



**QUARTERLY SECTOR STATISTICS REPORT
THIRD QUARTER FOR THE FINANCIAL YEAR 2015/2016
(JANUARY –MARCH 2016)**

**Direct any queries on the report to:
Director/Competition, Tariffs and Market Analysis
Tel:+254-703 042000, +254 - 713 172000
Email: info@ca.go.ke
Website: www.ca.go.ke**

Disclaimer:

Although every effort has been made to ensure accuracy of the data contained in this report, the Authority is not liable for inaccuracies in any of the information contained in this report, which is contingent upon the operators/service providers' compliance returns.

Table of Contents

1	CELLULAR MOBILE SERVICES	8
1.1	Mobile Subscriptions	8
1.2	Mobile Money Transfer.....	11
1.3	Mobile Number Portability	12
1.4	Mobile Traffic and Usage Pattern	12
1.4.1	Voice Traffic.....	12
1.4.2	Voice Traffic by Operator.....	14
1.4.3	Minutes of Use.....	15
1.4.4	Short Messaging Service	16
1.4.5	Roaming Traffic.....	17
1.4.6	International Mobile Traffic	18
1.5	Mobile Revenue and Investments.....	19
1.6	Employment in the Mobile Service Industry.....	20
2	FIXED TELEPHONE SERVICE	20
2.1	Fixed Network Subscriptions.....	20
2.2	Fixed Network Traffic	21
3	DATA/INTERNET SERVICES	22
3.1	Data/Internet Service.....	22
3.2	Broadband Services	25
3.2.1	Data / internet broadband subscriptions.....	25
3.2.2	Broadband subscriptions by Speed	26
3.3	International Bandwidth.....	26
3.4	Registered Domain Names	27
3.5	Revenue and Investment in the Data/Internet Market	28
4	BROADCASTING	28
4.1	Digital Television.....	28
4.2	Digital Terrestrial Television sites rollout	28
4.3	Set top Boxes.....	28
4.4	FM Radio Broadcast.....	28
5	POSTAL AND COURIER SERVICES	29
5.1	Postal and Courier Traffic	29
5.2	Number of Postal and Courier Outlets	29
5.3	Postal and Courier Revenue and Investments	30

6	TARIFFS, PROMOTIONS & SPECIAL OFFERS	30
7	CONCLUSION	31

LIST OF FIGURES

FIGURE 1: MOBILE SUBSCRIPTIONS	8
FIGURE 2 : NET ADDITIONS IN MOBILE SUBSCRIPTIONS	9
FIGURE 3: MARKET SHARE FOR MOBILE SUBSCRIPTIONS PER OPERATOR.....	10
FIGURE 4 : PROPORTION OF ON-NET AND OFF-NET VOICE TRAFFIC	14
FIGURE 5: MINUTES OF USE	16
FIGURE 6 : FIXED NETWORK SUBSCRIPTIONS	20
FIGURE 7: THE TREND IN ESTIMATED NUMBER OF INTERNET USERS AND INTERNET PENETRATION	24
FIGURE 8 : MOBILE DATA/INTERNET SUBSCRIPTIONS.....	25
FIGURE 9 : BROADBAND SUBSCRIPTIONS	25
FIGURE 10 : BROADBAND SUBSCRIPTIONS BY SPEED	26
FIGURE 11: NUMBER OF POSTAL OUTLETS.....	30

LIST OF TABLES

TABLE 1 : MOBILE SUBSCRIPTION PER OPERATOR	11
TABLE 2 : MOBILE MONEY TRANSFER AND MOBILE COMMERCE SERVICES	11
TABLE 3 : MOBILE NUMBER PORTABILITY	12
TABLE 4: LOCAL MOBILE VOICE TRAFFIC IN MINUTES.....	13
TABLE 5 : LOCAL MOBILE VOICE TRAFFIC BY OPERATOR	15
TABLE 6 : SHORT MESSAGING SERVICE PER OPERATOR.....	17
TABLE 7 : ROAMING TRAFFIC.....	18
TABLE 8: INTERNATIONAL MOBILE TRAFFIC.....	19
TABLE 9: MOBILE REVENUE AND INVESTMENT.....	19
TABLE 10 : STAFF IN MOBILE SECTOR.....	20
TABLE 11: TRENDS IN LOCAL FIXED NETWORK TRAFFIC IN MINUTES	21
TABLE 12 : INTERNATIONAL FIXED VOICE TRAFFIC	21
TABLE 13 : INTERNET SUBSCRIPTIONS AND INTERNET USERS	23
TABLE 14 : INTERNATIONAL INTERNET AVAILABLE BANDWIDTH (MBPS)	26
TABLE 15 : INTERNATIONAL INTERNET USED BANDWIDTH (MBPS)	27
TABLE 16 : NUMBER OF DOMAIN NAMES	27
TABLE 17 : DATA/INTERNET REVENUE AND INVESTMENT	28
TABLE 18 : POSTAL AND COURIER TRAFFIC	29
TABLE 19 : POSTAL AND COURIER REVENUE AND INVESTMENTS	30
TABLE 20 : TARIFFS FILLED BY THE RESPECTIVE SERVICE PROVIDERS.....	31
TABLE 21 : PROMOTION FILLED BY THE RESPECTIVE SERVICE PROVIDERS	31

LIST OF ABBREVIATIONS

ICTs	Information and Communications Technologies
EASSy	Eastern Africa Submarine Cable Systems
LION2	Lower Indian Ocean Network
GSM	Global Systems for Mobile Communications
Mbps	Megabits per second
MMS	Multimedia Service
MoU	Minutes of Use
MVNO	Mobile Virtual Network Operator
SEACOM	Sea Sub-Marine Communications Limited
SIM	Subscriber Identification Module
SMS	Short Messaging Service
TEAMS	The East African Marine System
VSAT	Very Small Aperture Terminal
FY	Financial Year
OTT	Over-The-Top

I. PRELIMINARY NOTES

This report is based on data submitted by service providers as per their license conditions. The information provided in this report is subject to alteration in case of any revisions or updates from service providers.

II. REPORT SUMMARY

The ICT Sector Quarterly Statistics Report for the Third Quarter of the Financial Year 2015/16 provides an overview of the ICT sector performance and development trends in the following service categories:

- Mobile Telephony Service
- Fixed Telephony Service
- Internet/Data Service
- Registered Internet Domains Names in Kenya
- Broadcasting
- Postal and Courier Service and;
- Tariffs, Promotions and Special Offers

The mobile telephone sub-sector demonstrated an upward trend during the period January to March 2016 with mobile subscriptions growing by 1.8 per cent to reach 38.3 million up from 37.7 million subscriptions recorded during the previous quarter. Consequently, mobile penetration increased to 89.2 per cent up from 87.7 per cent recorded last quarter. Notably, Sema Mobile Services, a Mobile Virtual Network Operator launched its services during the period under review.

During the quarter under review, pre-paid mobile subscriptions rose to 37.2 million subscriptions up from 36.7 million in the last quarter. Similarly, post-paid subscriptions grew from One million to one million eighty thousand (1,080,000) subscriptions during the same the period.

Local mobile voice traffic declined by 0.2 per cent to stand at 10.24 billion minutes down from 10.27 billion minutes posted during the last quarter. However, on-net traffic grew by 0.4 per cent to register 9 billion up from 8.9 billion minutes registered in the previous quarter. However, traffic sent to other mobile networks within the country reduced by 4.7 per cent to post 1.21 billion minutes during the period under review. Subsequently, each subscriber called for an average of 93.2 minutes per month during the quarter up from 89 minutes recorded during the previous quarter. The significant decline in local mobile voice traffic is attributed to the end of the busy festive season during which service providers had launched numerous special offers and promotions. The period under review also coincided with the back-to-school season during which parents and guardians had higher school related obligations, hence their preference to cut down on other expenses.

The total number of short messages sent locally during the quarter dropped significantly by 19.7 per cent to reach 6.5 billion during the quarter down from 8.1 billion messages sent during the

previous quarter. The significant drop of SMS traffic could be attributed to the popular use of Over-The-Top (OTT) services like WhatsApp, Hangouts, among others. On-net SMS decreased from 7.6 billion posted during the last quarter to 6.0 billion messages during the quarter under review. On average, each subscriber sent 57 messages per month.

