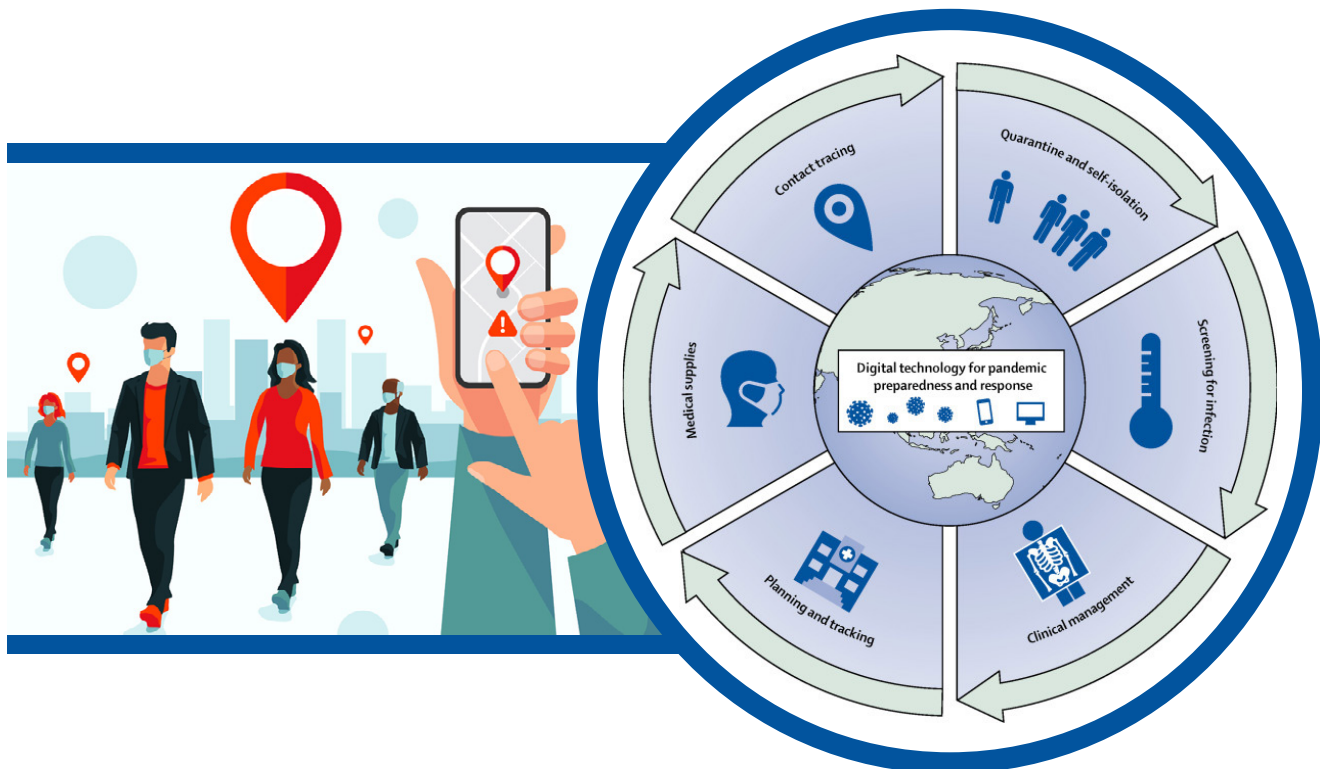


1. Emerging role of technology in the public health domain

As economies the world over grapple with early COVID effects, the Telecommunications, Media and Technology (TMT) sector has continued to emerge as a key societal and business glue, providing a digital bridge between persons and businesses amidst the pandemic.

New applications and solutions continue to find their place in services like public health, where digital contact tracing has become a versatile tool despite the early data privacy concerns.

These provide several digital contact tracing apps which now provide notifications to persons and public health officials with real time exposure threats.



Source: [https://www.thelancet.com/journals/landig/article/PIIS2589-7500\(20\)30142-4/fulltext](https://www.thelancet.com/journals/landig/article/PIIS2589-7500(20)30142-4/fulltext)

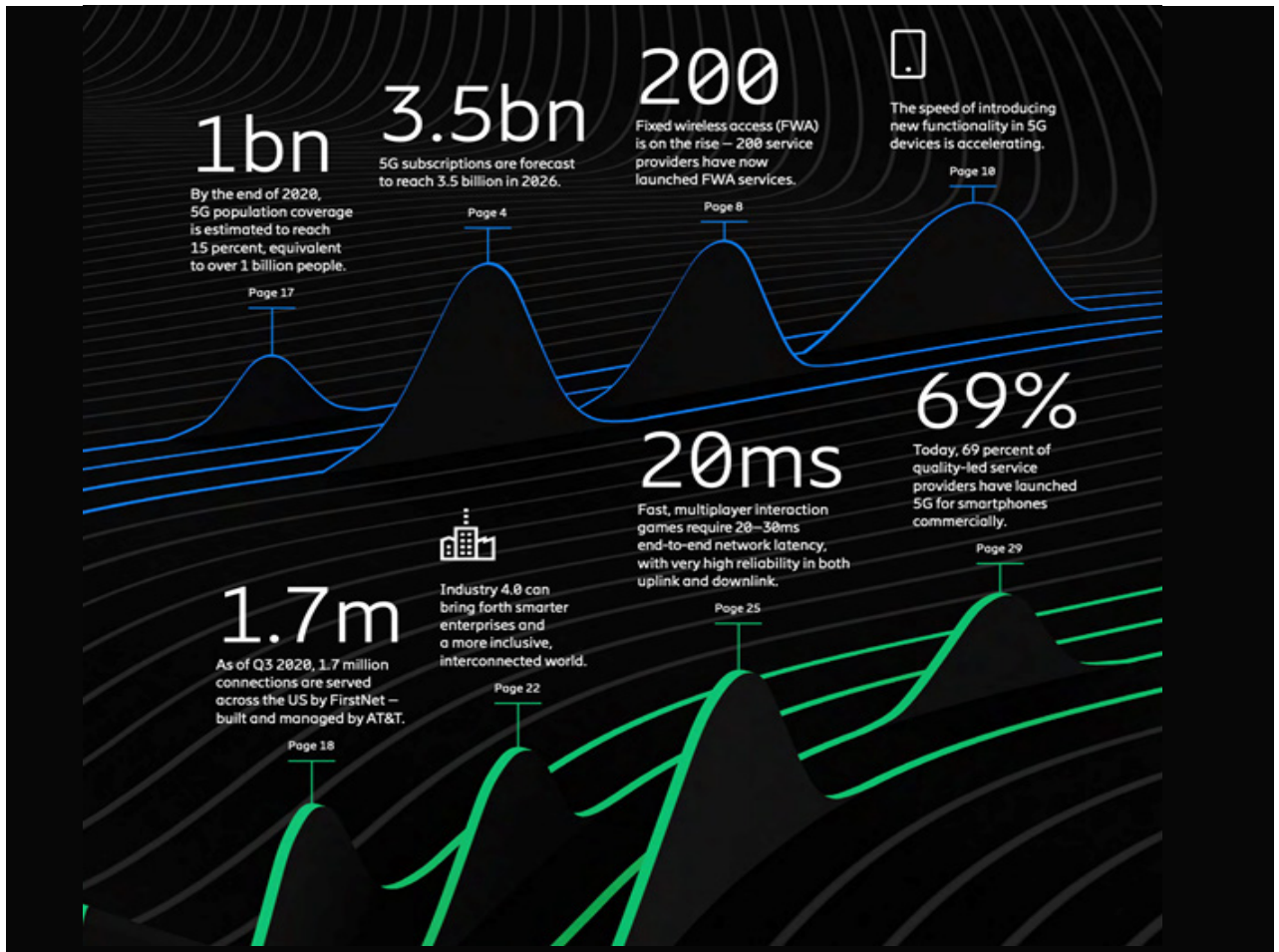
2. Global trends in 5G deployments

Global mobile subscriptions over the last three months have been dominated by growth in 5G subscriptions. These new subscriptions have been on the back of increased 5G deployments by leading network operators in Europe, Asia and America.

At the end of September 2020, more than 50 operators across the world had invested in 5G for public networks albeit being at different stages of rollout. While the majority are trials, a number have gone ahead to commence license acquisitions and network deployments.

The growing global demand for 5G is partly on account of sustained Work-From-Home/remote working demand adopted by different industries over the period. To meet the new 5G demand, more than \$186 billion has been invested globally in 5G network rollouts to date.

At the retail end, global hardware giant Ericsson forecasts worldwide 5G subscriptions to reach 3.5 billion by the end of 2026 and shall account for more than 40% of total mobile cellular subscriptions then.



In Africa, it is estimated that by 2025, a total of about \$60 billion will have been invested in network infrastructure upgrades for 5G. Most notably, a few trials have happened on the continent in South Africa, Nigeria and in Lesotho.

In Uganda, the National Task Force on the Fourth Industrial Revolution has released the national 4IR strategy. The strategy places 5G and other emerging technologies as key service drivers and enablers across health, education, industry and tourism, among others.

On the regulatory front, the UCC in consultation with the industry is reviewing Spectrum band plans in preparation for 5G. Further to this, the regulator in collaboration with the industry is establishing the first technology test bed in the country.



Key Policy Changes in the Telecommunications Market

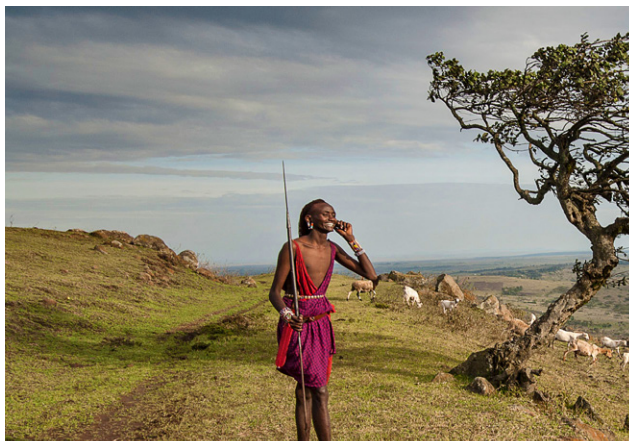


1. 2020 Telecom Licensing Framework

Uganda license zones

Following extended industry consultations towards the revision of the national telecommunications licensing regime in Uganda, the Commission issued a new licensing framework in July 2020.

The new licensing regime is premised on the separation of service and infrastructure provisioning. Further, the new framework for the first time ever allows for the provision of regional telecommunication services. Uganda has been partitioned into 4 licensing zones that include Central, East, West and North.



Further to the introduction of zonal licenses, the 2020 licensing framework establishes new standards and obligations in network coverage, service uptime and quality, as well as new competition rules for players with Significant Market Power (SMP) across the various markets.

The new fairness and reasonableness obligations extend to critical services like tower services, leased lines and wholesale virtual network platforms, among others.

In compliance with the new regime obligations, MTN Uganda Limited - one of the pre-market liberalisation operators in Uganda - was successfully migrated and issued with a National Telecommunications Operator (NTO) license on 1st July 2020.



"I am glad to inform you that our second National operator License has been signed and MTN can continue operating in Uganda. We are happy and remain committed to our vision of delivering a bold digital life to all our customers through diligent innovation and shall continue to provide high quality voice, data and mobile money services connecting Ugandans across all the 135 districts of Uganda." – Wim Vanhelleputte (CEO, MTN Group)

The 10-year National Telecommunications Operator license obliges holders to, among others meet:

- 90% voice and data service geographic coverage within 5 years of award.
- Data protection obligation
- Consumer protection rules
- Interconnect and access obligations
- National roaming with domestic access seekers
- Infrastructure sharing with other licensees
- Compliance to fair competition rules with respect to third party services (fairness, reasonableness and non-discrimination)

Major License categories

**Public Infrastructure
Provider License -
(PIP)**



Public Service Provider - (PSP)



**National
Telecommunications
Operator - (NTO)**



2. Recovery in Mobile Markets

Following the subscriber dip witnessed between March and June 2020, the industry has posted more than 1 million new mobile subscriptions in the months July to September 2020.

