
Postal, Broadcasting and Telecommunications Market & Industry Report



Fourth Quarter (October-December, 2013)

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1.0 Introduction

This report is a summary of the analysis of market and industry data extracted from the operational reports of all licensees in the communications sector, and covers the period October to December 2013. In this report, data from Q4 (October-December 2013) is compared against a baseline of the period July to September, 2013. The information derived from the market and industry data covers the following aspects of the communications sector:

- a) Macroeconomic Factors
- b) Mobile Telephony
- c) Fixed Telephony
- d) Teledensity
- e) Traffic Growth
- f) Communications Infrastructure
- g) Mobile and Fixed Internet Services
- h) Telecommunication Tax
- i) Mobile Money Services
- j) Broadcasting
- k) Postal Services
- l) Consumer Complaints

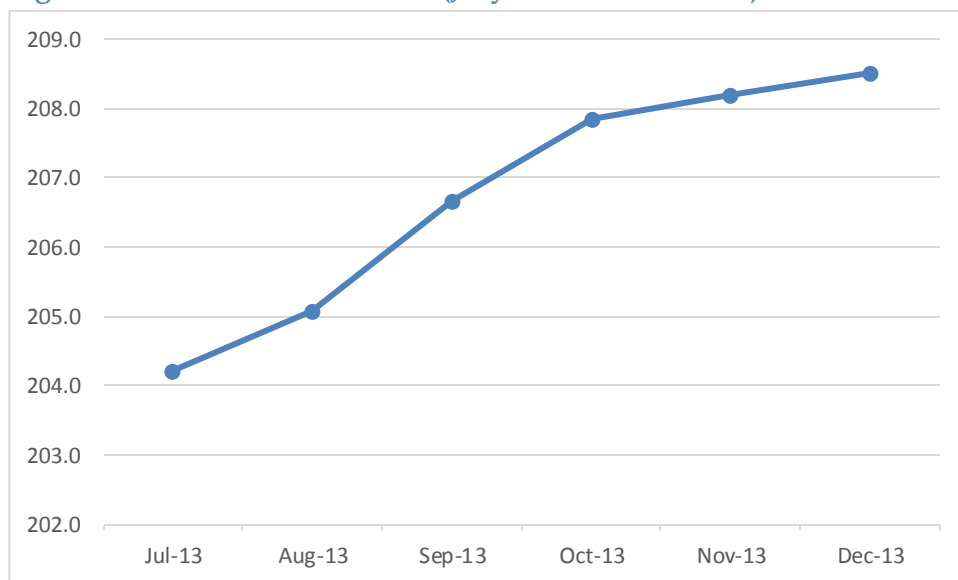
2.0 Macroeconomic Factors

Macroeconomic factors especially exchange rates and inflation have an impact on the operations of telecommunication, broadcasting and postal operators. A big percentage of the investment and operational expenditures is denominated in foreign currency (especially the US dollar), while the increase in prices of commodities as well has a direct effect on the operations of these companies, hence the need to review movements in the exchange rate and the consumer price index.

2.1 Consumer Price Index (CPI)

The Consumer Price Index (Core) increased from 206.7 in September 2013 to 208.5 in December 2013, a marginal increment of 0.9%, compared to an increment of 2.3% in the previous quarter as indicated in Figure 1. (Source: UBOS)

Figure 1: Consumer Price Index (July to December 2013)

