
Status of the Communications Market December 2007



Introduction

The UCC presents its review of the communications market for the period October to December 2007. It takes stock of market and regulatory developments in the industry during that period.

The Sector At a Glance!!!!

	June - 07	Sept - 07	Dec - 07
PIP + PSP Licensees	4	7	9
PSP Voice and Data	10	6	7
PSP Capacity Resale	4	4	5
Fixed Lines	154,383	162,263	165,788
Mobile Lines	3,575,263	4,195,278	5,163,414
Tele density	13.3	15.5	18.7
Payphones	21,475	24,030	27,999

TELECOMMUNICATIONS

Service Providers

Entrants

- n Two infrastructure licenses issued to Datanet.Com LLC and Annupam Global Soft (U) Ltd. This brought the total number of infrastructure licenses issued to 9
- n An additional two PSP licenses issued to Datanet.Com LLC and Fastcom Ltd.
- n Comprehensive list of licensed service providers is available at www.ucc.co.ug/licensing/licensedOperators.php

Market Mergers & Acquisitions

The following mergers and acquisitions took place;

- n Allied Technologies (Altech) of South Africa acquired a 51% stake in Infocom Limited from Sameer ICT Ltd. This makes a total of 2 South African firms to gain a controlling stakes in PIP licensees within a period of 6 months. The market still awaits the impact of these takeover in the telecommunications landscape.

Network Roll Out .

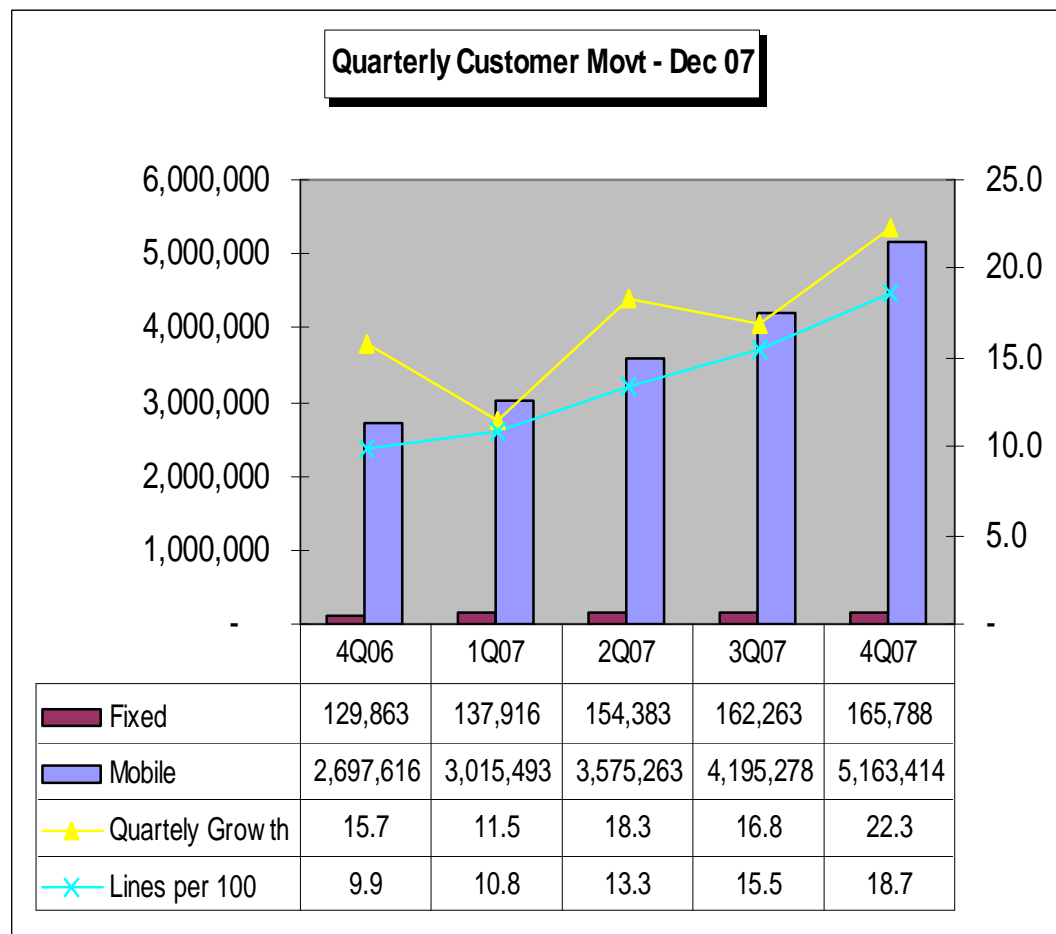
- n Infrastructure and capacity growth highlights during the quarter of October to December 2007 included;
 - q The roll out of Warid Telecom's GSM network. Warid Telecom presently has a network presence in 36 towns including locations like Kumi, Isingiro, Bukedea and Lyantonde
 - q Uganda Telecom upgrade of its GSM network to a 3G network