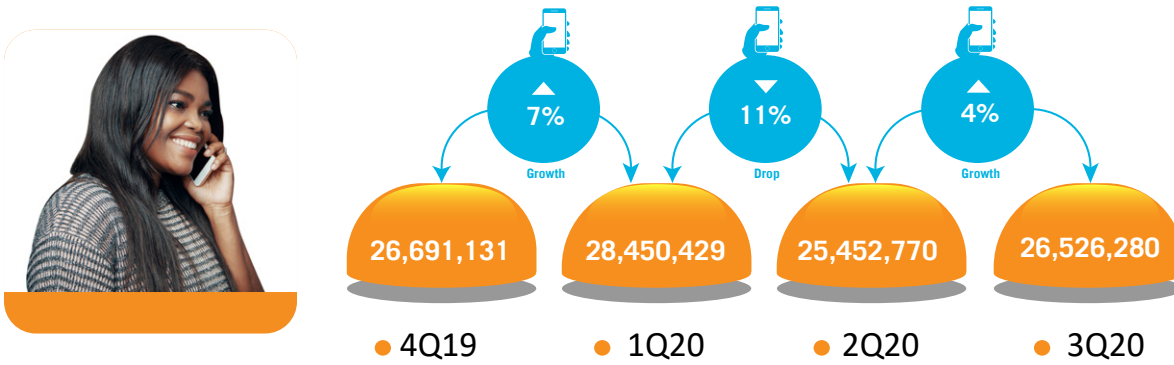
The market topped 26.5 million fixed and cellular subscriptions, equalling the pre-COVID subscriber count of December 2019.

In terms of quarter-on-quarter growth, the 4% growth realised in the period July-September 2020 again equals the intra-quarter growth rate realised in the last quarter of 2019.

In terms of year on year comparison, the sector posted a 3.3% year on year growth in subscriptions between September 2019 and September 2020. This despite a 3 million subscriber erosion between March and June 2020 at the onset of the COVID-19 pandemic.

Amidst the sector wide disruption over the last 6 months, the sector averaged quarter on quarter growth rates of 1% over the last 12 months. This comparatively subdued performance is largely attributed to the 11% subscriber drop in the months April-June 2020.

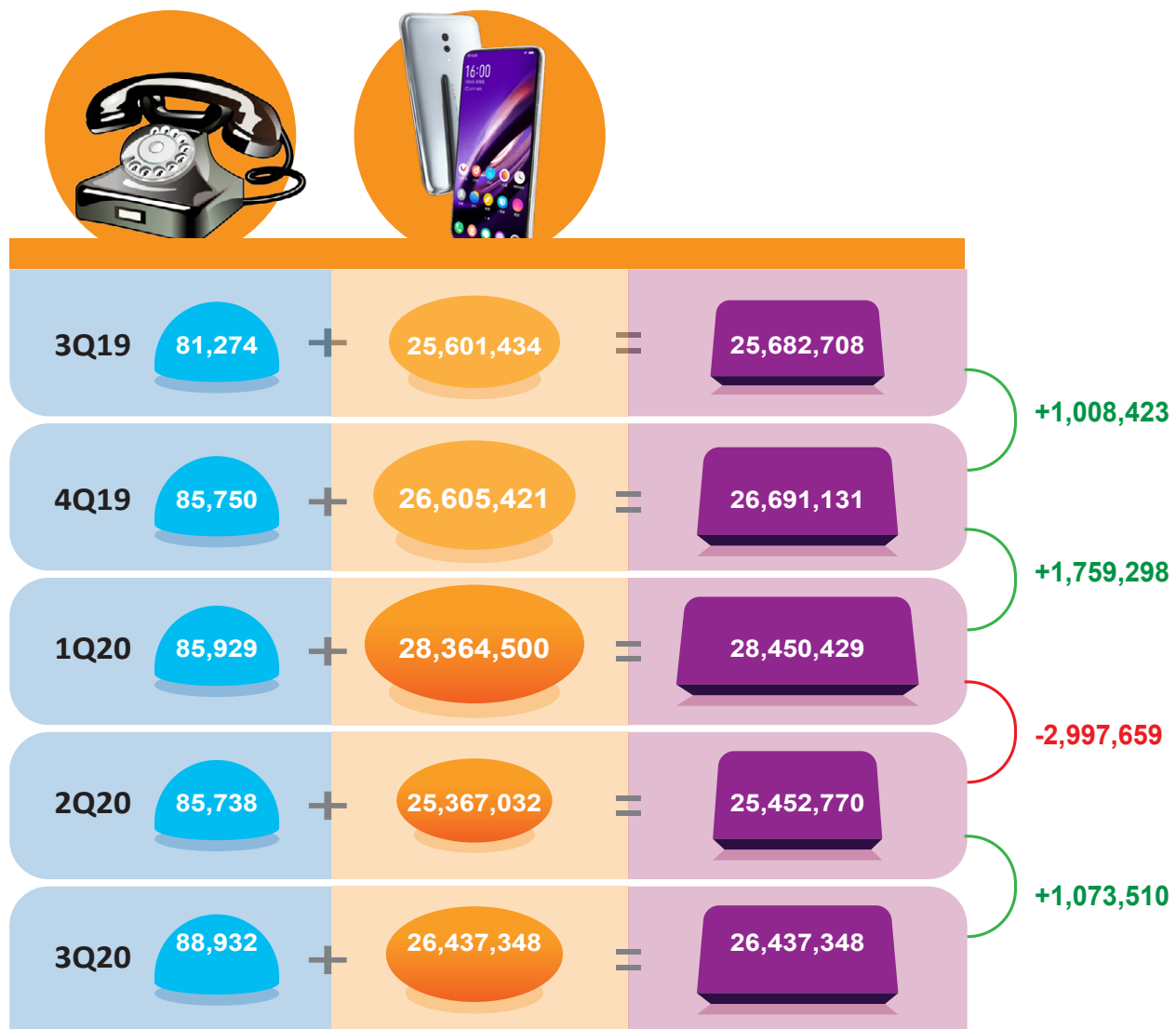




In terms of nationwide access, the subscription recovery translates into a national telephone penetration of 64 lines for every 100 Ugandans.

Note: These numbers are drawn from registered mobile subscriptions that have undertaken at least one billable service in the 90-day period ending September 30th, 2020.

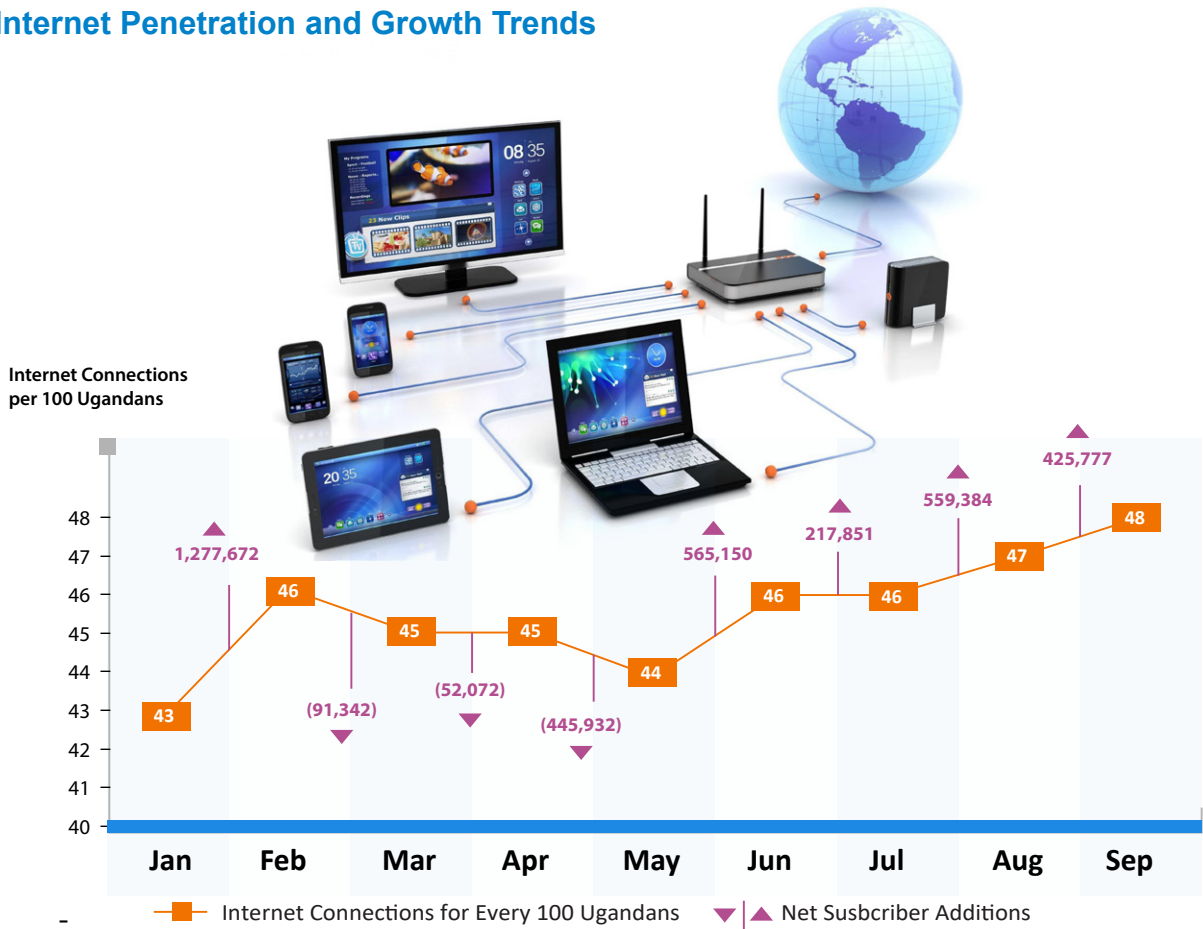
Quarter on Quarter Subscriber Additions and Penetration Rates



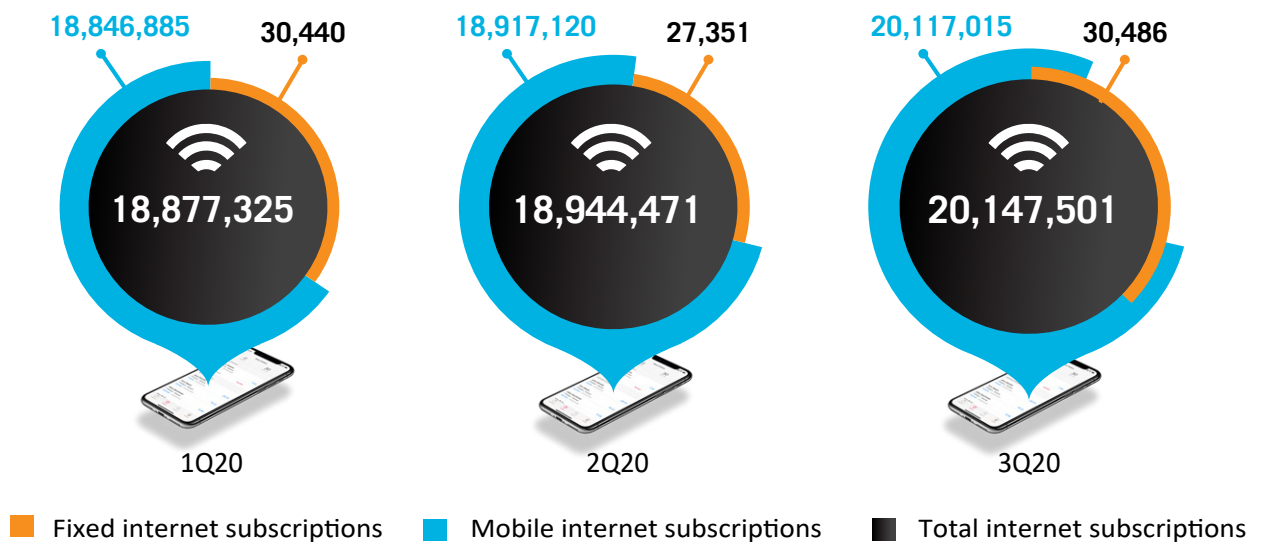
■ Fixed line Subscribers ■ Mobile Subscribers ■ Total Subscribers ■ Net quarterly Additions

3. BroadbandConnections

Internet Penetration and Growth Trends



Broadband Subscriptions 2020



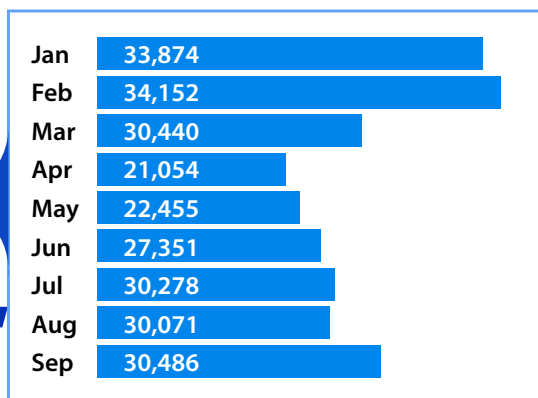
Note: Tele-density calculated using UBOS population figures 2020

Broadband cellular subscriptions continued with an upward growth trajectory growing by an additional 1.2 million connections in the quarter ending September 2020. This is on the back of the exceptional resilience realised in the period March to June 2020 amidst the national lockdown.