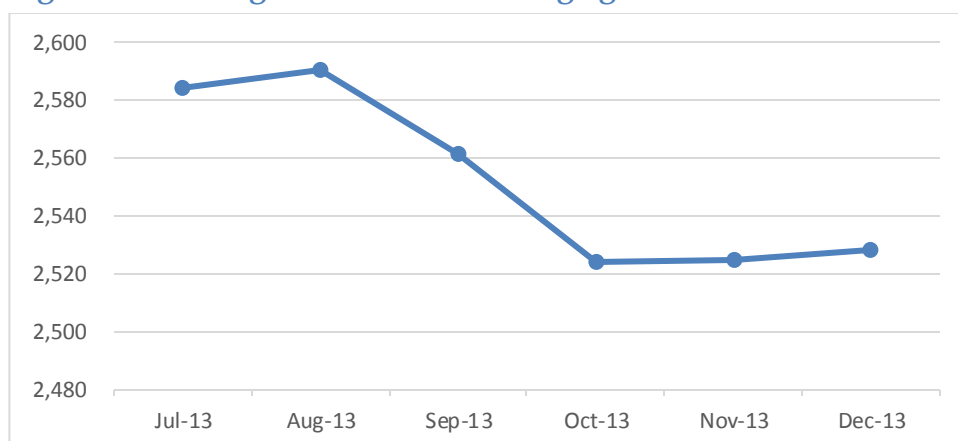


2.2 Exchange Rate

During the quarter under review, the Shilling appreciated against the US\$ dollar by 1.2% from Shs 2561/USD at the end of September 2013 to Shs 2528/USD at the end of December 2013, similar to the appreciation for the previous quarter as shown in Figure 2.

Source: Bank Of Uganda.

Figure 2: Exchange Rate of the Shilling against the US\$



3.0 Telecommunication

3.1 Mobile Telephony

The total mobile and fixed telephony subscriptions increased from 17,556,925 to 18,341,492, an increment of 4.5%. The mobile telephony subscriptions (prepaid & post paid) grew respectively by 4.7% and 2.0% compared to 4.2% and 3.1% experienced in the previous quarter as shown in Table 1 and Figure 3.

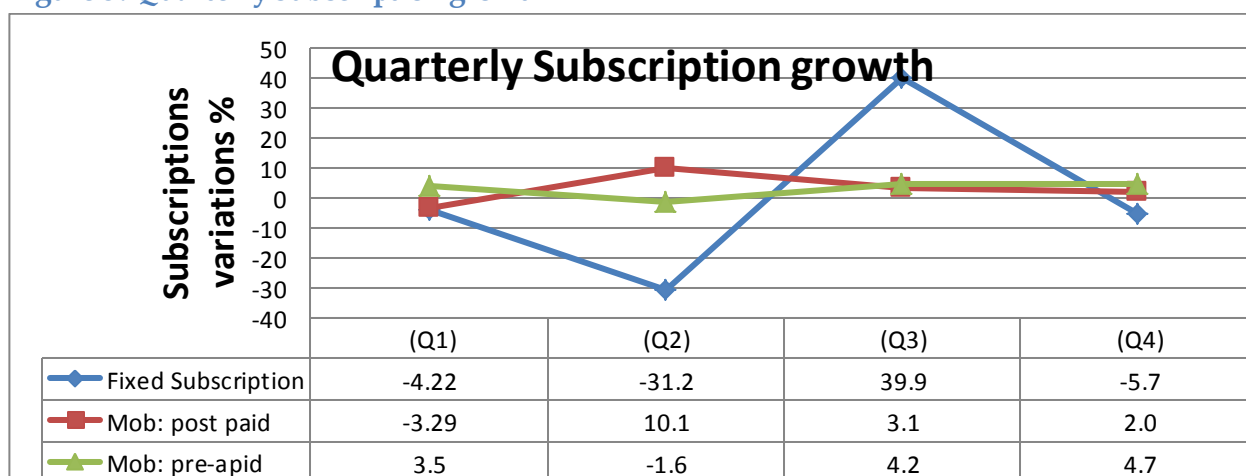
3.2 Fixed Telephony

Fixed subscription dropped by 5.7% (from 289,255 to 272,844) compared to the 39.4% growth registered in the previous quarter.

Table 1: Mobile, Fixed Telephony

Indicators	Q3 2013	Q4 2013	Change (%) (Q4-Q3)
Mobile Subscriptions (prepaid)	17,182,465	17,981,751	4.7
Mobile Subscriptions (post-paid)	85,205	86,897	2.0
Fixed subscriptions	289,255	272,844	-5.7
Total	17,556,925	18,341,492	4.5