The period under review saw mobile money transfer subscriptions reach 24.8 million while the number of mobile money agents grew to 147,761 compared to 141,542 agents recorded the previous quarter. The number of mobile commerce transactions stood at 190.3 million with the volumes valued at Ksh. 312 billion.

During the period under review, 395 numbers were ported compared to the 234 in-ports recorded in the previous quarter.

The number of fixed telephone subscriptions declined by 3.5 per cent to stand at 82,458 down from 85,496 subscriptions recorded during the last quarter. Fixed network traffic grew by 3.9 per cent to register 562,486 minutes during the period under review up from 541,262 minutes registered in the previous period

The quarter under review witnessed growth in data/internet subscriptions by 3.8 per cent to reach 24.8 million subscriptions from 23.9 million subscriptions reported the previous quarter. As has been the trend, mobile data/internet contributed the largest share of 99.4 per cent of the total data/internet subscriptions. Similarly, the number of data/internet users grew from 35.5 million users reported last quarter to 37.4 million users during the quarter under review. This translated to internet penetration levels of 87.2 per cent during the period under review. According to the Access Gap Study Report released early in the year, 94.4 per cent of the Kenyan population has access to 2G network services whereas 78 per cent of the population has access to 3G services. The increased expansion of 3G services in the country explains the massive use of mobile data/internet services.

During the period under review, the number of broadband subscriptions increased substantially by 26.4 per cent to reach 7.9 million subscriptions up from 7.2 million subscriptions registered in the previous quarter. Subsequently, broadband penetration stood at 18.6 per cent during the quarter under review up from 16.8 per cent recorded in the previous quarter.

The amount of international Internet bandwidth available in the country (Lit/equipped capacity) grew by 6.4 per cent to reach 1.65 Million Mbps up from 1.55 Million Mbps recorded during the previous quarter. Similarly, total used (connectivity) bandwidth grew by 0.8 per cent to reach 861,446 Mbps during the quarter up from 854,550.9 Mbps recorded in the preceding quarter. Thus, the total used bandwidth represented 52.2 per cent of the total available bandwidth. The international Internet bandwidth leased and used during the quarter increased as a result of increased demand for faster and more reliable data/internet services.

The number of domain names as registered by Kenya Network Information Centre (KENIC) grew significantly by 13 per cent by the end of the period under review to stand at 58,259 up from 51,548 domain names recorded in the previous quarter.

In the broadcasting sector, the cumulative number of free-to-air TV channels on the digital terrestrial platform stood at 62 while total number of FM stations remained at 139 in the quarter under review.

The postal and courier sub-sector demonstrated a downward trend during the period under review unlike in the preceding quarter, which recorded significant growth. The number of letters posted locally decreased by 27 per cent to stand at 12.8 million down from 17.6 million letters recorded during the last quarter. This decline is attributed to the end of the festive and examination seasons last quarter during which the volume of letters and courier/parcels items increased significantly.

International incoming letters decreased by 8.8 per cent during the quarter to post 2 million letters down from 2.2 million letters posted last quarter. Similarly, international outgoing letters exhibited the highest decline of 29.2 per cent to post 1.8 million letters during the quarter under review.

During the quarter under review, the Authority received a total of 10 applications for promotions, special offers, and tariffs. All applications were reviewed accordingly and approved. Voice and data market segments continue to be the focus areas for operators as they continue to grapple with increased competition.

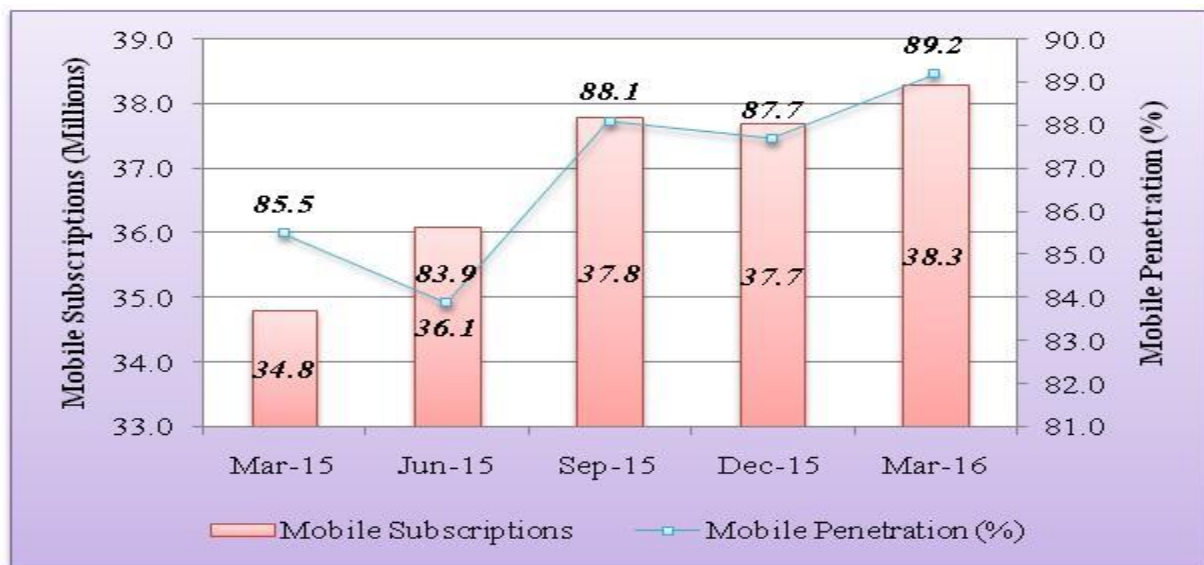
1 CELLULAR MOBILE SERVICES

1.1 Mobile Subscriptions

During the period 1st January to 31st March 2016, the mobile service sub-sector continued to demonstrate positive growth with 38.3 million subscriptions recorded up from 37.7 million subscriptions registered during the previous period. This marked an increase of 3.5 million subscriptions compared to the same quarter of the previous financial year. Subsequently, mobile penetration grew by 1.5 percentage points during the period under review to stand at 89.2 per cent up from 87.7 per cent recorded last quarter. Sema Mobile Services, a licensed Mobile Virtual Network Operator (MVNO) launched its services during the same period.

Figure 1 below illustrates the trends in mobile subscriptions and mobile penetration levels.

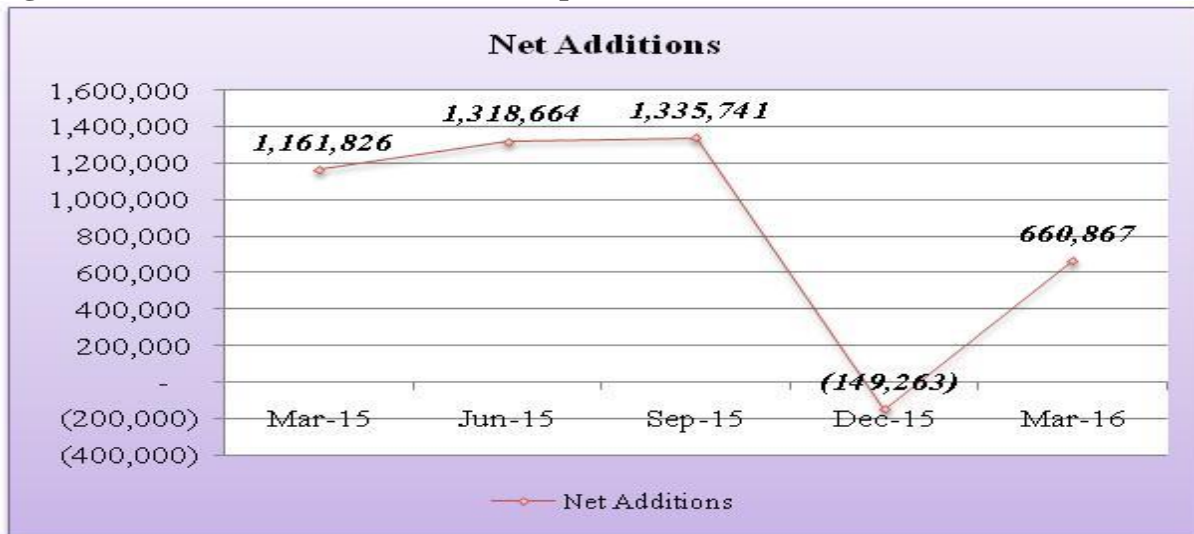
Figure 1: Mobile Subscriptions



*Source: CA, Operators' Returns, *Population figure used to compute penetration is 43.0 million as per the Economic Survey 2015.*

During the quarter under review, the net additions in mobile subscriptions stood at 660,867 compared to last quarter's decline of 149,263 subscriptions.