Telephone Connections and Penetration

Number

Customers- Dec 2007

- n By the end of Dec 2007, the number of telephone connections had risen to 5,329,202 with 5,163,414 mobile and 165,788 fixed lines
- n This represented a quarterly net addition of 971,661 lines
- n A quarterly growth of 22.3%, the highest quarter to quarter growth in more than a year

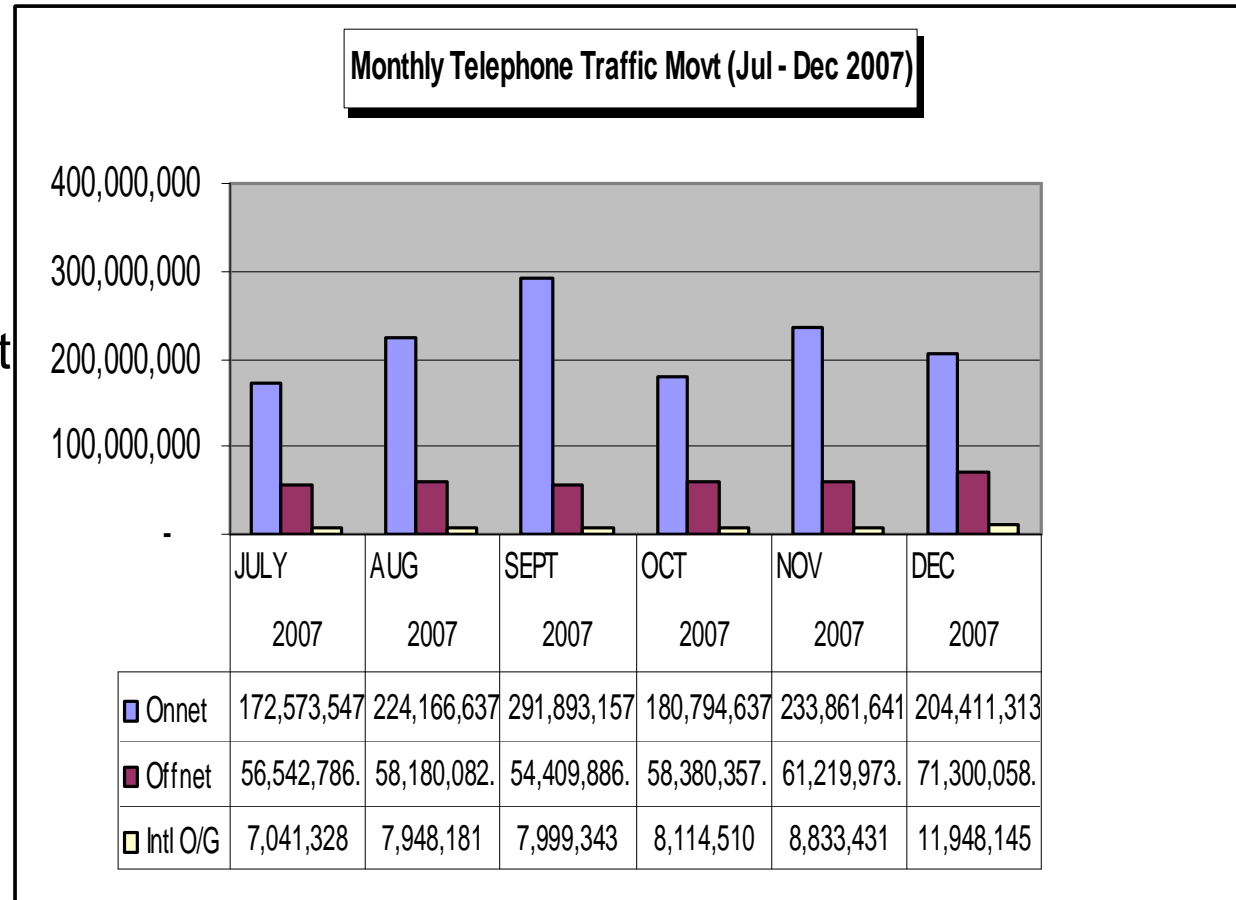


Telephone connections & Penetration - Contd

- n This growth has resulted into a penetration of 18.6 line per 100 inhabitants up from 15.5 lines in September 2007.
- n The growth was partly due to an increase in advertising and promotional offers during the period and the Common Wealth Activities.