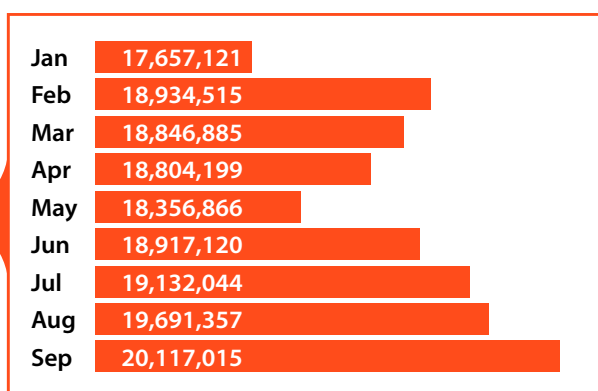
At the end of September 2020, total internet subscriptions had for the first time in industry history crossed the 20 million mark. This translates into an internet connection for 1 in every 2 Ugandans.



Fixed Internet Subscriptions



Mobile Internet subscriptions



This exceptional performance is still mainly attributed to the shifting work culture caused by the COVID-19 pandemic, which led many businesses to adopt remote working methods.

We have also witnessed increased IOT use cases and mobile-based digital payment services in the market as more businesses digitise in the face of the global COVID-19 pandemic.

Realignment of Mobile Broadband Value Propositions

The shift in work cultures and digitisation of small businesses has also coincided with increased customer onboarding and promotional campaigns during the period by different operators. Below are highlights of mobile broadband promotional campaigns during the period:

MTN Uganda:

- Gaga Wednesday
- Data Dabolo

Airtel Uganda:

- Airtel TV bundles
- Refer and Earn
- Freaky Friday
- Smartphone Acquisition Campaign

Africell:

- Hakuna Matata
- Night Calls bundle.

Smile:

- True Unlimited bundles

UTL also launched several bundles for wireless and fixed internet services

Go Dabolo and Win.
Share your #MTNDabolo moment for a chance to win a phone.
Dial *150*10#

GSM Fixed (Prepaid)
MORE CALLS. LESS COST.
Enjoy crystal clear calls and uninterrupted connectivity with an affordable fixed GSM phone that also comes with an inbuilt FM Radio.

uganda telecom
It's all about U

airtel internet

FREAKY FRIDAY
1 hour to boss level browsing all weekend long.
Dial *149*10#

TO BUY- DIAL *149*10#
TO GIFT- DIAL *149*10*3#

3GB & 15MIN | **5GB & 30MIN**

#BeSmartBeSafe

Hakuna MATATA BUNDLES

Data	Min & SMS	Price
500MB + Unlimited		Daily @ 2,000/-
1.5GB + Unlimited		Weekly @ 6,000/-
2GB + Unlimited		Monthly @ 12,000/-

Dial *133#

africell
CORRECTING COMMUNITIES

smile
Now you can

Welcome to a Whole New World
Join a world of Super Sized, Super layout data bundles on the Super fast network.

Bundle	Price
Daily 24hrs	40000 UGX2,000
Weekly 7 days	160000 UGX8,000
Monthly 30 days	1600000 UGX80,000
Monthly 30 days	1600000 UGX80,000

Recharge Now

Network Connected Devices

Following the drop in total internet-enabled gadgets connected to the network in 2Q20 there has been a considerable recovery of 1 million new terminals connected. Of these, 530,000 were smartphones while 470,000 were feature phones.

The growth in network connected devices yet again remains driven by MNO-device importer partnerships in Uganda. Airtel and MTN launched flagship campaigns with Tecno's CAMON 16 and the Infinix Note 7.

1 million new devices connected

TECNO | **MTN**

CAMON 16
next level camera evolution

AVAILABLE NOW

64MP+68MP | 90°T 128+8GB & 4K Video
90Hz 69FHD+ | 33W Ultra Flash Charge

3GB every month for 3 months*

Infinix

airtel
THE SMARTPHONE NETWORK

Tune in for our live **NOTE 7** launch partnership with **airtel**

FREE 5GB Data for 1 month

Dial *175*9*9 to activate Free 5GB data

#GoBeyondPerformance

This recovery is likely due to the reopening of retail outlets and resumption of business following the lifting of the national lockdown .

The growth in network-connected gadgets is in sync with global gadget shipments by the major vendors in the months July-September 2020. Industry analysts have estimated global handset shipments to have topped 350 million in the three month period, representing a 22% quarter-on-quarter increment.

Samsung, Xiaomi and Huawei led global handset shipments, accounting for more than 51% of total shipments. Transsion Holdings, the market leader in emerging markets (manufacturer of Infinix, iTel and Tecno) shipped 8.4 million units in the quarter under review.



Network Connected Device Distribution

BASIC MOBILE PHONE

Limited to voice calls and text messages.



Monthly Users

Oct-19	3,176,620
Nov-19	3,268,166
Dec-19	3,409,724
Jan-20	3,422,727
Feb-20	5,071,470
Mar-20	5,076,937
Apr-20	5,043,103
May-20	5,023,126
Jun-20	5,087,856
Jul-20	5,511,198
Aug-20	4,075,893
Sep-20	5,446,716

FEATURE PHONES

Limited app and browsing functionality



Monthly Users

Oct-19	17,147,310
Nov-19	17,169,003
Dec-19	17,179,345
Jan-20	17,458,317
Feb-20	17,072,042
Mar-20	17,278,770
Apr-20	17,153,420
May-20	17,027,605
Jun-20	17,090,406
Jul-20	17,591,691
Aug-20	17,673,023
Sep-20	17,630,033



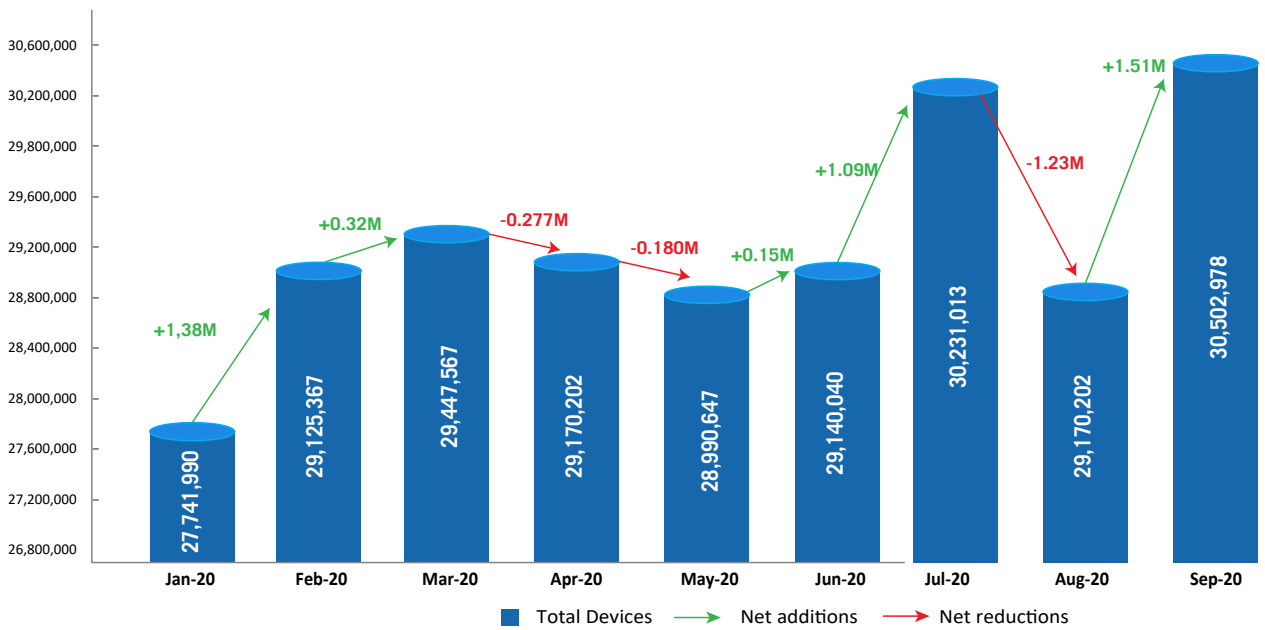
SMARTPHONES

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

Oct-19	6,169,968
Nov-19	6,524,656
Dec-19	6,609,717
Jan-20	6,860,946
Feb-20	6,981,855
Mar-20	7,091,860
Apr-20	6,973,679
May-20	6,939,916
Jun-20	6,961,778
Jul-20	7,128,124
Aug-20	7,248,422
Sep-20	7,426,229

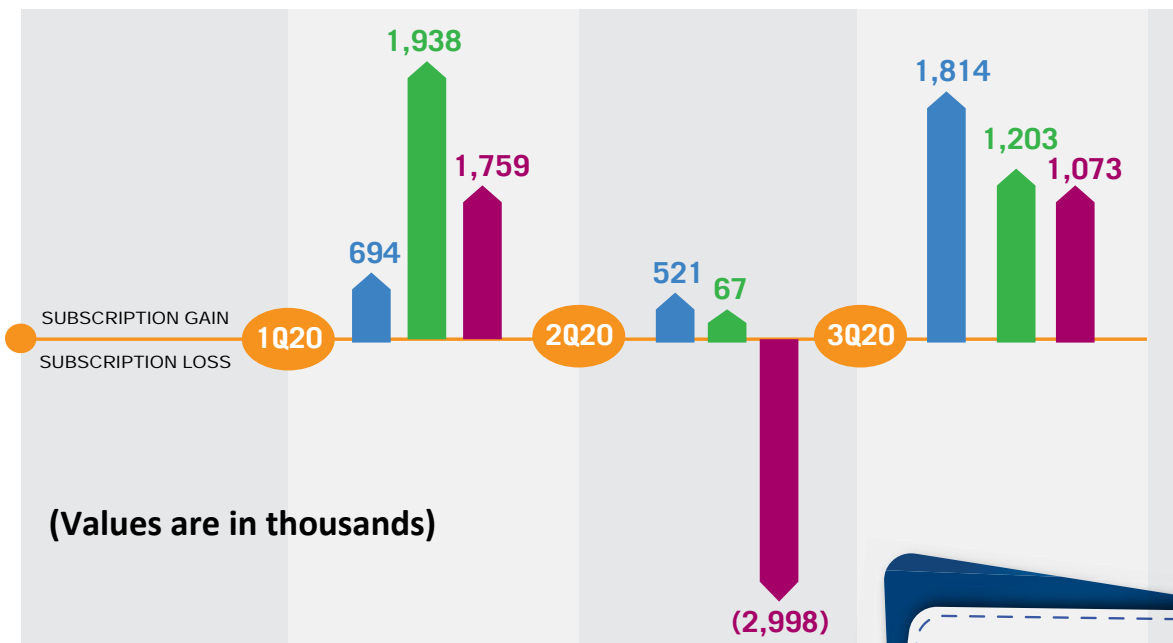
Device Movements and Distribution.



4. Mobile Financial Services

Mobile Financial Services led industry-wide product growth, with 1.8 million new registered accounts between June and September 2020. This tops product performance of mobile voice and data service additions.

Subscriptions: Mobile Money, Voice & Data



(Values are in thousands)

- Mobile Money Subscriber additions
- Mobile Data Subscriber Additions
- Voice Subscriber Additions

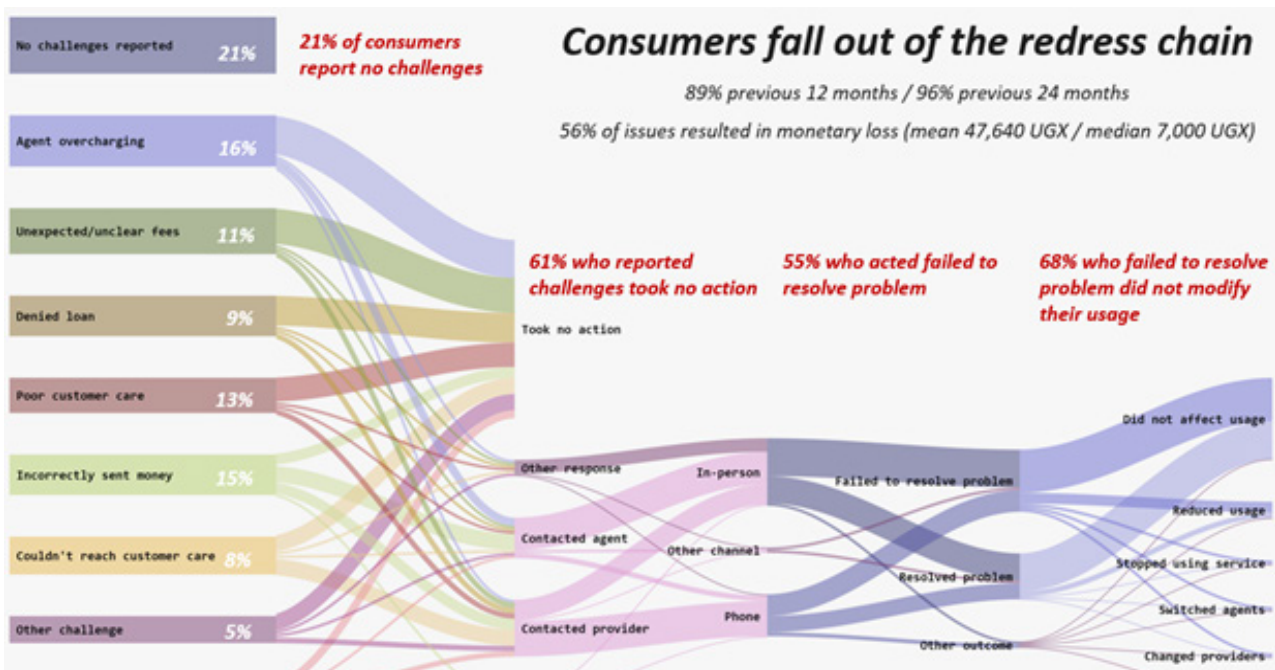
**1.8 million
new
registered
mobile money
accounts**

The growth in the period under review was mainly led by new subscriptions in contrast to reactivation-led growth witnessed in the period April-June 2020. This observation is especially important given the number of new first time mobile financial service users in the market.