Figure 2: Net additions in Mobile Subscriptions



Source: CA, Operators' Returns

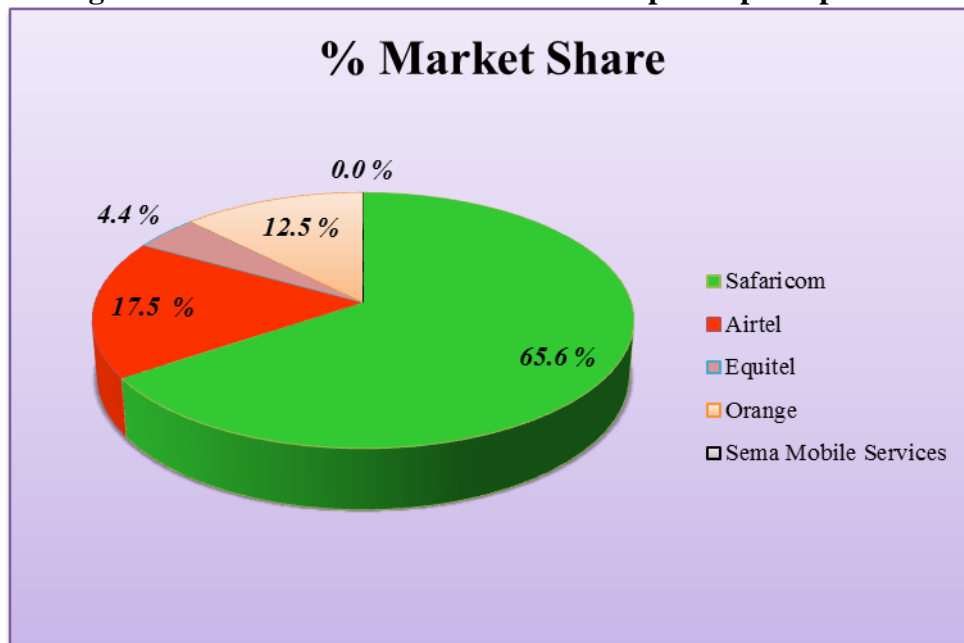
As illustrated in Figure 3 below, Safaricom Kenya Limited gained a market share of 0.9 percentage points to post 65.6 per cent up from 64.7 per cent market share posted during the previous quarter.

Airtel Networks on the other hand lost its market share by 1.7 per cent to register 17.5 per cent market share during the quarter. In compliance with the new SIM card regulations which require new mobile subscribers to produce identification documents, the operator carried out a SIM barring exercise in mid-December 2015 which led to the disconnection of over 500, 000 subscribers.

Orange Kenya Limited recorded a market share of 12.5 per cent during the period under review up from 12.4 per cent recorded during the last quarter. Finserve Africa Limited also gained a market share of 0.7 per cent to stand at 4.4 per cent market shares. Sema Mobile services, which launched its services during the quarter, had insignificant numbers of 158 subscriptions (0.0 per cent).

Market shares for mobile subscriptions per operator are as shown in Figure 3.

Figure 3: Market Share for Mobile Subscriptions per Operator



Source: CA, Operators' Returns.

The number of post-paid and pre-paid subscriptions for each of the operators experienced substantial change during the quarter under review. Safaricom gained 2.8 per cent and 9.5 per cent of its pre-paid and post-paid subscribers respectively. Its total subscriptions stood at 25.1 million up from 24.4 million posted during the previous quarter, representing growth of 3.1 per cent during the quarter.

Total subscriptions for Airtel Network Limited decreased by 7.1 per cent from 7.2 million subscriptions recorded in the previous quarter to 6.7 million subscriptions during the quarter under review. Both pre-paid and post-paid subscriptions declined by 7.7 per cent and 3.9 per cent respectively. The decline is attributed to the SIM barring exercise carried out by the operator in mid-December 2015 in compliance with the new SIM card registration regulations. The exercise disconnected over 500,000 SIM cards.

The total subscriptions for Orange Kenya Limited increased by 3.1 per cent to reach 4.8 million up from 4.6 million subscriptions recorded within the last quarter. The pre-paid and post-paid subscriptions increased by 3.1 and 1.4 per cent respectively.

Finserve Africa Limited recorded 1.6 million pre-paid subscriptions whereas Sema Africa Limited recorded 158 pre-paid subscriptions.

Table 1 shows that the number of post-paid subscriptions grew by a larger margin of 7.2 per cent compared to pre-paid of 1.6 per cent. Prepaid subscriptions stood at 37.2 million up from 36.7 million recorded during the last quarter. Post-paid subscriptions were recorded at 1.08 million up

from 1.00 subscriptions registered during the previous quarter. The ratio of post-paid to pre-paid subscriptions stood at 1:34.

Table 1: Mobile Subscription per operator

Name of operator	Mar-16			Dec-15			Quarterly variation (%)
	Pre-paid	Post-paid	Total	Pre-paid	Post-paid	Total	
Safaricom Limited	24,230,313	931,126	25,161,439	23,556,656	852,278	24,408,934	3.1
Airtel Networks Limited	6,580,141	142,271	6,722,412	7,088,360	148,164	7,236,524	-7.1
Finserve Africa (Equitel)	1,683,362	-	1,683,362	1,407,172	-	1,407,172	19.6
Telkom Kenya(Orange)	4,800,445	8,995	4,809,440	4,654,190	9,124	4,663,314	3.1
Sema Mobile Services	158	-	158	-	-	-	0.0
Total	37,294,419	1,082,392	38,376,811	36,706,378	1,009,566	37,715,944	1.8

Source: CA, Operators' Returns.

1.2 Mobile Money Transfer

During the period 1st January to 31st March 2016, the number of mobile money transfer subscriptions was recorded at 24.8 million subscriptions whereas the number of mobile money transfer active agents stood at 147,761. The volume of transactions (deposits and withdrawals) on this platform was registered at 348.8 million, with Ksh. 840.3 billion transferred among users during the period. Mobile commerce recorded 190.3 million transactions that saw Ksh. 312 billion used to pay for goods and services. The person-to-person transfers stood at 396.7 billion as at the end of the quarter under review. Overall, there was increased activity in the mobile money service during the period and this was attributed to the busy back-to-school season during which parents and guardians actively deposited, transferred, withdrew, paid school fees and purchased other goods and services using this platform due to its reliable and convenient nature.

Table 2 shows the trends in mobile money transfer and mobile commerce services.

Table 2: Mobile Money Transfer and Mobile Commerce Services

Service Provider	Mar-16						
	Agents	Subscriptions	Number of transactions	Value of transactions (Ksh)	mobile commerce transactions	Value of mobile commerce (Ksh)	Person to Person transfers (Ksh)
Safaricom (M-Pesa)	100,744	16,603,652	292,308,466	764,723,345,854	142,986,164	286,679,637,731	343,549,594,463
Airtel Money	11,561	4,226,205	7,261,057	12,366,746,730	7,261,057	12,366,746,730	5,983,016,437
Orange (Orange)							

Money)	17,179	196,335	34,590	182,238,221	1,761	1,243,494	5,748,880
Finserve (Equitel Money)	-	1,525,566	44,677,008	62,424,620,360	40,037,697	12,942,879,901	47,061,636,432
Mobikash	16,681	1,771,546	4,569,682	605,725,474	30,140	42,285,798	118,753,106
Tangaza*	1,596	503,556	-	-	-	-	-
Total	147,761	24,826,860	348,850,803	840,302,676,639	190,316,819	312,032,793,654	396,718,749,318

Source: CA, Operators' Returns, *Provisional data.

1.3 Mobile Number Portability

The number of mobile in-ports increased by 68.8 per cent during the quarter under review to stand at 395 in-ports up from 234 in-ports recorded during the previous quarter.