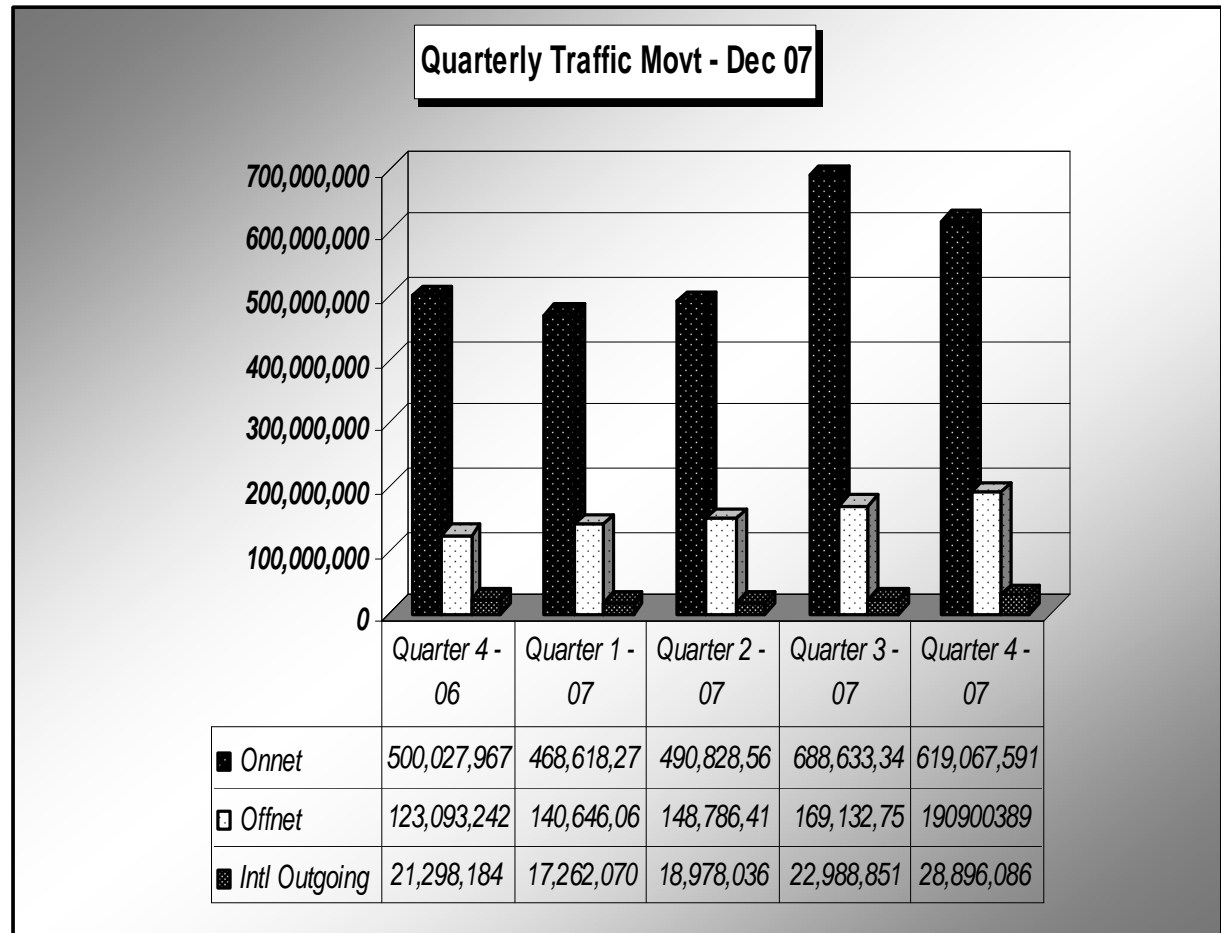
Telephone Usage

- n Usage highlights during the last quarter included;
 - A drop in on net traffic resulting from suspension of on net 'free' discount promotions
 - A surge in traffic during the month of November due to CHOGM activities