First-time mobile financial service users present new consumer protection challenges and are often susceptible to fraudulent schemes by both individuals and agents. A market research conducted by the UCC and Innovation for Poverty Action (IPA) in the period 2019-2020 showed that more than 40% of customers surveyed reported a money-related consumer challenge. These ranged from agent overcharging, unclear/unexpected fees to incorrectly sending money. Moreover, 61% of consumers take no initiative to report these challenges.

An analysis of call centre dumps from the four leading telecom operators under the UCC/IPA consumer protection research project showed that:

- 46% of Mobile Network Operator (MNO) customer complaints logged reported receiving a COVID-19 related fraud/scam call on mobile money
- 49% of scammers claimed to be the MNO, 24% did not identify themselves
- Over 60% of the reported scam attempts involved requests for money to be sent, while the remainder sought to access customer Personal Identification Number (PIN) and other sensitive information.

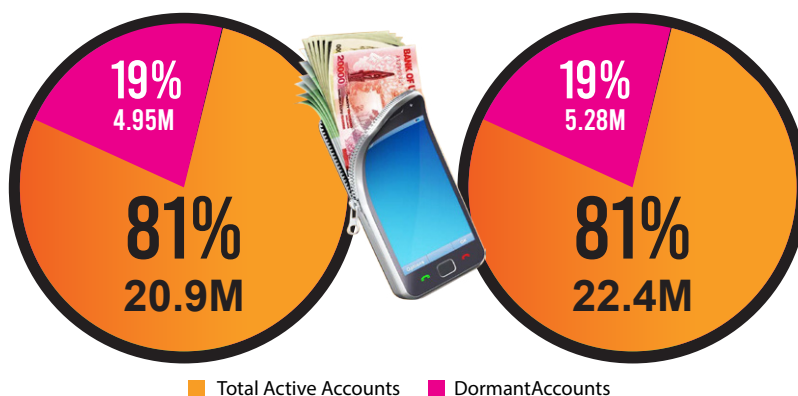


Source: UCC/IPA Consumer Protection Research 2020.

With the 1.8 million new accounts, the total number of registered accounts stood at 27.7 million at the end of September 2020. This translates into a financial service penetration of at least 2 registered lines for every 3 Ugandans.

Mobile Money Account Activity 2Q20

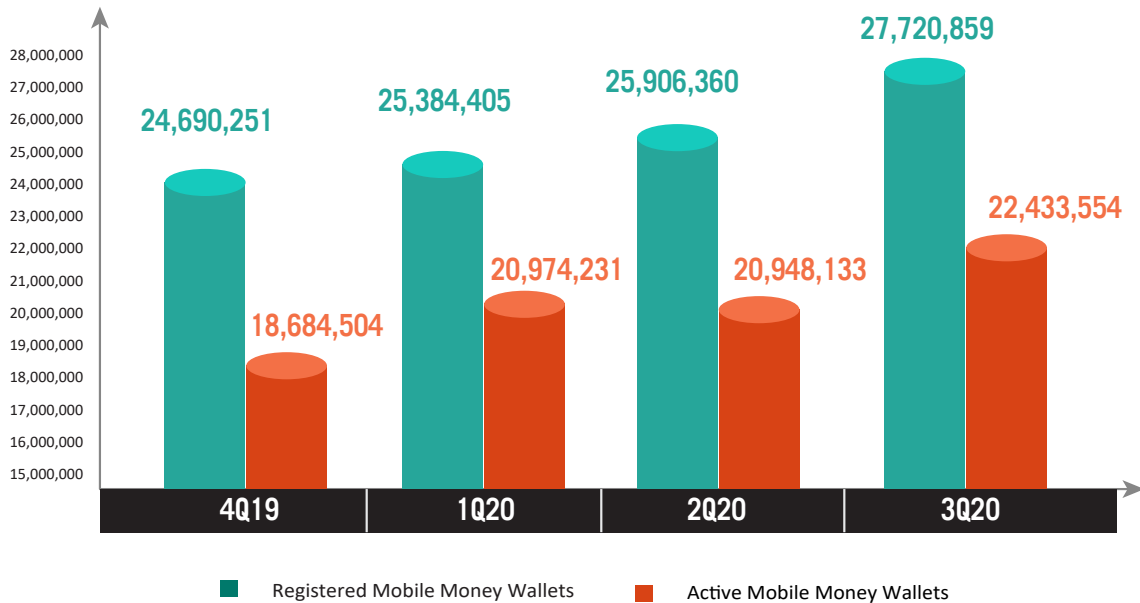
Mobile Money Account Activity 3Q20



■ Total Active Accounts ■ DormantAccounts

Further, the Ugandan mobile money landscape continues to present a high conversion rate from registration to account activity. At the end of September 2020, 81% of all registered money accounts had partaken in at least one billable mobile money transaction in the 90 days preceding 30th September 2020. This translates into a 7% quarter on quarter growth in active wallets.

Growth in Registration and Active Mobile Money wallets



The high account activity ratio is particularly commendable given the fact that MTN & Airtel reintroduced Person to Person (P2P) remittance charges in June 2020, albeit at a discount of 50% relative to pre-lockdown levels. This is a fundamental move from the remittance fee waiver extended to customers at the onset of lockdown in March 2020

MTN MoMo

New MTN Mobile Money Rates.
Dial *165# to send, receive, withdraw and make payments **everywhere you go.**

Amount (UGX)		Sending to MTN
Min	Max	
500	2,500	30
2,501	5,000	100
5,001	15,000	350
15,001	30,000	500
30,001	45,000	600
45,001	60,000	750
60,001	125,000	1,000
125,001	250,000	1,100
250,001	500,000	1,250
500,001	1,000,000	1,250
1,000,001	2,000,000	1,250
2,000,001	4,000,000	1,250
4,000,001	7,000,000	1,250

Effective from 25th June 2020.

airtel

Sending Money

Transaction Bands	Sending Money to Airtel Money Registered Customer
500 - 2,500	100
2,501 - 5,000	100
5,001 - 15,000	500
15,001 - 30,000	500
30,001 - 45,000	500
45,001 - 60,000	500
60,001 - 125,000	1,000
125,001 - 250,000	1,000
250,001 - 500,000	1,000
500,001 - 1,000,000	1,000
1,000,001 - 2,000,000	1,000
2,000,001 - 4,000,000	1,000
4,000,001 - 7,000,000	1,000

Rates as at 15th December 2020 - www.airtel.co.ug
https://www.airtel.co.ug/airtelmoney/transaction_fees

Relatedly, Regulated Financial Institutions (RFIs) reinstated 'bank-to-wallet' and 'wallet-to-bank' charges. These can be as high as UGX 2,300 per transfer.

The table below shows comparative 'bank-to-wallet' and 'wallet-to-bank' charges for 6 select banks.

BANK-TO-WALLET		WALLET-TO-BANK	
Stanbic Bank		MTN	
Tier (UGX)	Rate UGX)	Tier (UGX)	Rate UGX)
5,000 – 60,000	1,000	2,500 – 125,000	1,500
60,001 – 250,000	1,300	125,001 – 250,000	2,250
250,001 – 500,000	2,000	250,001 – 500,000	4,100
500,001 – 1,000,000	3,000	500,001 – 1,000,000	6,150
1,000,001 – 2,000,000	4,500	1,000,001 – 2,000,000	9,250
2,000,001 – 4,000,000	5,500	2,000,001 – 7,000,000	11,300
Standard Chartered		AIRTEL	
Tier (UGX)	Rate UGX)	Tier (UGX)	Rate UGX)
5,000 – 5,000,000	2,000	5,000 – 15,000	700
DFCU Bank		15,001 – 30,000	900
Tier (UGX)	Rate UGX)	30,001 – 45,000	1,350
< 60,000	1,500	45,001 – 60,000	1,500
60,001 – 250,000	1,600	60,001 – 125,000	2,000
250,001 – 500,000	2,000	125,001 – 250,000	2,250
500,001 – 1,000,000	3,000	250,001 – 500,000	6,000
1,000,001 – 2,000,000	4,500	500,001 – 1,000,000	9,000
2,000,001 – 4,000,000 +	5,500	1,000,001 – 2,000,000	13,500
ABSA		2,000,001 – 3,000,000	13,500
Tier (UGX)	Rate UGX)	3,000,000 – 5,000,001	16,500
5,000 - 60,000	1,500	500,001 – 1,000,000	4,500
60,001 – 125,000	2,000	1,000,001 – 2,000,000	5,000
125,001 – 250,000	2,500	2,000,001 – 5,000,000 +	5,500
250,001 – 500,000	3,500		
500,001 – 1,000,000	4,500		
1,000,001 – 2,000,000	5,000		
2,000,001 – 5,000,000 +	5,500		

https://www.stanbicbank.co.ug/static_file/Uganda/Downloadable%20files/Key%20Facts%20Documents/PersonalMarketsTarrifGuide2020.pdf
<https://www.sc.com/global/av/ug-mobile-money-home.pdf>
<https://www.dfcugroup.com/wp-content/uploads/2020/11/Tariff-1.pdf>
https://www.absa.co.ug/content/dam/uganda/absa/pdf/tariff_guide/absa-personal-banking-tariff-guide.pdf
<https://www.mtn.co.ug/insight/mobile-money-tariffs/>
https://www.airtel.co.ug/airtelmoney/transaction_fees

Further to this, COVID-19 is still very much in the public domain which has hastened the adoption of online and remote working methods. Many retailers and merchants are shifting to digital payments over cash due to the reduced risk of exposure.

Market Acquisitions and Exits

In the digital payments space, the market welcomed Mauritius based payments aggregator MFS Africa following a cash and share acquisition of local payments aggregator Beyonic Inc. at the end of June 2020.

Mobile Money Agent Network

The number of active mobile money agents grew from 219,169 in June 2020 to 227,736 by the end of September 2020. This is likely due to an increase in business activity post-lockdown, and the increased demand for digital financial services coupled with eased restrictions on movement.

Active Wallets Per Agent



Agent Access Points over the last year



8,500
new agents
added between
2Q20 & 3Q20



Product and Service Performance

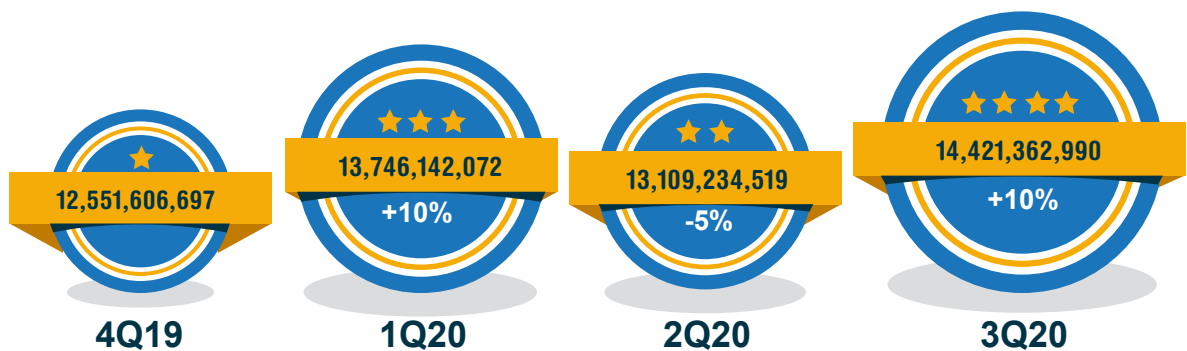
5. Domestic Voice Traffic

In the 3 months July-September 2020, the market posted a total of 14.4 Billion domestic minutes (onnet and offnet). This represents 1.3 Billion domestic minutes over and above total minutes sold in the period April-June 2020.