Table 3: Mobile Number Portability

Period	<i>Jan-Mar 16</i>	<i>Oct-Dec 15</i>	<i>Quarterly Variation (%)</i>	<i>Jan-Mar 15</i>	<i>Oct-Dec 14</i>	<i>Quarterly Variation (%)</i>
Number of in-ports	395	234	68.8	618	781	-20.8

Source: CA, Operators' Returns.

1.4 Mobile Traffic and Usage Pattern

1.4.1 Voice Traffic

During the quarter under review, the number of voice minutes originating from the mobile networks grew to reach 9 billion minutes, up from 8.9 billion minutes recorded in the previous quarter.

Traffic to other mobile networks decreased by 4.7 per cent to stand at 1.21 billion minutes during the quarter under review down from 1.27 billion minutes registered during the previous quarter.

Mobile to fixed traffic declined by 4.8 per cent during the quarter to record 15.2 million minutes down from 15.9 million minutes posted during the previous quarter.

Generally, the decline in off-net and mobile-to-fixed traffic was as a result of reduced mobile service activity following the end of the festive season and the re-opening of schools.

Table 4: Local Mobile Voice Traffic in Minutes

Mobile Traffic	Jan-Mar 16	Oct-Dec 15	Quarterly Variation (%)	Jan-Mar 15	Oct-Dec 14	Quarterly Variation (%)
Own Network – Own Network	9,021,652,848	8,982,304,017	0.4	7,572,006,261	6,449,281,515	17.4
Own Network to Other Mobile Networks	1,212,787,035	1,272,404,250	-4.7	1,185,331,522	936,937,933	26.5
Mobile Network to Fixed Network	15,201,786	15,968,998	-4.8	18,759,354	16,160,611	16.1
Total Traffic Origination (Outgoing)	10,249,641,669	10,270,677,265	-0.2	8,776,097,137	7,402,380,059	18.6
Traffic terminating (incoming traffic)						
Own Network – Own Network	9,021,652,848	8,982,304,017	0.4	7,572,006,261	6,449,281,515	17.4
Other Mobile Networks to Own Network	1,162,790,450	1,295,667,381	-10.3	1,218,565,860	929,669,094	31.1
Fixed Network to Mobile Network	9,858,085	9,141,859	7.8	32,289,099	31,913,719	1.2
Total traffic termination (Incoming)	10,194,301,383	10,287,113,257	-0.9	8,822,861,220	7,418,610,171	18.9

Source: CA, Operators' Returns.

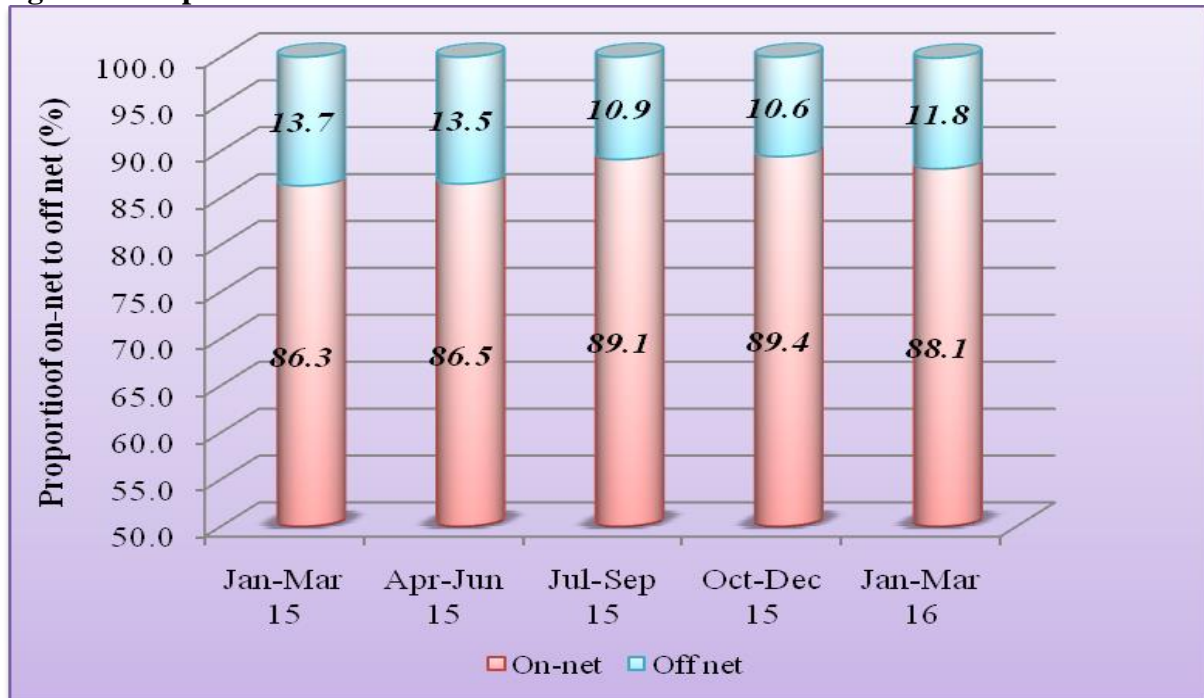
Incoming traffic from other mobile networks declined by 10.3 per cent to register 1.1 billion minutes down from 1.2 billion minutes registered during the previous quarter. However, traffic from fixed networks to mobile networks increased by 7.8 per cent to stand at 9.8 million up from 9.1 million minutes recorded in the last quarter. Overall, the total traffic terminated on mobile networks declined by 0.9 per cent during the period to record 10.1 billion minutes.

The proportion of on-net and off-net traffic has remained within similar margins of growth over time. During the period under review, the percentage of on-net mobile voice traffic to total mobile voice traffic was recorded at 88.1 representing a decline of 1.3 percentage points when compared to the previous period of 89.4 per cent.

The per centage of off-net mobile voice traffic to total mobile voice traffic grew by 1.2 percentage points to stand at 11.8 per cent up from 10.6 per cent posted last quarter. The high volume in on-net traffic was as a result of the low calling rates charged to all users calling within the same network by their service providers as compared to the high off net charges in some cases.

The proportion of on-net and off-net traffic to total mobile voice traffic is as shown in Figure 4 below.

Figure 4: Proportion of On-net and Off-net Voice Traffic



Source: CA, Operators' Returns.

1.4.2 Voice Traffic by Operator

There was substantial change in traffic patterns for each of the operators particularly for Safaricom, Orange and Airtel Networks Limited. Safaricom's traffic increased to 7.8 billion up from 7.3 billion minutes recorded during the last quarter. Similarly, its market share in voice traffic grew from 72.1 per cent posted last quarter to 76.8 per cent. On-net traffic stood at 7.5 billion up from last quarter's 7.0 billion minutes whereas off-net traffic grew from 321.6 million minutes posted last quarter to 338.7 million during the quarter under review.

Airtel Network Limited reported a decline of 13.9 per cent in total mobile voice traffic to register 1.4 billion minutes during the period under review. On-net traffic stood at 858.6 million down from 1.0 billion minutes whereas off-net traffic stood at 625.1 million minutes during the quarter down from 691.1 million minutes the previous quarter.

Orange Kenya Limited lost in total mobile voice traffic to post 851.1million minutes during the quarter down from 1.1 billion minutes posted during the previous quarter. The market share for voice minutes declined by 2.5 per centage points to stand at 8.3 per cent down from 10.8 per cent

recorded last quarter. On-net traffic stood at 637.6 million minutes down from last quarter's 874.2 million minutes.

During the period under review, Finserve Africa Limited registered a total of 39.4 million minutes up from 34.4 million minutes registered during the previous quarter. On-net and off-net traffic stood at 4.0 million and 35.3 million minutes respectively.

Sema Mobile Services which launched its services during the quarter recorded a total of 19,597 minutes with 1,629 on-net minutes and 17,968 off-net minutes. The market share in terms of mobile voice traffic remained below 0.0 per cent during the quarter.

The traffic volumes for each of the mobile operators and the respective market shares are shown in Table 5.