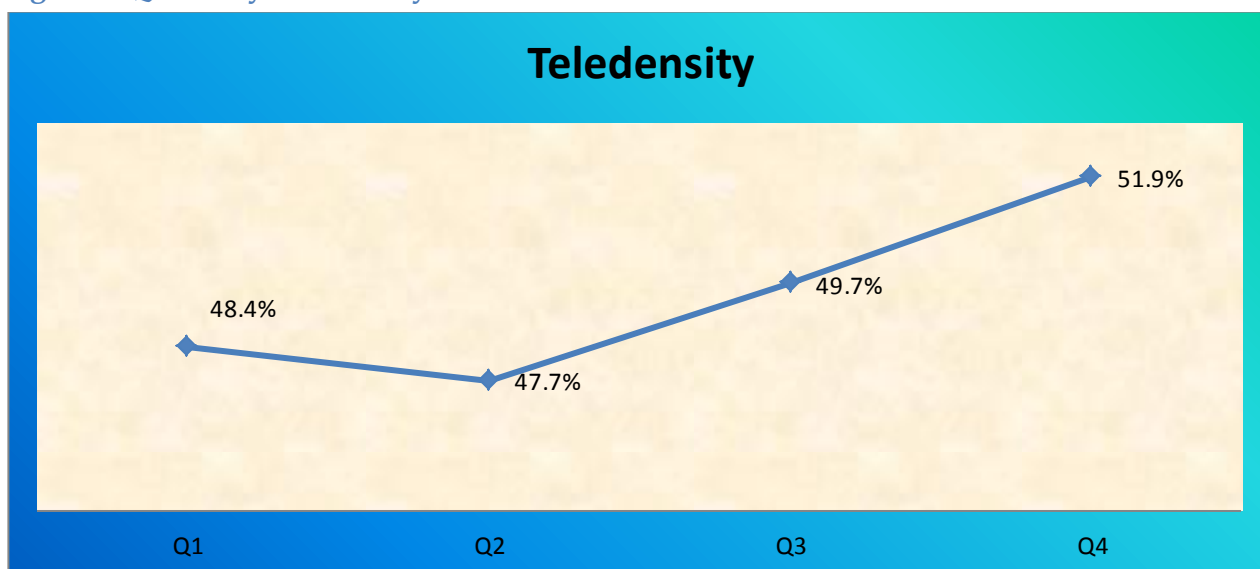
Figure 3. Quarterly subscription growth



3.3 Teledensity

The sector registered an upward growth of 2.2% in teledensity from 49.7% to 51.9%. The growth implies increased coverage of telephony services in the country. In the previous quarter, the sector had realised a 2.0% growth in teledensity which gave rise to a teledensity of 49.7%.

Figure 4. Quarterly Teledensity



3.4 Traffic Growth

3.4.1 On-net & Off-net Voice Traffic

During the quarter under review, a 13.4% drop in the on-net voice traffic and a 50.9% growth in off-net voice traffic was realised. In the previous quarter, a 2.2% growth and a 13.6% growth were respectively realised in on-net and off-net traffics.

3.4.2 International Voice Traffic

Both international incoming voice traffic and the International outgoing voice traffic experienced a drop of 4.4% and 3.1% respectively. Similar trend was observed in the previous quarter in which 15.1% and 0.9% drops were realised in international incoming voice traffic and the international outgoing voice traffic.

Table 2. Traffic Growth in Minutes

Indicators	Q3 2013	Q4 2013	Change (%)
On net traffic (voice)	3,821,811,911	3,309,029,048	-13.4
Off net traffic (voice)	517,665,819	781,209,605	50.9
International traffic (voice incoming)	102,404,036	97,935,974	-4.4
International traffic (voice outgoing)	69,968,423	67,799,942	-3.1

3.4.3 Roaming Traffic (Voice)

Both roaming in foreign networks and roaming by foreign networks dropped by 27.6 and 45.3% respectively. However, in the previous quarter the sector experienced a 302.5% growth in roaming in foreign networks and 20.3% drop in roaming by foreign networks.

Table 3. Roaming Traffic in Minutes

Indicators	Q3 2013	Q4 2013	Change (%)
Roaming in foreign networks	48,606,039	35,195,916	-27.6
Roaming by foreign networks	9,294,870	5,085,964	-45.3

3.5 Communications Infrastructure

3.5.1 Public Infrastructure Providers (PIP) and Public Service Providers (PSP)

The number of PIPs and PSPs remained unchanged at 24 and 36 respectively during the quarter. The number of Base Transmission Stations (BTSs) as well remained unchanged at 3,620 as shown in Table 4.