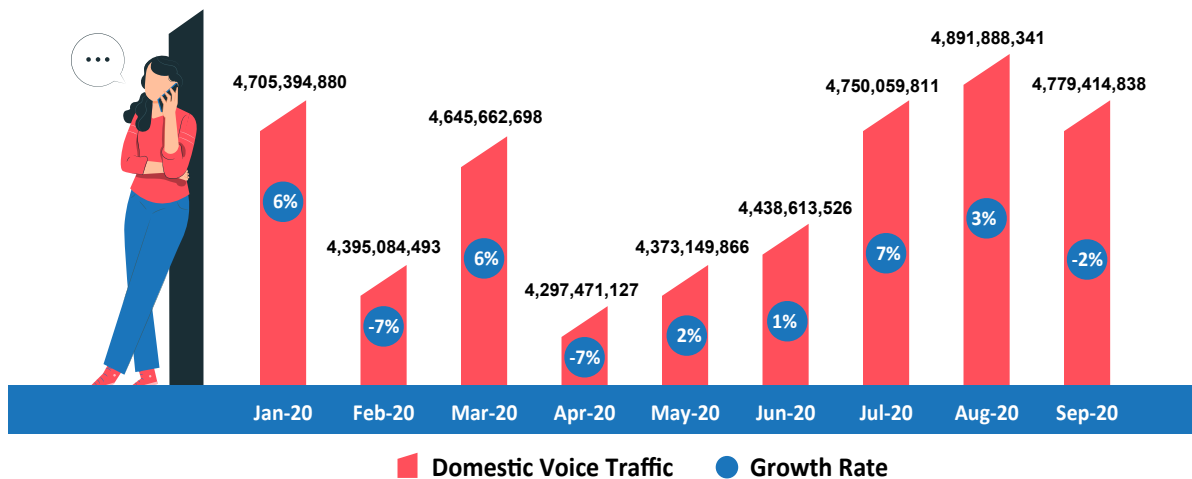
This double - digit performance is on the back of a 5% dip in domestic traffic experienced in the quarter April-June 2020.

In terms of monthly performance, August posted the highest volume of domestic traffic in the last nine months, with 4.9 Billion minutes of domestic talk.

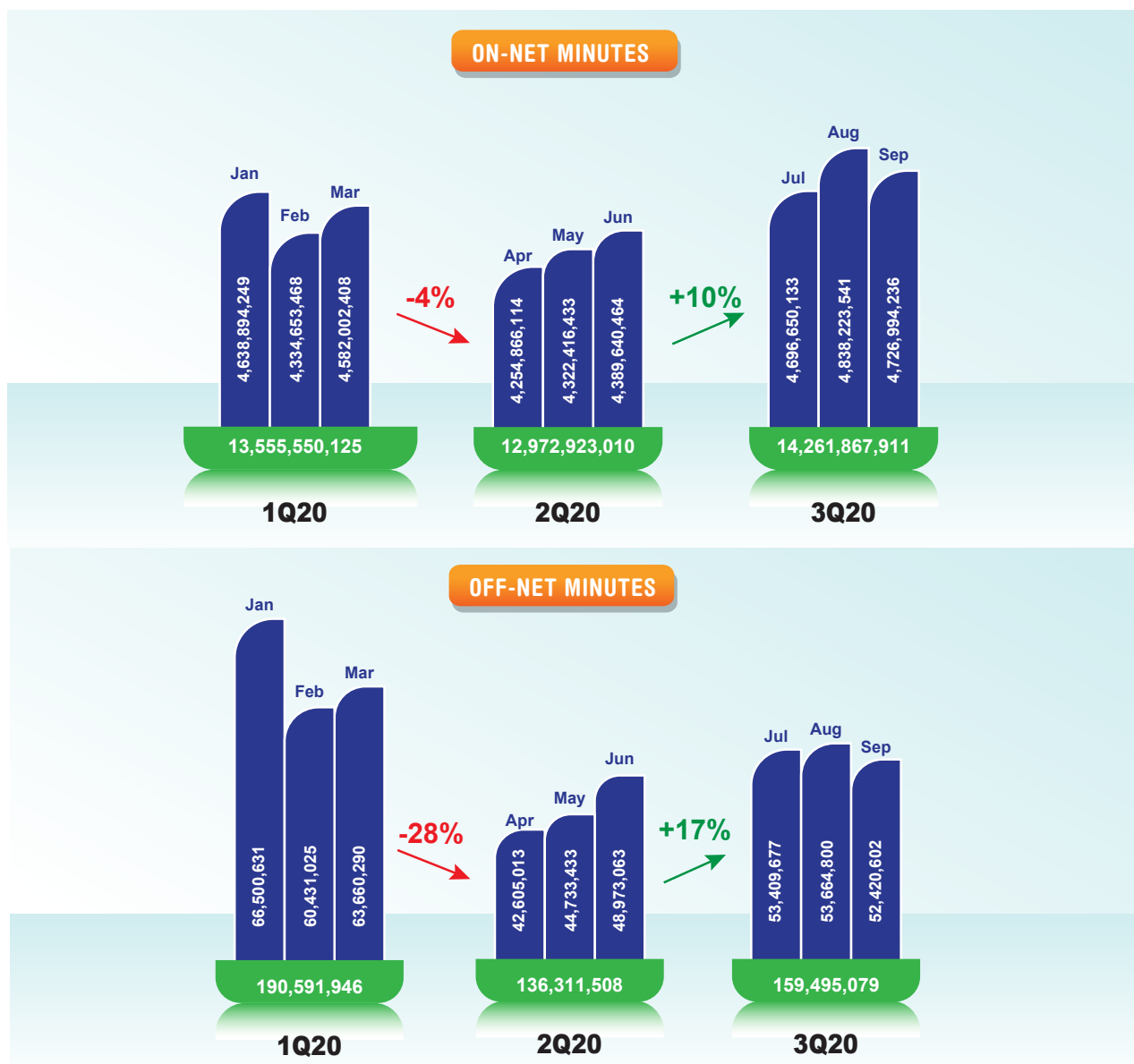
Aggregate Domestic Quarterly Traffic & Growth



Aggregate Domestic Traffic for January – September 2020



On-Net and Off-Net Traffic



In terms of domestic traffic distribution, the market remains a predominately on-net market with 98.89% of total quarterly traffic remaining on-net, while off-net traffic remains at 1.11% of total domestic talk. This is despite a reduction in Mobile Termination Rates (interconnection rates) following issuance of an MTR cap by the Uganda Communications Commission.

Presently, the domestic MTR stands at 45 shillings per cross-network minute and 3 shillings per SMS. This follows the recommended rate review in line with the 3 year MTR glide path agreed upon following a cost-of-service assessment in 2018.

We note that off-net traffic has grown by a factor of 17% between the quarters April-June and July-September 2020, almost matching the drop in MTR, vindicating the regulator's move to slash mobile termination rates. Regulatory oversight is especially important in markets where some operators enjoy strong advantages of incumbency against new upstarts.

Mobile voice traffic has averaged 53.2 million off net minutes per month during the quarter, with an off-net traffic peak in August of 53.6 million minutes.

In percentage terms, on-net domestic traffic increased by 10% while off-net domestic traffic increased by 17% in the three months July – September 2020.

In terms of intra-quarter performance, the market has averaged 4.8 billion on-net minutes per month during the quarter, with an on-net monthly traffic peak in August of 4.84 billion minutes.

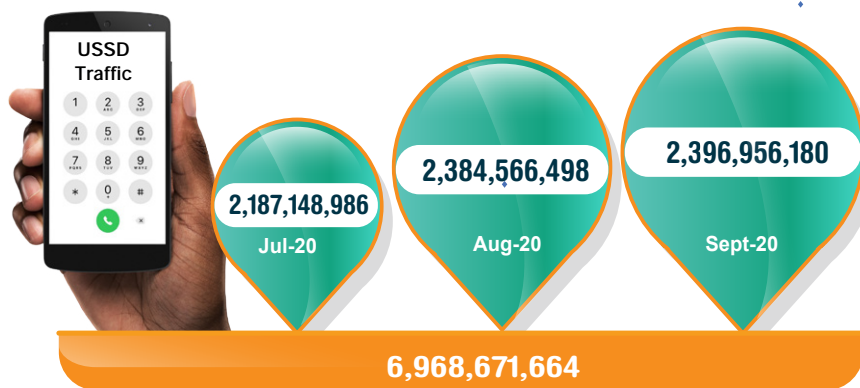
During 3Q20, the market averaged 179.5 on-net minutes per subscriber per month, or approximately 6 minutes per day, compared to 161.4 minutes per subscriber per month in 2Q20.

In the same period, the market averaged 2.0 off-net minutes per month per subscriber. This is an increase from 1.70 minutes seen in 2Q20, further evidence of the shift in consumer behaviour as a result of the change in the MTR.

Off-net domestic traffic increased by 17%

Unstructured Supplementary Service Data (USSD)

USSD sessions increased by a factor of 12% between 2Q20 and 3Q20, to a total of 6.9 billion sessions from 6.2 billion in the previous quarter. This is largely on the back of increased mobile money activity.



On a month-by-month comparison, the total number of sessions averaged 2.3 billion per month during the quarter. The quarterly peak was realised in September 2020 with a total of 2.4 billion USSD sessions.

Despite growth in monthly sessions, we note that monthly USSD session totals have failed to match the nine-month peak of 2.7 billion sessions posted in June prior to the reintroduction of mobile money remittance charges.

6. Broadband Traffic

During 3Q20, total quarterly broadband traffic has grown to 59.3 billion MBs from the previous quarterly record of 59.1 billion MBs downloaded in 2Q20.

While the incremental 200 million MBs downloaded in 3Q20 may not appear commensurate with the additional 1.8 million mobile broadband subscriptions, it is commendable given the COVID-driven peak performance of 2Q20.

Total quarterly broadband traffic translates into an average of 746.7 MBs per subscriber per month, or 24.9 MBs per day.

59.3 Billion MBs downloaded in 3Q20

The market has averaged 19.8 billion MBs downloaded per month during the quarter, with a traffic peak of 20.2 billion in August 2020.

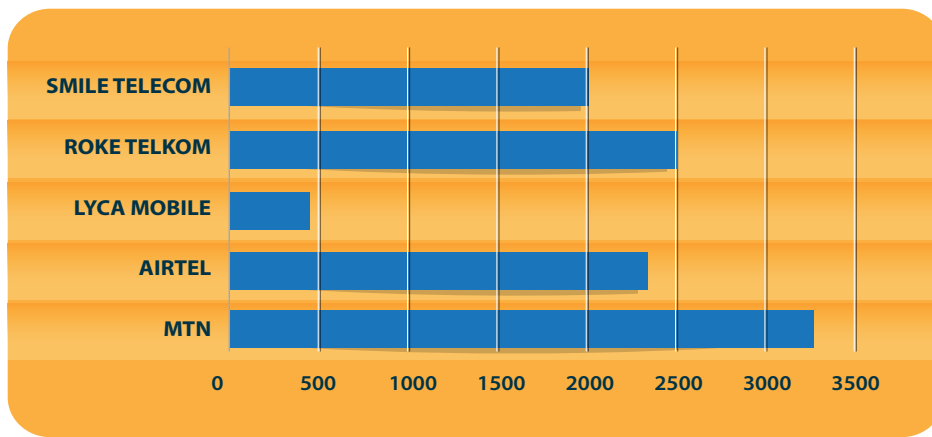
The key demand drivers during the quarter remained the heavy promotional activity introduced by the Telcos. Airtel Uganda revamped its 'Freaky Friday' product, while MTN reintroduced their 'Gaga Wednesday' bundle.

The quarter also saw sustained activity by other operators like Smile Telecom, Roke Telkom, Simbanet/Zuku and Lyca Mobile pitching targeted value propositions to the high-value broadband market segments. Central to these value propositions are Work-From-Home packages as well as streaming services. Some of these players have intimated that streaming traffic now accounts for more than 65% of their broadband traffic.

In a move from MNO price leadership witnessed in the voice segment, the fringe mobile broadband providers are repositioning themselves as price leaders in the broadband category. For example Lyca Mobile presently leads with a monthly offer of UGX 45,000 (USD 12 est.) for 100GB translating into a retail price of 12.5 US cents per GB (UGX 450 per GB).