Table 5: Local Mobile Voice Traffic by Operator

Period	Name of Operator/Indicator	Safaricom Limited	Airtel Networks Kenya Limited	Telkom Kenya Limited (Orange)	Finserve (Equitel)	Sema Mobile Services
Jan-Mar 16	On-net	7,521,296,800	858,674,000	637,626,512	4,053,907	1,629
	Off-net	338,755,322	625,144,457	213,484,044	35,385,244	17,968
	Total	7,860,052,122	1,483,818,457	851,110,556	39,439,151	19,597
	Market share (%)	76.8	14.5	8.3	0.4	0.0
Oct-Dec 15	On-net	7,072,014,744	1,032,108,000	874,207,880	3,973,393	-
	Off-net	321,673,815	691,188,232	231,221,695	30,508,294	-
	Total	7,393,688,559	1,723,296,232	1,105,429,575	34,481,687	-
	Market share (%)	72.1	16.8	10.8	0.3	-
Jan-Mar 15	On-net	5,955,953,970	1,189,488,420	-	424,242,926	-
	Off-net	327,046,613	647,717,701	-	193,332,257	-
	Total	6,283,000,583	1,837,206,121	-	617,575,183	-
	Market share (%)	71.7	21.0	-	7.1	-

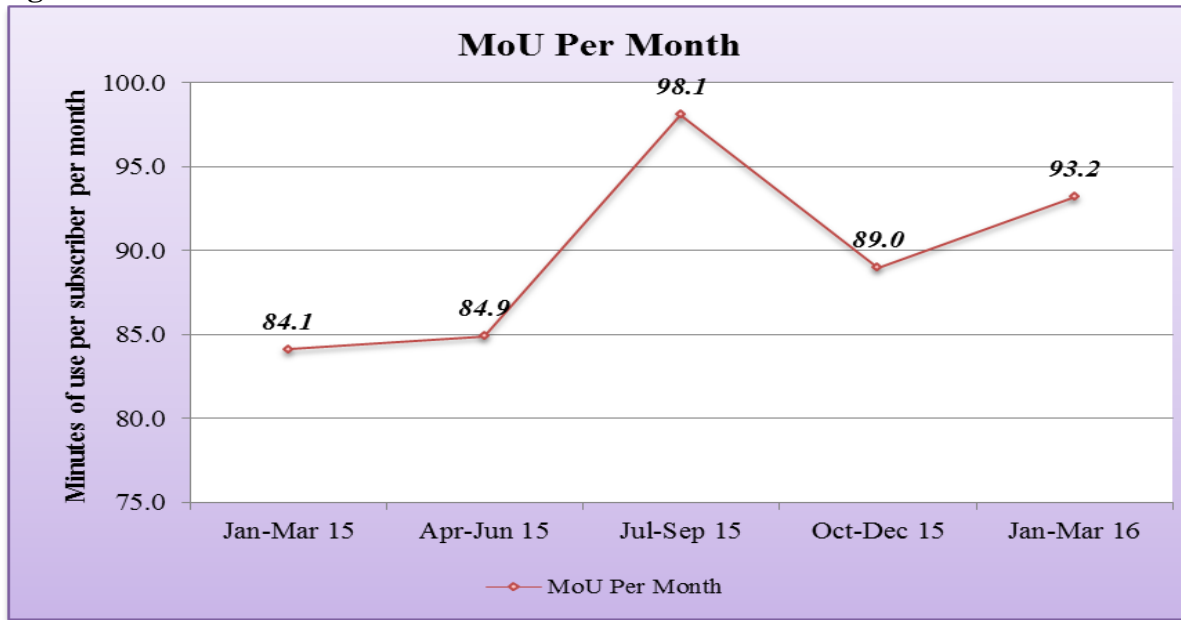
Source: CA, Operators' Returns.

1.4.3 Minutes of Use

The minutes of use per subscriber per month was recorded at 93.2 minutes during the quarter under review up from 89.0 minutes recorded during the previous quarter, marking a growth of 4.7 per centage points.

Figure 5 illustrates the Minutes of Use (MoU) per month per subscriber.

Figure 5: Minutes of Use



Source: CA, Operators' Returns.

1.4.4 Short Messaging Service

The number of Short Messaging Service (SMS) sent during the quarter declined by 19.3 per cent to register 6.5 billion messages down from 8.1 billion messages sent during the last quarter. The number of SMS sent from Safaricom network decreased to 5.8 billion down from 7.3 billion messages sent during the previous quarter. Its SMS market share remained the highest at 89.9 per cent during the quarter compared to last quarter's share of 90.7 per cent, representing a drop of 0.8 percentage points during the quarter.

Airtel's SMS traffic volume declined by a sizeable margin from 669.4 million messages sent during the last quarter to 579.1 million messages during the quarter under review. However, the market share for SMS increased to 8.8 per cent up from 8.2 per cent posted during the last quarter.

Orange Kenya recorded 72.5 million outgoing messages down from 81.6 million messages recorded during the last quarter. However, the market share for SMS gained by 0.1 per cent to stand at 1.1 per cent during the quarter under review.

Finserve Africa also experienced a drop of 9.7 per cent to register 7.2 million messages during the quarter down from 7.9 million messages registered in the previous period. The market share for SMS remained at 0.1 per cent.

Sema Mobile Services which launched its services during the period registered 4,616 messages and the respective market share was recorded below 0.0 per cent.

The overall drop in the number of SMS sent is attributed to reduced activity following the end of the festive season and the subsequent re-opening of schools.

SMS traffic and the corresponding market share per operator is as shown in Table 6.

Table 6: Short Messaging Service per Operator

Period	Name of Operator/ Indicator	Safaricom Limited	Airtel Networks Kenya Limited	Telkom Kenya Limited (Orange)	Finserve Africa Limited (Equitel)	Sema Mobile Services	Total SMS
Jan-Mar 16	On-net	5,688,865,241	311,463,284	26,421,376	566,320	475	6,027,316,696
	Off-net	199,144,166	267,676,699	46,159,906	6,674,006	4,141	519,658,918
	Total	5,888,009,407	579,139,983	72,581,282	7,240,326	4,616	6,546,975,614
	Market Share (%)	89.9	8.8	1.1	0.1	0.0	
Oct-Dec 15	On-net	7,213,664,959	388,183,540	32,496,877	960,153	-	7,635,305,529
	Off-net	146,222,663	281,255,546	49,124,085	6,996,477	-	483,598,771
	Total	7,359,887,622	669,439,086	81,620,962	7,956,630	-	8,118,904,300
	Market Share (%)	90.7	8.2	1.0	0.1	-	
Jan-Mar 15	On-net	5,889,685,119	299,904,080	-	20,374,073	795,265	6,210,758,537
	Off-net	114,373,009	152,546,173	-	65,391,322	8,946,540	341,257,044
	Total	6,004,058,128	452,450,253	-	85,765,395	9,741,805	6,552,015,581
	Market Share (%)	91.6	6.9	-	1.3	0.1	

Source: CA, Operators' Returns.

1.4.5 Roaming Traffic

Roaming-out (Own Subscribers) voice traffic posted 35.8 million minutes with EAC countries posting 30.0 million minutes while other countries posted 5.8 million minutes. The total number of roaming out messages stood at 8.6 million with the EAC countries registering 5.8 million messages. Total roaming out data stood at 2.3 million MB during the quarter under review with EAC countries contributing the greatest volume of 1.2 million MB.

Roaming-in (Foreign Subscribers) voice traffic registered a total of 27.3 million minutes during the period under review with EAC countries posting 23.3 million minutes and other countries recording 4.0 million minutes. Similarly, the total number of roaming out messages was registered at 4.3 million with the EAC countries contributing 1.4 million messages. Roaming in data traffic stood at 8.7 million MB. The growth in mobile voice and SMS traffic within the EAC region is mainly attributed to the One Network Area (ONA) which resulted into the capping of

the regional retail voice tariff to USD 0.10 per minute. Moreover, both out-roamers and in-roamers are not charged for receiving calls while roaming across the four member countries.

Roaming out and Roaming in traffic for the quarter is as indicated in Table 7.

Table 7: Roaming Traffic

Name of Country	Jan-Mar 16					
	Roaming Out (Own Subscribers)			Roaming In (Foreign Subscribers)		
	Voice	SMS	Data (MB)	Voice	SMS	Data (MB)
Uganda	21,201,701.7	3,677,923.0	728,543.9	11,762,359.9	426,429.0	486,773.3
Tanzania	3,333,951.0	1,069,486.0	356,176.0	2,206,308.6	831,723.0	270,160.9
Rwanda	2,209,905.9	374,989.0	109,960.0	5,275,923.3	110,147.0	96,800.1
Burundi	19,779.0	64,190.0	1,809.0	13,225.5	4,186.0	1,481.8
S.Sudan	3,249,760.6	641,669.0	92,577.0	4,068,398.4	97,973.0	66.0
Sub-Total	30,015,098.2	5,828,257.0	1,289,065.9	23,326,215.7	1,470,458.0	855,282.1
Others	5,834,167.1	2,844,382.0	1,035,308.3	4,036,129.2	2,851,974.0	7,853,312.9
Total	35,849,265.4	8,672,639.0	2,324,374.2	27,362,344.9	4,322,432.0	8,708,595.0

Source: CA, Operators' Returns.