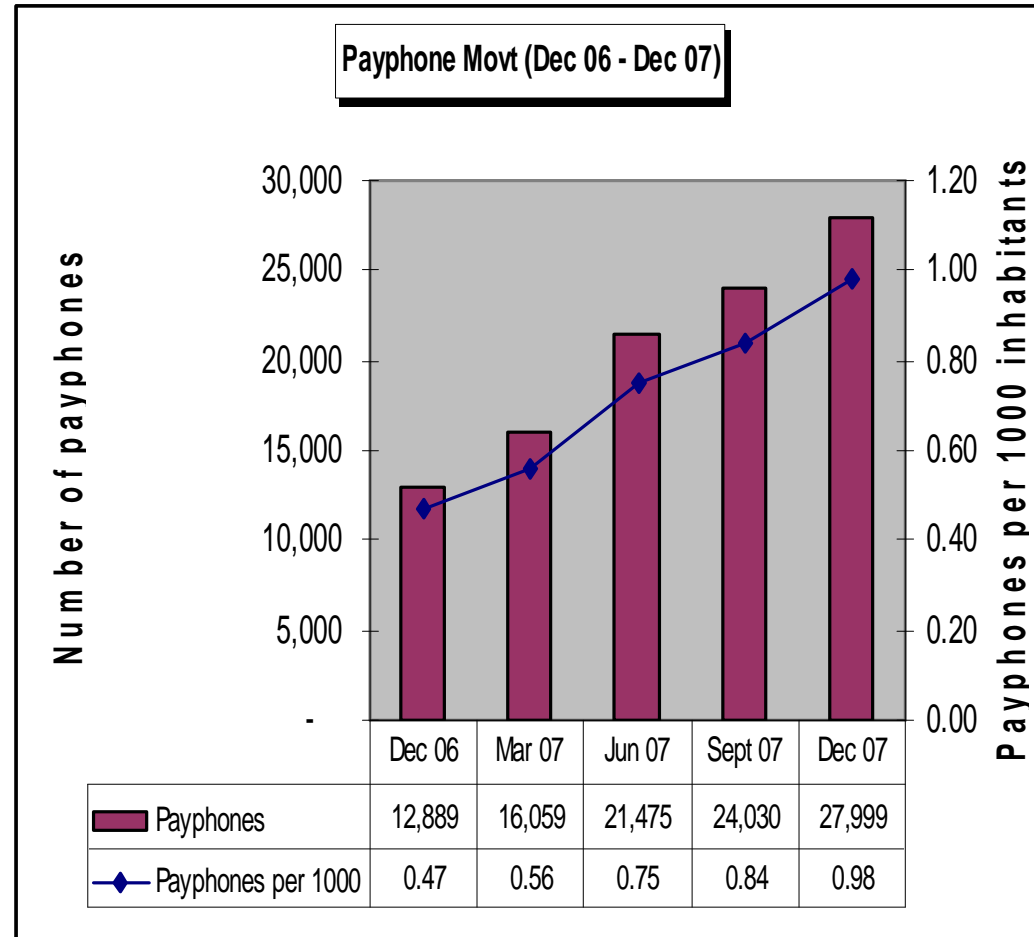
Telephone usage - Contd

- n *There has been an increase in MMS and SMS usage in the market with over 10 Content/ Value Added Service providers in the market by December 2007.*
- n *The roll out of 3G and other high capacity networks coupled with a big youthful populace should facilitate further growth in this market segment.*



Payphone Access

- n By the end of December the total number of payphones in the country had risen to 27,999 from 24,030 in September.
- n This translated into a payphone penetration of almost one payphone (0.98) for every 1000 inhabitants.



Tariffs

The entry of new players in the infrastructure and Service market segments has exerted a downward pressure on voice charges both in the international and local voice markets.