Price Per GB Comparison for Monthly Bundles (UGX)



Operator	Cost in UGX	Bundle in GBs	Cost per GB	Name of Bundle
Smile	200,000	100	2,000	100GB Monthly
Roke	250,000	100	2,500	Roke Unlimited Plus
Lyca	45,000	100	450	UG GIGA
Airtel	150,000	65	2,308	Monthly_65GB
MTN	550,000	170	3,235	Monthly Bundle

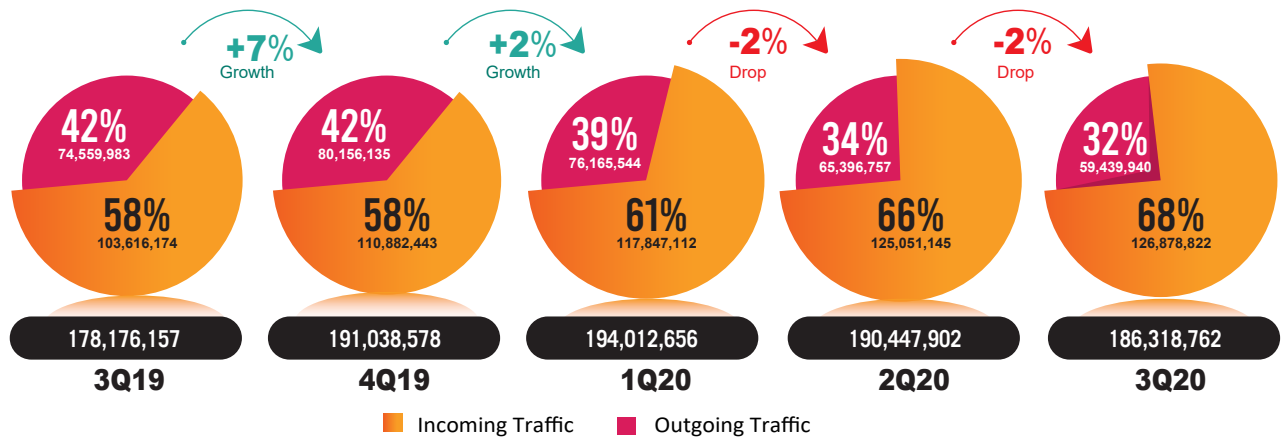
**The bundles have been selected based on the highest available data volume for monthly packages*

7. International Voice Traffic

The period 3Q20 posted 186 million minutes of total international traffic from 190 million in 2Q20. This segment remains skewed to incoming traffic, which accounts for 68% of total international traffic.

While international incoming traffic grew by 1.8 million minutes, outgoing international traffic fell by 5 million minutes in the quarter 3Q20. Again, the drop in outbound international traffic is due to the growing migration to Over-The-Top (OTT) calling and video services for both retail and business users.

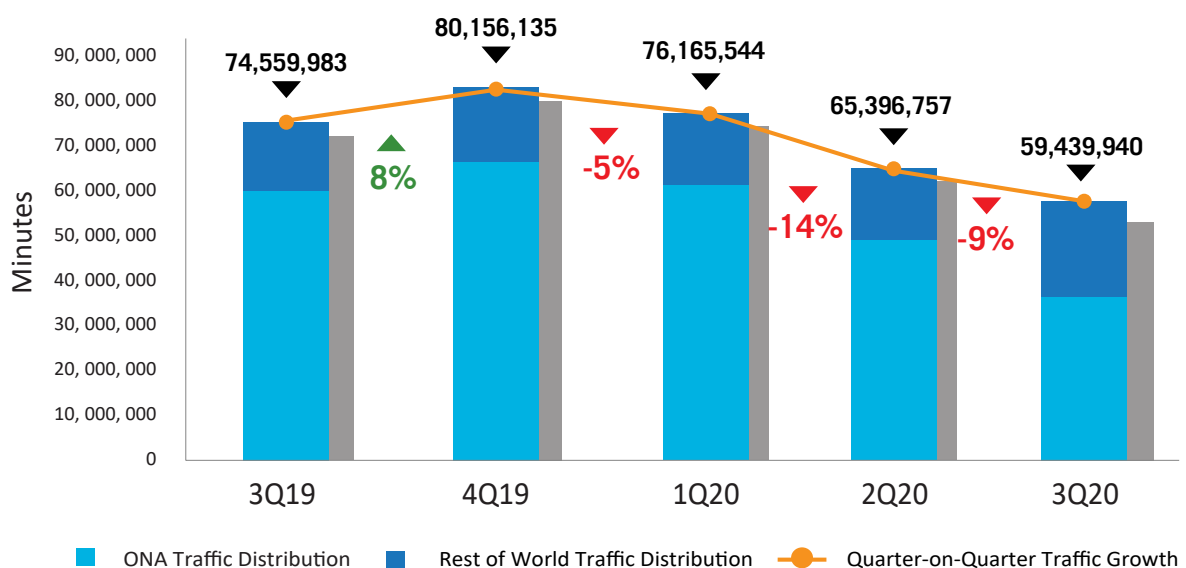
Quarter-On-Quarter Incoming and Outgoing International Traffic



International outgoing traffic remains largely destined to the Northern Corridor partner states of Kenya, Rwanda and South Sudan, with which Uganda has special international traffic termination framework.

In 3Q20, ONA traffic accounted for 80% of total international outgoing traffic. The rest of the world only accounted for 20% of total international outgoing minutes.

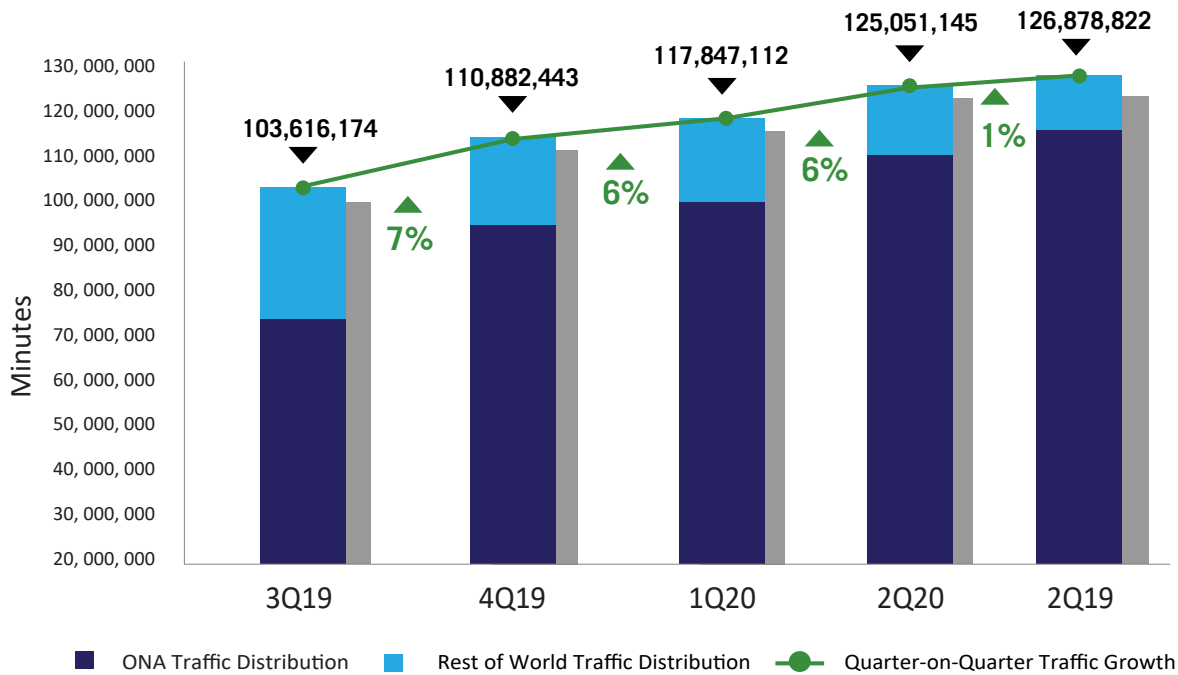
Quarter-on-Quarter Outgoing International Traffic Growth



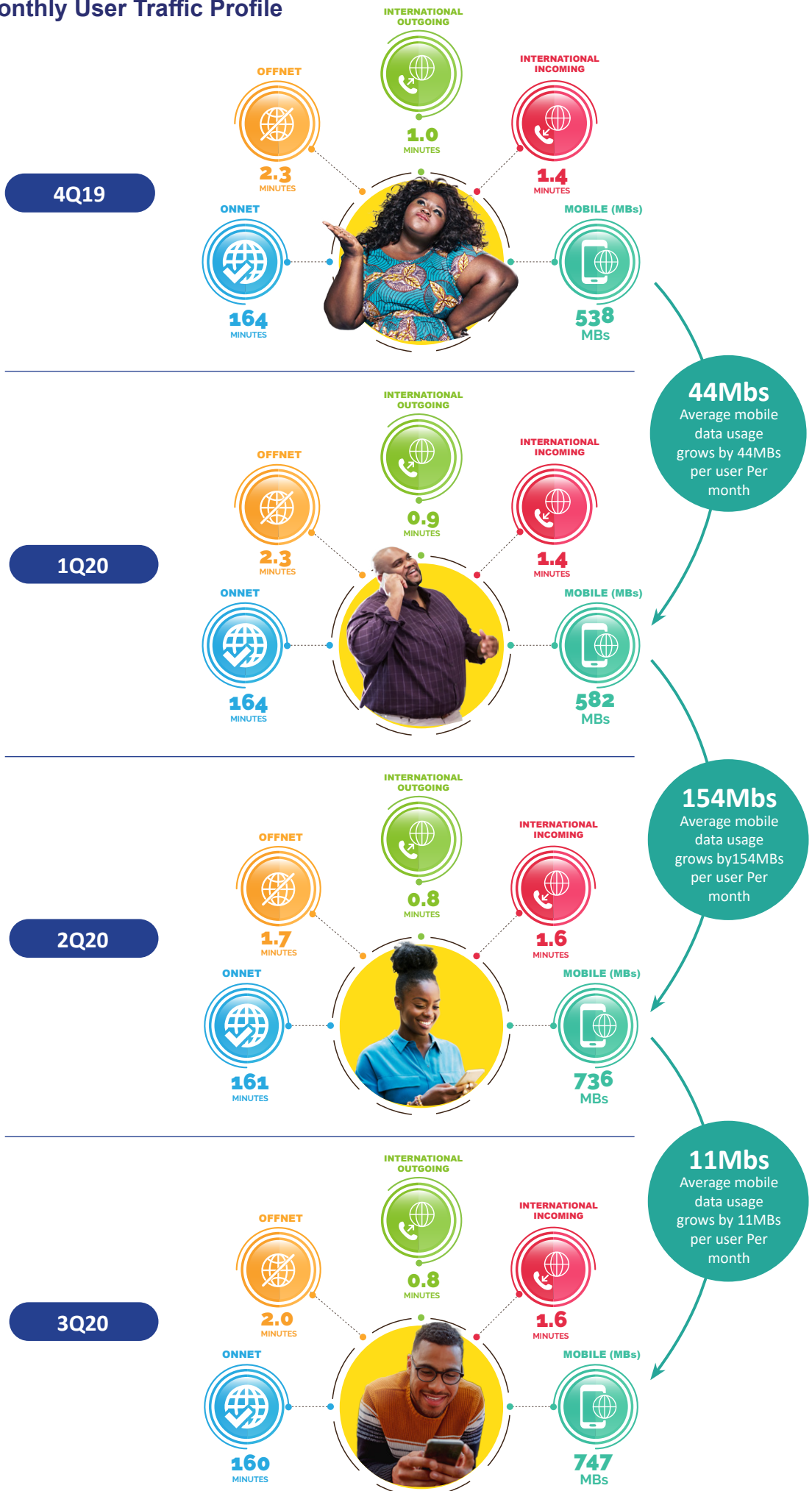
On average 87% of international incoming traffic originates from ONA member states. Relatedly, 80% of outgoing international traffic is terminated in ONA markets. The international traffic distribution is indicative of Uganda’s preferential international trade position with its neighbours.

Further, the increase in the share of international traffic captured by ONA states may be reflective of the decreased demand for non-ONA international minutes due to the reduced travel in the current global context.