1.4.6 International Mobile Traffic

The total international mobile voice traffic received in the country during the period under review declined by 5.6 per cent to stand at 148.7 million minutes down from 157.5 million minutes reported in the previous quarter. Incoming traffic from East African countries dropped by 17.3 per cent to stand at 46.4 million minutes while traffic from other countries grew by 0.8 per cent to stand at 102.2 million minutes during the period under review.

The total international outgoing traffic declined by 0.1 per cent during the quarter to register 119.8 million minutes down from 120 million minutes posted during the previous quarter. However, traffic leaving the country to East African countries grew by 3.5 per cent to stand at 38.2 million minutes whereas traffic to other countries declined by 1.7 per cent to register 81.6 million minutes during the quarter under review.

During the period under review, the volume of SMS received from other countries dropped by 11.1 per cent to stand at 9.7 million messages up from 10.9 million messages reported in the previous quarter. International outgoing SMS on the other hand grew by 13.5 per cent from 9.1 million messages sent during the last quarter to 10.3 million messages during the quarter under review.

International Voice and SMS traffic is as indicated in Table 8.

Table 8: International mobile traffic

Traffic	Region	Jan-Mar 16	Oct-Dec 15	Quarterly Variation (%)
International Incoming Mobile Voice Minutes	EAC	46,446,883	56,157,419	-17.3
	Others	102,278,066	101,419,942	0.8
	Total	148,724,949	157,577,361	-5.6
International Outgoing Mobile Minutes	EAC	38,233,826	36,957,264	3.5
	Others	81,636,164	83,046,354	-1.7
	Total	119,869,990	120,003,618	-0.1
International Incoming Mobile SMS		9,780,677	10,997,314	-11.1
International Outgoing Mobile SMS		10,353,784	9,120,631	13.5

Source: CA, Operators' Returns.* Revised data from Orange Kenya

1.5 Mobile Revenue and Investments

Data on mobile revenue and investments will be updated at the end of the 2015/16 financial year.

Table 9: Mobile Revenue and Investment

Mobile Revenues and Investments*	2014**	2013**	2012**	2011	2010	Variation (%) Over 2013	Variation (%) Over 2012	Variation (%) Over 2011	Variation (%) Over 2010
Mobile Revenue (KES Millions)	172,501	140,233	133,508	116,640	104,552	23.0	5.0	14.5	11.6
Mobile Investments (KES Millions)	32,133	30,387	33,827	34,590	27,126	5.7	-10.2	-2.2	27.5

Source: CA, Operators Returns, (*) includes Telkom Fixed Network Revenue and Investment.

1.6 Employment in the Mobile Service Industry

Data on the number of staff will be updated at the end of the 2015/16 Financial Year.

Table 10: Staff in Mobile Sector

Staff	Jun - 15	Jun- 14	Jun- 13	Jun- 12	Jun- 11	Jun- 10	Variation (%) Over 2014	Variation (%) Over 2013	Variation (%) Over 2012	Variation (%) Over 2011	Variation (%) Over 2010
Male Staff	3,549	3,795	3,535	3,489	3,769	3,817	-6.5	7.4	1.3	-7.4	-8.6
Female Staff	2,598	2,644	2,082	2,053	2,058	2,052	-1.7	27.0	1.4	-0.2	-0.05
Total Staff	6,147	6,439	5,617	5,542	5,827	5,869	-4.5	14.6	1.4	-4.9	-5.6

Source: CA, Operators Returns, (*) includes Telkom Fixed Network.



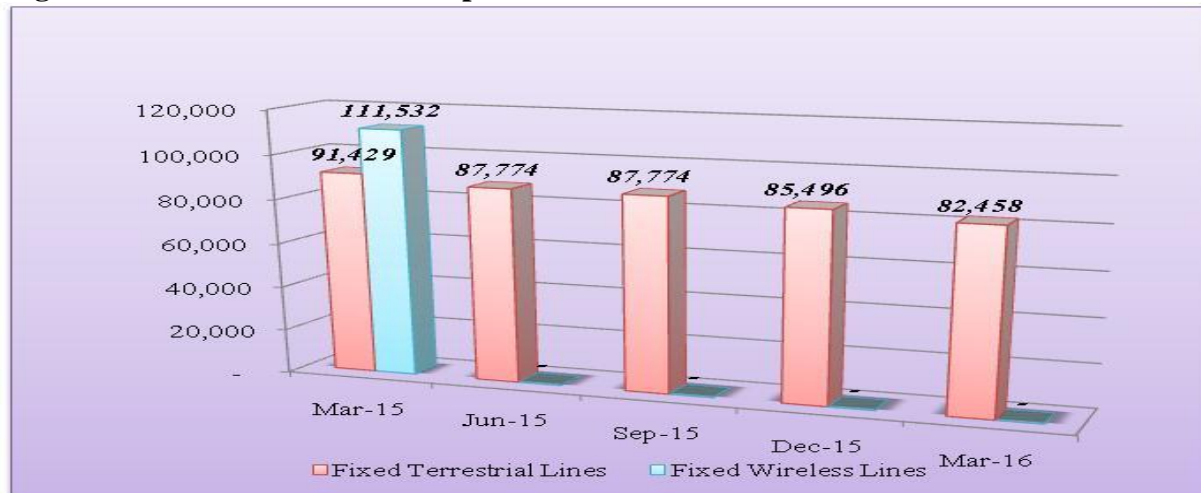
2 FIXED TELEPHONE SERVICE

2.1 Fixed Network Subscriptions

During the period under review, the number of fixed telephone subscriptions declined by 3.5 per cent to stand at 82,458 down from 85,496 subscriptions recorded during the last quarter.

The trend in fixed network subscriptions is as illustrated in Figure 6.

Figure 6 : Fixed Network Subscriptions



Source: CA, Operators Returns.

2.2 Fixed Network Traffic

The volume of fixed network traffic grew by 3.9 per cent to register 562,486 minutes during the period under review up from 541,262 minutes registered in the previous period.

Table 11 illustrates the trend in fixed network traffic.

Table 11: Trends in Local Fixed Network Traffic in Minutes

Local Fixed Network traffic	Jan-Mar 16	Oct-Dec 15	Quarterly Variation (%)	Jan-Mar 15	Oct-Dec 14	Quarterly Variation (%)
<i>Intra-network traffic</i>						
Fixed-fixed	562,486	541,262	3.9	507,002	351,838	44.1
Fixed Wireless-fixed wireless	0	0	0	2,748,007	4,460,479	38.4
<i>Inter-network traffic</i>						
Inter-Fixed Networks	0	0	0	19,555,349	20,299,589	
Total Local Fixed network traffic	562,486	541,262	3.9	22,303,356	25,111,906	-11.2

Source: CA, Operators' Returns.

Fixed network voice traffic incoming from other countries declined significantly by 50.9 per cent to post 1.1 million minutes during the quarter under review up from 2.3 million minutes posted during the previous quarter.

Fixed traffic terminated to international networks increased from 2.2 million minutes recorded last quarter to 2.3 million minutes during the quarter under review. International outgoing fixed VoIP on the other hand declined considerably by 43.8 per cent to stand at 539,689.

The trend in international fixed network traffic is illustrated in Table 12.

Table 12: International Fixed Voice Traffic

International Fixed Network traffic	Jan-Mar 16	Oct-Dec 15	Quarterly Variation (%)	Jan-Mar 15	Oct-Dec 14	Quarterly Variation (%)
International Incoming Fixed Network Voice traffic	1,176,034	2,395,499	-50.9	2,641,973	2,516,815	4.9
International Outgoing Fixed Network Voice traffic	2,360,259	2,251,603	4.8	3,303,747	3,653,701	-9.6
International Outgoing Fixed Network VoIP traffic	539,689	961,039	-43.8	1,586,490	1,787,010	-11.2

Source: CA, Operators Returns.