Table 4. Communications Infrastructure data

Indicators	Q3 2013	Q4 2013	Change (%)
Public Infrastructure Provider (PIP)	24	24	0.0
Public Service Provider (PSP) Voice and Data	36	36	0.0
Infrastructure Statistics			
Number of Base Transmitter Stations (BTS)	3,620	3,620	0.0

3.5.2 The Fibre Optic Cable

A total of 5,110.85km of fibre optic cables were laid by end of 2013. Of these, MTN accounted for 1,138.8km, UTL with 540.2km, Airtel and Warid with 82km, Infocom with 836km, UETCL with 480km, Roke Telecom with 448km and the Government of Uganda owned National Backbone Fiber Network with 1585km as shown in the table below.

Table 5: Fibre Infrastructure Coverage

Company	Length (km) 2013
Uganda Telecom	1138.8
MTN (U) Limited	540.2
Airtel/Warid	82
Infocom	780
Roke Telekom	448
Uganda Electricity Transmission Company Limited (UETCL)	480.85
National Information Technology Authority - Government of Uganda (NBI Phase 1 & 11)	1,585
Total Fibre	5,110.85

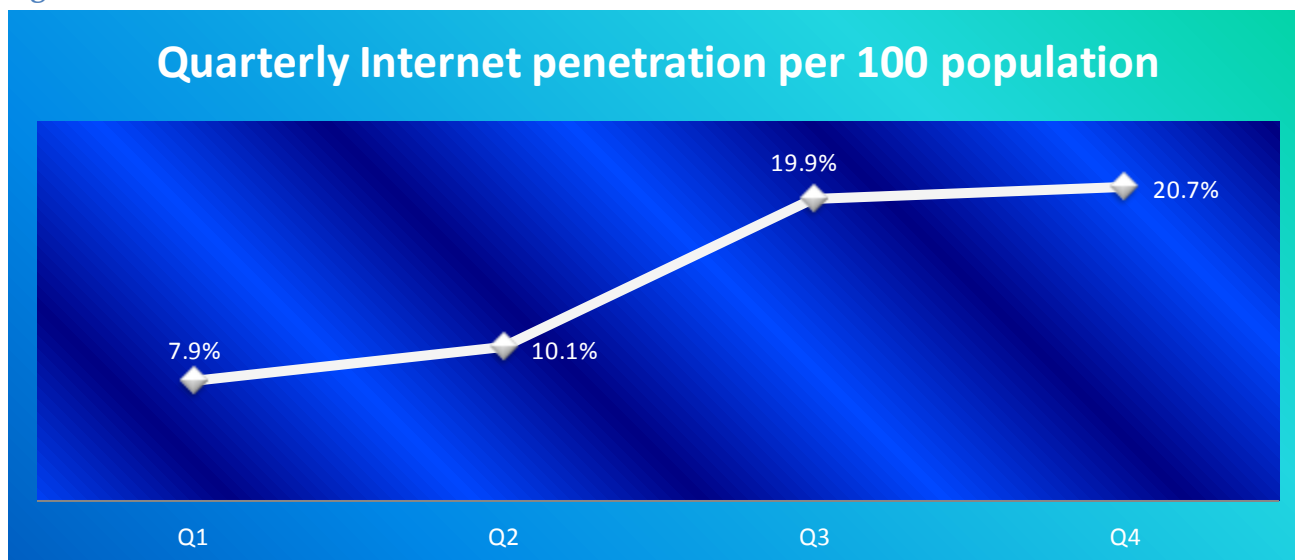
3.6 Mobile & Fixed Internet services

The sector registered a 2.6% growth in mobile internet subscription from 3,532,751 users in Q3 to 3,625,559 users in Q4, and a 1.2% growth in fixed internet subscription from 99,700 users to 100,900 users in the same period. The estimated internet users increased by 3.8% from 7,050,000 in Q3 to 7,314,395 in Q4. As a result of the usage, the internet penetration increased from 19.9% to 20.7% as shown in Table 6 and Figure 5.

Table 6. Internet Penetration

Indicators	Q3 2013	Q4 2013	Change (%) (Q4-Q3)
Estimated Internet subscription (Mobile)	3,532,751	3,625,559	2.6
Estimated Internet subscription (Fixed)	99,700	100,900	1.2
Estimated Internet users	7,050,000	7,314,395	3.8
Internet penetration per 100 population	19.9	20.7	4.0

Figure 5. Internet Penetration



3.7 Telecommunication Tax Revenue Contributions

In the quarter under review, Excise Duty grew by 1.2% from Shs 40.1 billion in Q3 to Shs 40.640 billion in Q4. The Value Added Tax (VAT) however dropped by 21.2% from Shs 38.753 billion in Q3 to Shs 30.521 billion in Q4 .The Pay As You Earn (PAYE) also dropped by 25% from Shs12.552 billion in Q3 to Shs 9.408 billion in Q4 as shown in Table 7.