Quarter-on-Quarter Incoming Traffic Growth



8. Monthly User Traffic Profile

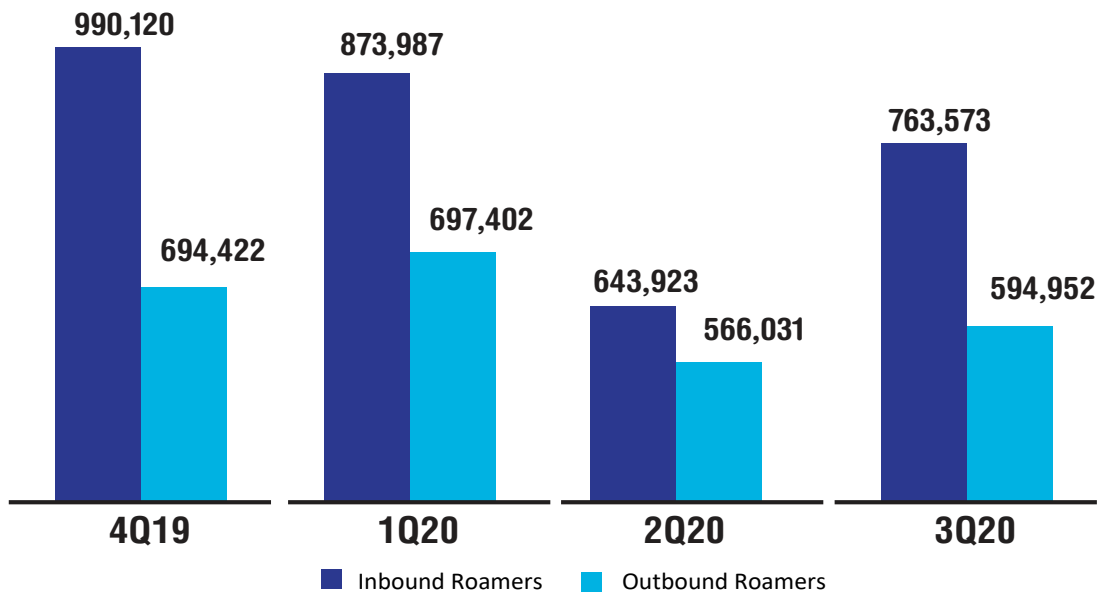


9. International Roaming

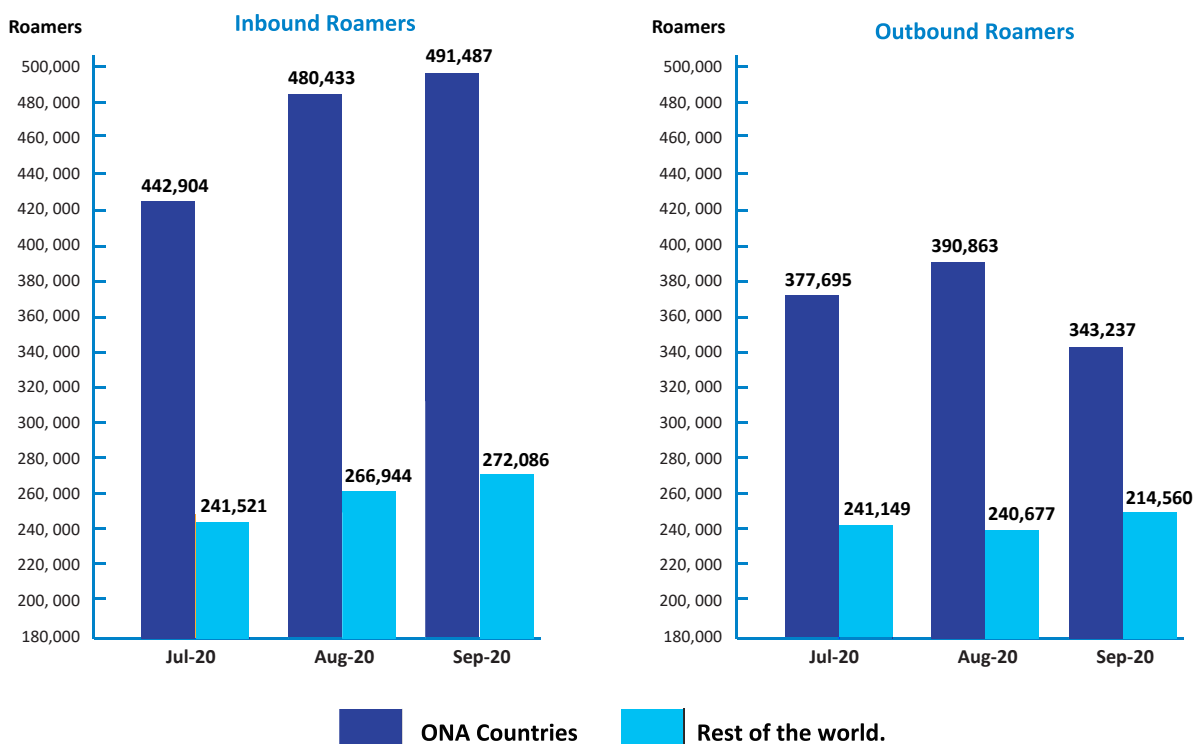
The number of Ugandans roaming on foreign networks at the end of 3Q20 stood at 594,952. This represents an increase of 28,921 roamers as travel restrictions ease across the globe.

The number of foreigners roaming on Ugandan networks stood at 763,573. This represents an increase of 119,650 roamers stemming once more from the increased freedom of movement globally during the quarter.

Visiting Customers vs. Ugandans Roaming in other Countries



Distribution of Roamers (ONA vs. Rest of World)



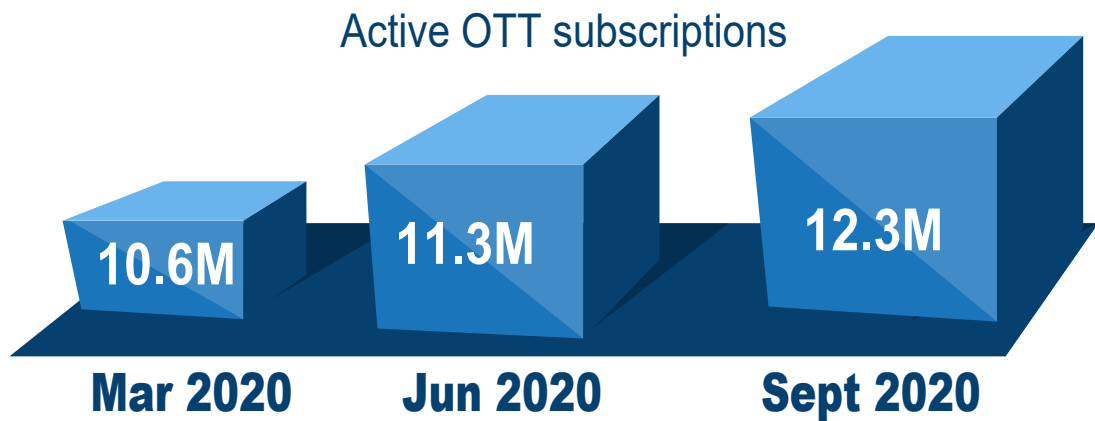
10. OTT Services

OTT subscriptions increased by more than 1 million cellular users, up from 11.3 million users in June 2020 to 12.4 million users accessing OTT services at least once in the month of September 2020.

This represents an OTT usage growth of 10% during the quarter.

The new growth in OTT usage is largely driven by the 1.2 million new data subscriptions. The bulk of newly connected gadgets now come with pre-installed OTT applications, hence driving OTT uptake.

Monthly OTT users increased by 1.1 million between 2Q20 and 3Q20



Finance

63.50%

80.20%

220.00%

200%



11. Revenues

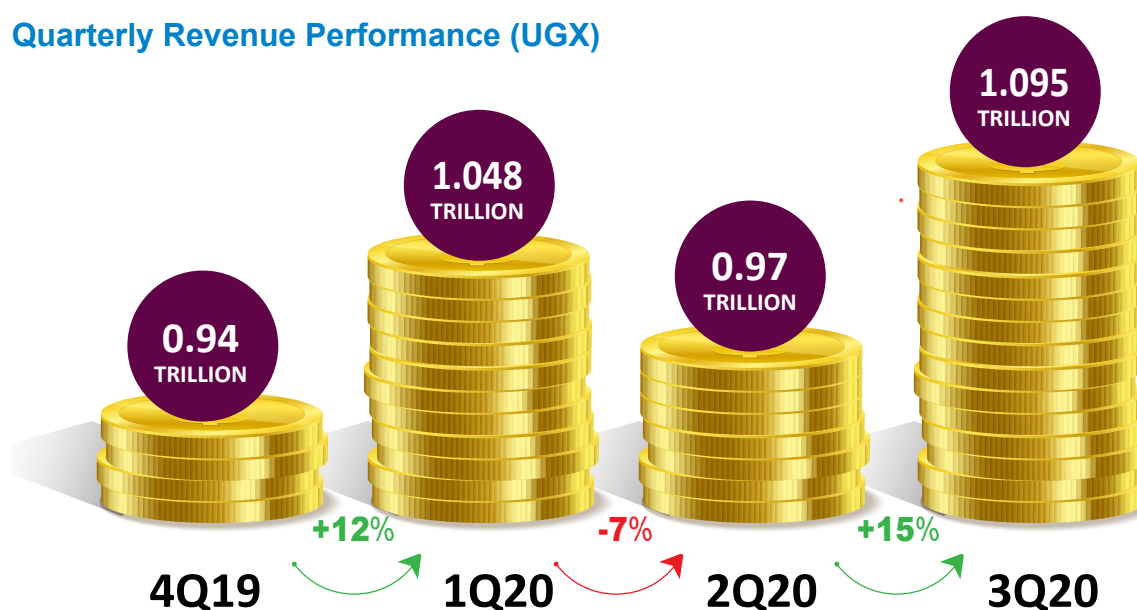
Following the depressed performance of 2Q20, the industry posted a 15% recovery with 1.1 trillion in revenues realised in the three months July-September 2020.

This sets a quarterly revenue record for the sector over the last 24 months outperforming the previous revenue record of 1.05 trillion recorded in 1Q20.

This recovery has been achieved largely on the back of rallying demand for Voice and Digital Financial Services, as well as what seems to be a new normalised level of demand for broadband services that is higher than pre-COVID levels.



Quarterly Revenue Performance (UGX)



These revenue lines include retail and input/wholesale revenues like Tower Lease sales, International Bandwidth, Mobile Financial Services as well as Voice and Data services.

After a 16% drop in voice revenues posted during 2Q20 the segment rallied back with a 15% jump in revenues during the quarter 3Q20.

Quarterly data revenues grew by only 3% between 2Q20 and 3Q20 despite the 1.8 million new data users. The comparatively slow growth in data usage is indicative of the fact that most new subscriptions are largely marginal users with limited regular demand for broadband services.

By far the greatest recovery was seen in the Mobile Money segment, which was particularly stunted due to the waivers of transaction fees during the height of COVID-associated restrictions. The sector posted a 36% increase in total revenues proportionate to 2Q20.

12. International Interconnect Position

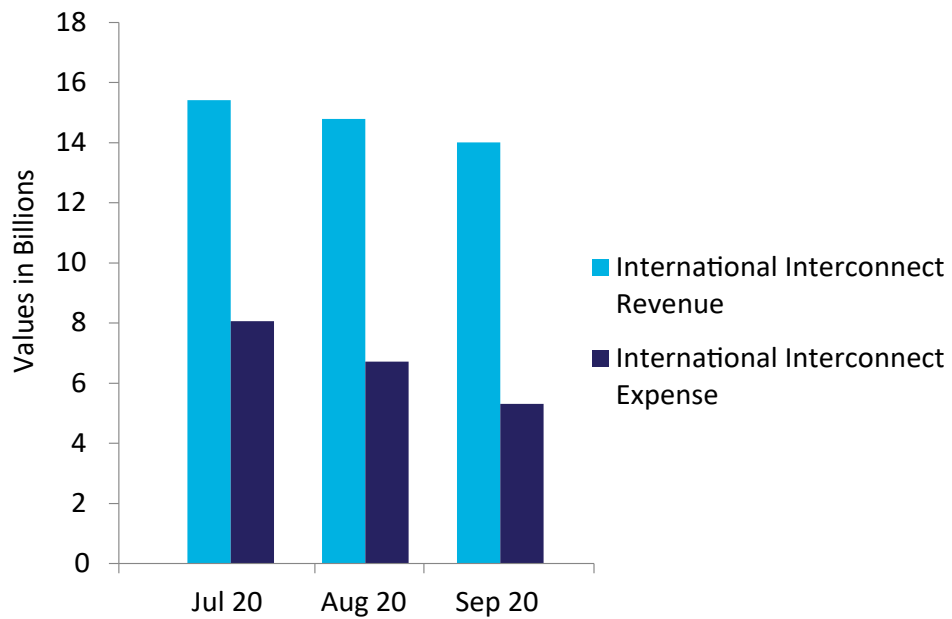
Total industry monthly revenues from international incoming traffic have averaged 14.7 billion shillings in 3Q20, translating to an impressive 30% increase in average monthly revenues.