3 DATA/INTERNET SERVICES

3.1 Data/Internet Service

The quarter under review witnessed positive growth in data/Internet subscriptions by 3.8 per cent to reach 24.8 million subscriptions from 23.9 million subscriptions reported during the previous quarter. The continued growth in data/Internet market is largely driven by growth in mobile based Internet penetration as a result of increased expansion of 3G network coverage by the various mobile operators as well as increased popularity of social networking sites. As has been the trend, mobile data/Internet contributed the largest share of 99.4 per cent of the total data/Internet subscriptions.

During the quarter under review, the number of mobile data/Internet subscriptions rose to 24.7 million up from 23.7 million posted during the previous quarter representing growth of 3.8 per cent.

Terrestrial wireless data subscriptions declined by 29.3 per cent during the quarter to stand at 13,792 down from 19,507 subscriptions reported during the previous quarter. This was as a result of discontinued use of the service by users who had subscribed during the special offer period last quarter.

Satellite subscriptions also declined by 38.9 per cent to record 299 subscriptions down from 489 subscriptions recorded during the previous period. The growth in fibre optic subscriptions has remained steady over time with the quarter under review registering 122,437 subscriptions up from 111,354 subscriptions recorded in the last quarter marking an increase of 9.9 per cent during the period under review.

Fixed DSL subscriptions maintained a downward trend during the period under review to post 2,961 down from 3,732 subscriptions posted during the previous period.

The number of data/Internet subscriptions and users is as shown in Table 13.

Table 13: Internet Subscriptions and Internet Users

Internet/Data Subscriptions	<i>Mar-16</i>	<i>Dec-15</i>	<i>Quarterly Variation (%)</i>	<i>Jan-15</i>	<i>Dec-14</i>	<i>Quarterly Variation (%)</i>
Total Internet Subscriptions	24,848,065	23,929,657	3.8	18,802,428	16,453,019	14.3
Mobile Data Subscriptions	24,708,551	23,794,550	3.8	18,682,921	16,338,990	14.3
Fixed Wireless Data Subscriptions	13,792	19,507	-29.3	16,148	17,537	-7.9
Satellite Data Subscriptions	299	489	-38.9	836	712	17.4
Fixed DSL Data Subscriptions	2,961	3,732	-20.7	14,685	14,512	1.2
Fixed Fibre Optic Data Subscriptions	122,437	111,354	9.9	87,838	81,243	8.1
Fixed Cable Modem Subscriptions	25	25	0.0	25	25	0.0
Estimated Internet Users¹	37,418,671	35,549,620	5.3	29,158,301	26,163,560	11.4

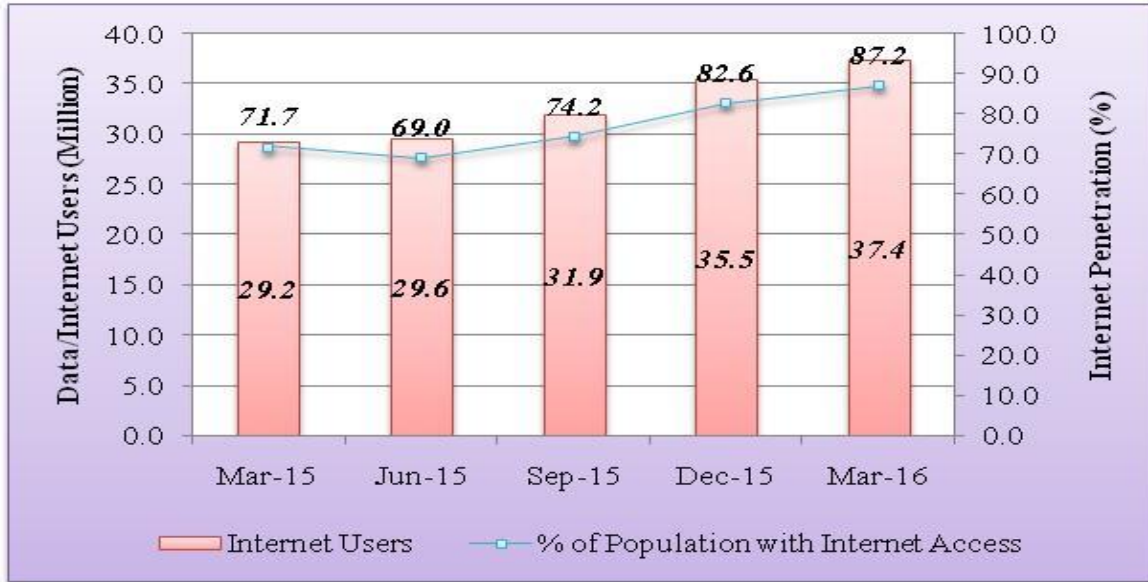
Source: CA, Operators' Returns.

Figure 7 shows that the number of data/Internet users grew from 35.5 million users reported last quarter to reach 37.4 million users during the quarter under review. This translated to Internet penetration levels of 87.2 per cent during the period under review.

The trends on Internet/data usage and penetration are as illustrated in Figure 7.

¹Total no. of Internet users = (1MD+10TW+100FFOS) where MD is the number of mobile data/internet subscriptions; TW is the terrestrial wireless subscriptions; and FFOS by 100 is fixed DSL, Fibre optic and satellite subscriptions. There is no scientific method of estimating internet users; for the purpose of this report the methodology is adopted from the recommendation from ITU

Figure 7: The trend in estimated Number of Internet Users and Internet Penetration

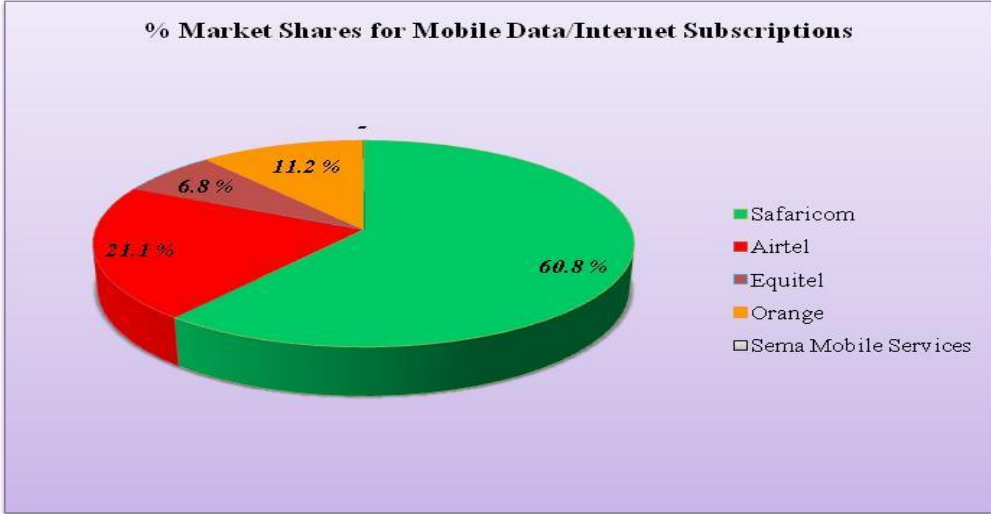


Source: CA, Operators' Returns.

As shown in Figure 8, Safaricom Kenya Limited retained the highest market share for mobile data/Internet subscriptions at 60.8 per cent marking a decline of 2.2 per centage points when compared to the previous quarter. Airtel Networks Limited gained 3.1 per centage points in market shares to record 21.1 per cent market share whereas Orange Kenya Limited lost 2.8 per centage points to record 11.2 per cent market shares. Finserve Africa Limited recorded a market share of 6.8 per cent up from 5.0 per cent recorded during the previous quarter. Sema Africa Limited, an MVNO that launched its services during the period under review, recorded a market share below zero per cent.

The market shares for mobile data/Internet market by operator are as shown in Figure 8.