Table 7. Telecommunications Tax Revenue

Indicators	Q3 2013	Q4 2013	Change (%) (Q4-Q3)
Excise	40,169,684,713	40,640,402,037	1.2
VAT	38,752,820,537	30,520,897,531	-21.2
PAYE	12,551,752,860	9,408,229,452	-25.0

3.8 Mobile Money Services

During this quarter, the sector experienced positive development in all the four key areas of mobile money services. The number of mobile money subscribers grew by 7.9%, number of transactions grew by 17.6%, value of transaction grew by 20.1% and the balance on customer accounts grew by 7.2% as shown in Table 8.

Table 8. Mobile Money Services

Indicators	Q3 2013	Q4 2013	Change (%)
Number of Mobile money subscribers	13,202,264	14,243,379	7.9
Number of Transactions	32,606,984	38,351,282	17.6
Value of Transactions	1,650,454,343,031	1,982,362,364,454	20.1
Balance on customer accounts	141,061,811,552	151,243,593,892	7.2

4.0 Broadcasting

In this sub sector, no variation was noted on the number of analogue TV stations, the number of operational FM stations, the number of digital terrestrial TV stations, and the number of digital satellite TV stations as shown in Table 9.

Table 9. Licenses FM Radios and TVs

Indicators	Q3 2013	Q4 2013	Change (%) (Q4-Q3)
Operational TV stations (analogue)	67	67	0
Non Operational TV stations (analogue)	4	4	0
Operational TV stations (Digital terrestrial stations)	3	3	0
Operational TV stations (Digital satellite stations)	2	2	0
Operational FM Radio stations	253	253	0
Non operational FM Radio stations	40	40	0

5.0 Postal Service

In the quarter under review, the sub sector experienced a 8.2% growth in domestic ordinary letters posted, 100.4% growth in domestic registered letters posted, and a 32.8% drop in Domestic EMS mail conveyance. This performance was better than what was recorded in the previous quarter, where Domestic Ordinary Letters posted dropped by 31.5%, Domestic Registered Letter posted dropped by 47.1% and Domestic EMS conveyances dropped by 2.8%.

Table 10. Postal Services

Indicators	Q3 2013	Q4 2013	Change (%) (Q4-Q3)
Courier License operators (International, Regional, Domestic)	(8,5,13)	(8,5,11)	n/a
Domestic Ordinary Letter Posted	222,565	240,858	8.2
Domestic Registered Letter	3,343	6,698	100.4
Domestic Express Mail Services (DEMS)	60,648	40,747	-32.8

6.0 Consumer Affairs

Consumers of communication services when dissatisfied with a service are required to first lodge complaints with their respective service providers. Where a consumer remains dissatisfied, they can then lodge complaints with UCC, at which point it becomes a second level complaint. The statistics used in this report represent second level complaints to UCC. However, the figures may include some first level complaints from consumers who claim inability to access their service providers.

Table 10 Consumer Complaints

REVIEW OF COMPLAINTS RECEIVED	Q3	Q4	Change (Q4-Q3)
	%	%	%
Complaints received and resolved by respective service provider	70.0	77.8	11.1
Pending complaints	30.0	22.2	-26
Complaints outside UCC mandates	0.0	0.0	100

The above table shows that there is 11.1% increase in complaints resolved by the operators. This is due to improved responses by the operators in resolving the complaints, ultimately resulting to the decrease in number of pending complaints. In this

quarter, pending complaints reduced by 26%. The statistics for both indicators shows that there is improved attention to customers by the operators.

In this quarter, no complaint was received outside the mandate of UCC. This means that consumers are more informed about which complaints are handled by UCC and what role(s) UCC plays in resolving their complaints. All these came about as a result of consumer awareness campaign.

As shown in Figure 6, the highest number of complaints registered in this quarter was on billing issues, followed by unsolicited messages. Data/Internet related issues are upcoming issue that has been noticed and is being addressed by the Commission.

Figure 6. Complaints by Type