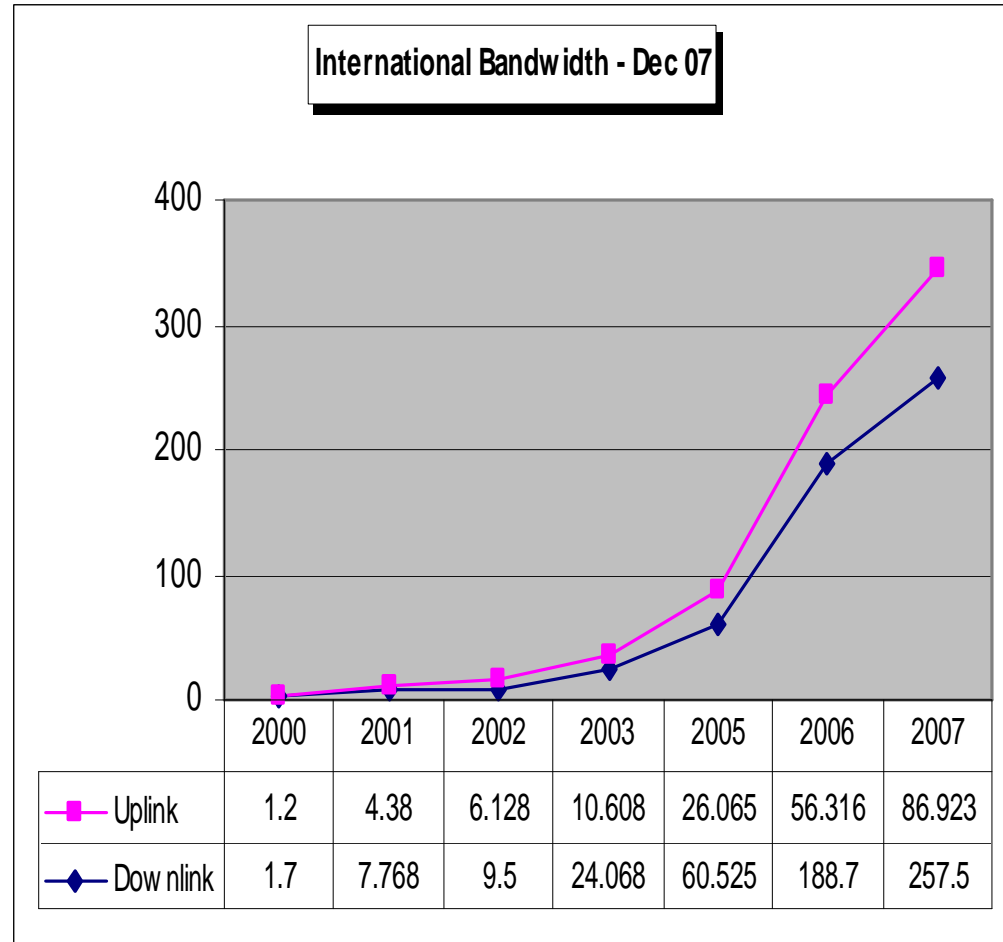
Below are some of the highlights;

- q An average 10% drop in on-net call rates,
 - q Aggressive marketing campaigns on the “Friends & Family” profiles,
 - q A 13% drop in East African and International calling rates by all operators including calling card resellers
 - q A comprehensive tariff list is available at;
- n <http://www.ucc.co.ug/prepaidMobileTariffs.pdf>
 - n <http://www.ucc.co.ug/fixedLineTariffs.pdf>

INTERNET AND DATA SERVICES

Capacity Growth

- n The last part of the year witnessed a spurt in capacity growth. Total international bandwidth increased to 344 mbps (257.5 mbps is downlink and 86.9 mbps uplink).
- n The increase in capacity was driven by the CHOGM events.



Internet and Data Services

- n There was also an increase in in the deployment of wireless access infrastructure based on WiFi / WiMax hot spots. There are an estimated 30 hotspots in the country, 95% of which are in the Kampala metropolitan area.

POST AND COURIER

Number of Licenses		
	Sept 07	Dec 07
Major License	1	1
International Courier License	5	5
Regional Courier	6	6
Domestic Courier Licenses	7	8

Post and Courier Access

- n By the end of the year the postal network comprised of 4 Head Post offices, 21 departmental Offices, 34 Agencies and 238 Sub Post Offices. At least 50% of these outlets have daily pick up and collection schedules facilitated by the Post Bus
- n In addition, there are an estimated 100 courier agents most of whom have collection and drop centres in the metropolitans.

BROADCASTING

Frequency Assignments

- The total number of operational Private FM stations is presently 162 up from 153 operation FM radio stations at the end of September
- Another 33 FM stations have been assigned frequencies but are yet to get on air.
- 41 TV stations have been assigned frequencies, 26 of which are on air.

	Status	Sept 07	Dec 07
Radio	On air	153	162
	Off air	35	33
TV	On air	25	26
	Off air	5	15

REGULATORY INTERVENTIONS

- n In order to enable customer number allocation by the infrastructure licensees, subscriber number codes of 070, 079 and 0202 were awarded to Warid Telecom, HiTS Telecom and Anupam respectively.
- n The Commission carried out a holistic review of Celtel Uganda Ltd's license performance following its license renewal application. A public dialogue on Celtel's performance was also conducted

REGULATORY INTERVENTIONS

- n The Commission developed a strategic plan for the 5 year period 2008 – 2013.
- n This plan has set out the following strategic objectives;
 - To create an enabling environment for public private participation in the development of the sector
 - To establish and enforce a regulatory framework that promotes the development of the sector
 - To position the consumers to play a greater role in the development of the sector
 - To promote equitable access to affordable and innovative communication services
 - Generate knowledge to support the development , innovation and usage of service in the sector with particular focus on regulation.