Average outbound international interconnect settlements decreased by 12%, to a monthly average 6.7 billion shillings per month in 3Q20.

During 3Q20, Uganda has posted a net international interconnect position of USD 6.5 million.



International Interconnect Position



Postal & Courier



13. Postal Services



Mail Volumes Processed (Ordinary Mail vs. Parcels, Registered and Other Courier Articles)

Outgoing post and courier items	Jul20	Aug 20	Sep 20
TOTAL OUTGOING	31,490	30,917	31,204
Incoming post and courier items	Jul20	Aug 20	Sep 20
TOTAL INCOMING	24,618	25,810	19,869

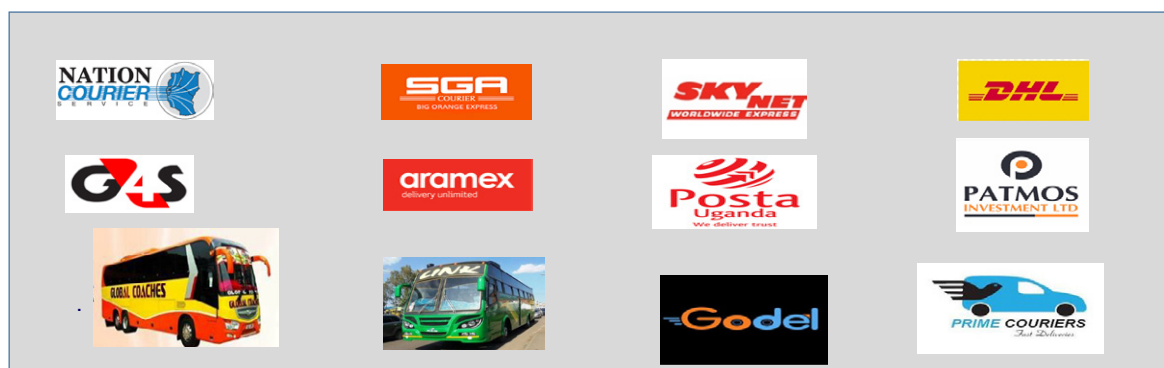
Total international outgoing post and courier traffic continued with a positive recovery averaging 31,000 units during the months of July - September 2020. The recovery is synonymous with the gradual reopening of international airspace and global commerce.

In the international outbound courier segment, Registered postal and courier items have continued to outgrow traditional or ordinary international mail accounting for 65% of total international outgoing courier traffic.

International incoming post and courier traffic remains dominated by ordinary post. Posta Uganda the Designated Operator (DO) handles more than 65% of all incoming international mail and parcels. This despite ongoing global dialogue on proposed new postal terminal dues within the membership of the Universal Postal Union (UPU).

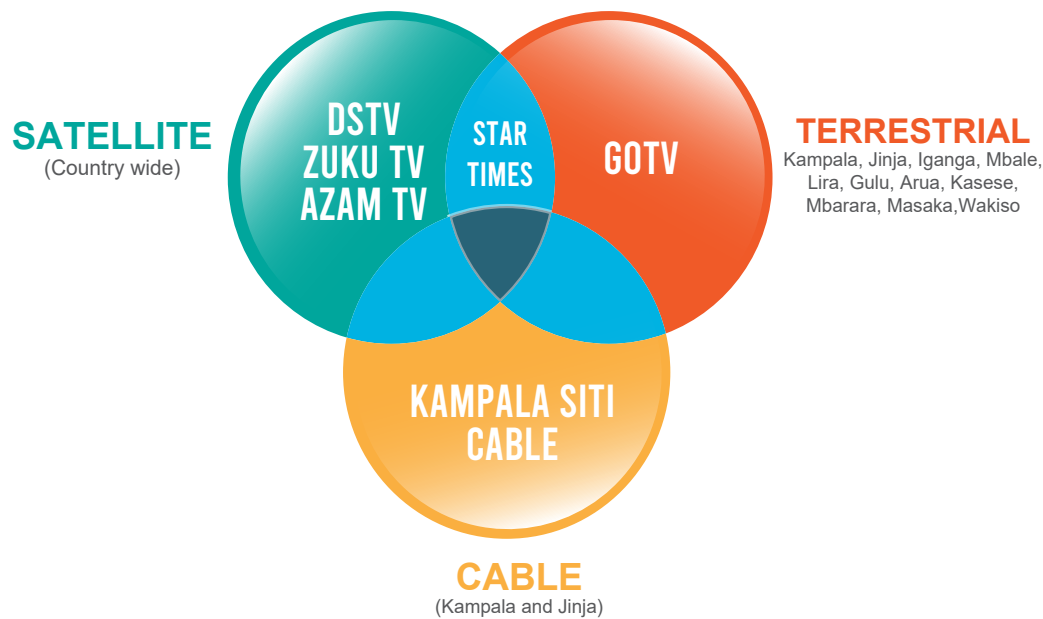
The domestic post and courier market segment handled a combined total of 124,000 courier items during the period 3Q20. The market remains a Kampala centric market with more than 60% of the domestic mail traffic processed through kampala clearing houses and collection points.

In an effort to improve Carrier to Carrier business in the domestic postal segment, the UCC along with the industry have concluded a review of potential business and regulatory models for interoperability within the domestic courier market. The assessment includes new proposals on: sharing of collection and drop points, treatment of liability by 3rd party carriers as well as pricing models for an inter-city Carrier of Carrier service.



Broadcast & Multimedia Markets

14. TV Market



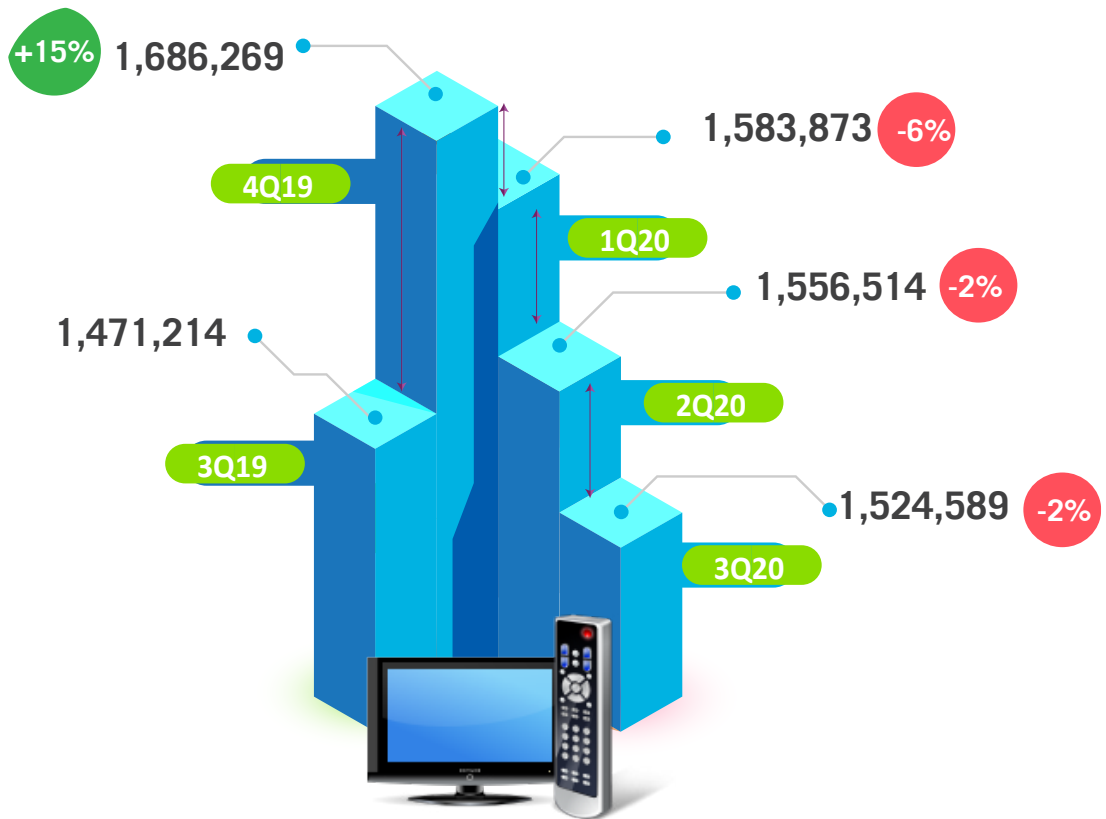
Total active pay TV subscriptions have contracted from 1.56 million accounts at the end of June 2020 to 1.54 million active accounts. These are a combination of terrestrial, cable and satellite connections.

The suppressed performance of the subscription TV market despite resumption of major sports leagues maybe attributed to:

- I. **Difficult economic climate:** many consumers are financially constrained after having been out of work for a significant period of time. Even with business activity restarting, household pay tv subscriptions are not priority for household consumption considerations.
- II. **Shift to online/alternative entertainment:** during the lockdown, the lack of work coupled with the lack of funds to access entertainment services led to a fall in subscriptions but an increase in internet subscription and usage.

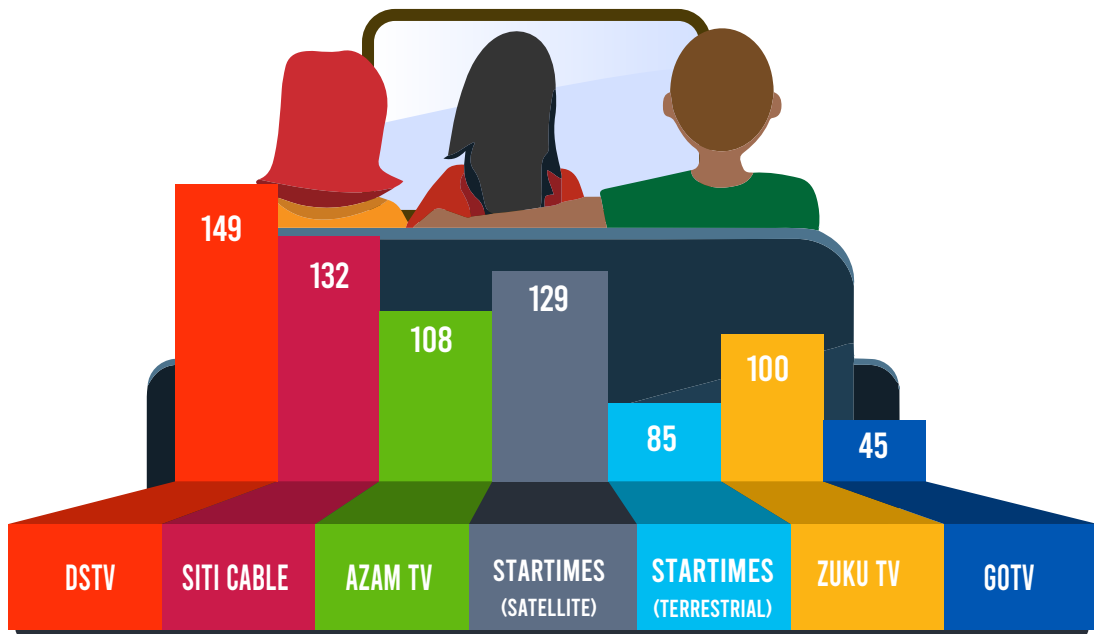
Online video-on-demand platforms such as Netflix and YouTube, as well as new local platforms like MTN's YoTV and Airtel TV, were at the height of their popularity domestically, and it is possible that this demand has been sustained and captured a more permanent share of Pay-TV subscribership.

Active Pay TV Subscriptions



15. 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.



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.

Subscription Distribution Across Bouquet Categories

Value Bouquet Prices			
Station	Bouquet	Price	Channels
DSTV	Access	UGX 35,000	75
SITI CABLE	Ugandan	UGX 15,000	
AZAM TV	Azam PURE	UGX 10,000	50
STARTIMES (Satellite)	NOVA	UGX 13,500	38
STARTIMES (Terrestrial)	NOVA	UGX 12,000	31
ZUKU TV	Smart	UGX 12,000	53
GOTV	GOTV Lite	UGX 12,000	20

Premium Bouquet Prices			
Station	Bouquet	Price	Channels
DSTV	Premium	UGX 227,000	140
SITI CABLE	ASIAN	UGX 85,000	133
AZAM TV	Azam PLAY	UGX 37,000	105
STARTIMES (Satellite)	Chinese	UGX 80,000	21
STARTIMES (Terrestrial)	Classic	UGX 28,000	14
ZUKU TV	Asia Stand Alone	UGX 39,000	29
GOTV	GOTV Max	UGX 40,000	52



The tariff plans in the communications sector varies according to the market segments. Comparative price plans may be accessed at the UCC Accredited Price Comparison Website at;

www.kompare.ug