Figure 8: Mobile data/Internet Subscriptions



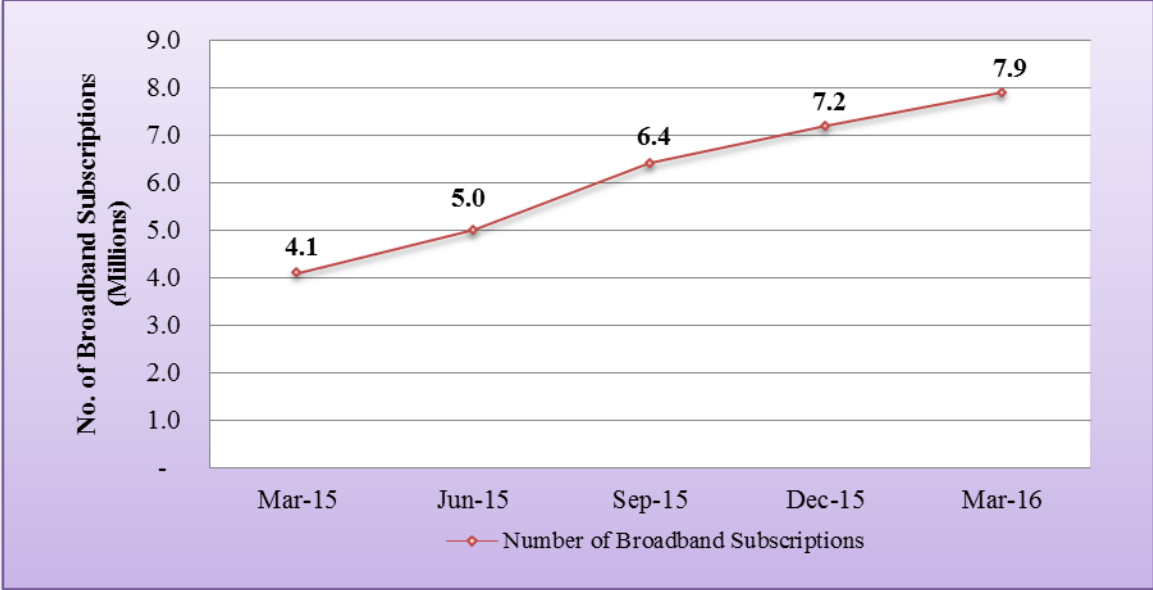
Source: CA, Operators' Returns.

3.2 Broadband Services

3.2.1 Data / Internet broadband subscriptions

During the period under review, the number of broadband subscriptions grew by 26.3 per cent to reach 7.9 million up from 7.2 million subscriptions recorded during the previous quarter. This translated into broadband penetration levels of 18.6 per cent during the period under review up from 16.8 per cent posted in the previous quarter.

Figure 9: Broadband Subscriptions

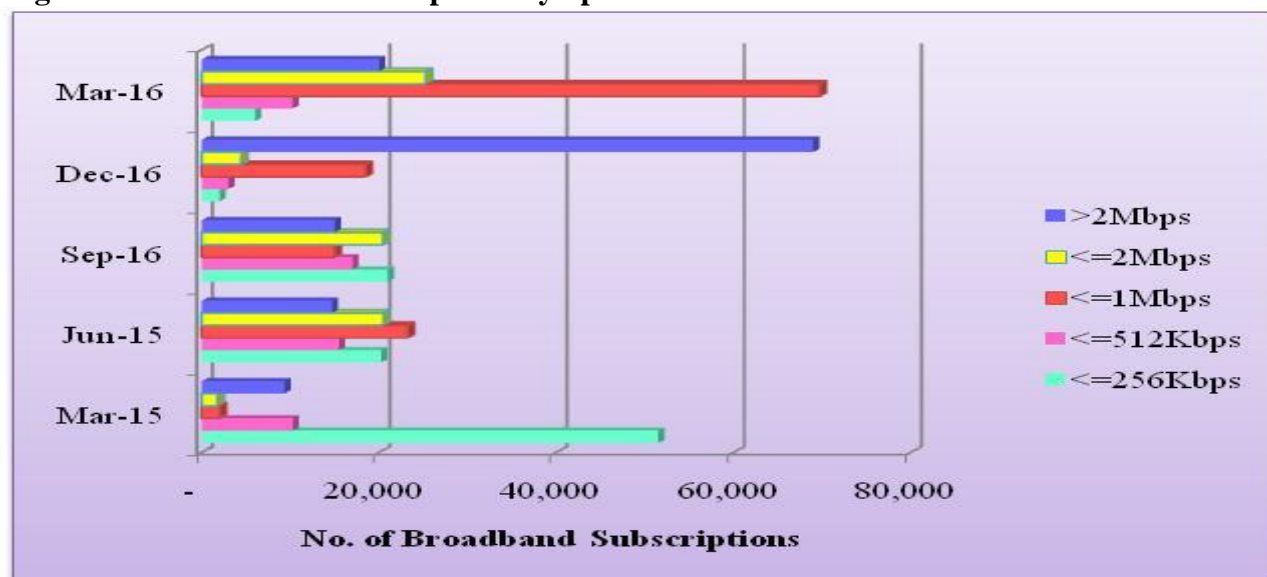


Source: CA, Operators' Returns.

3.2.2 Broadband subscriptions by Speed

Broadband speeds less than or equal to 1Mbps recorded the highest numbers of subscriptions while those less than or equal to 256Kbps recorded the least number of subscriptions during the period under review.

Figure 10 : Broadband Subscriptions by Speed



Source: CA, Operators' Returns.

3.3 International Bandwidth

During the period under review, the amount of international Internet bandwidth available in the country (Lit/equipped capacity) grew by 6.4 per cent to reach 1.65 Million Mbps up from 1.55 Million Mbps recorded during the previous quarter.

Satellite capacity also increased by 5.2 per cent to reach 524.0Mbps up from 498.2Mbps recorded during the previous quarter.

The trend on international available bandwidth is as shown in Table 14.

Table 14 : International Internet Available Bandwidth (Mbps)

International Connectivity Bandwidth	Mar-16	Dec-15	Quarterly Variation (%)	Mar-15
SEACOM	870,000	770,000	13.0	770,000
TEAMS	702,000	702,000	0.0	820,000
Telkom Kenya Limited (EASSY)	39,060	39,060	0.0	39,060
Lion 2	39,210	39,210	0.0	39,220
Satellite Internet Bandwidth	524.0	498.20	5.2	265.6
Total International Internet Bandwidth (Mbps)	1,650,439	1,550,771	6.4	1,668,546

Source: CA, Operators' Returns.

The total used (connectivity) bandwidth grew by 0.8 per cent to reach 861,446 Mbps during the quarter up from 854,550.9 Mbps recorded in the preceding quarter. Thus, the total used bandwidth represented 52.2 per cent of the total available bandwidth. The used undersea bandwidth increased by 0.8 per cent to stand at 861,300 Mbps whereas the satellite bandwidth increased considerably by 67.4 per cent to reach 419.9 Mbps up from 250.9 Mbps recorded during the last quarter. This growth is attributed to increasing demand for bandwidth following the increased use of the Internet for e-services and social networking like OTT services.

The trend in international used bandwidth is illustrated in Table 15.

Table 15: International Internet Used Bandwidth (Mbps)

International Leased (Used) Bandwidth (Mbps)	Mar-16	Dec-15	Quarterly Variation (%)	Mar-15
International Undersea Internet Connectivity Bandwidth (Mbps)	861,300	854,300	0.8	783,490.00
International Satellite Internet Connectivity Bandwidth (Mbps)	419.9	250.90	67.4	71.60
Total International Internet Connectivity Bandwidth (Mbps)	861,446	854,550.90	0.8	783,561.60

Source: CA, Operators' Returns.

3.4 Registered Domain Names

The number of *dot KE* domain names as at 31st March 2016 was recorded at 58,259 as shown in Table 16. with “.co.ke” (companies) having the highest share of 93.1 per cent.

Table 16: Number of Domain Names

Sub-Domain	Use	Mar-16		Dec-15	
		No. of Domains	Per centage (%)	No. of Domains	Per centage (%)
CO.KE	Companies	54,239	93.10	47,803	92.73
GO.KE	Government Entities	370	0.64	350	0.68
OR.KE	Non Profit Making Organizations	1,579	2.71	1,579	3.06
AC.KE	Institutions of Higher Education	891	1.53	849	1.65
SC.KE	Lower and Middle Level Institutions	476	0.82	334	0.65
NE.KE	Personal Websites and E-mail	154	0.26	138	0.27
ME.KE	Personal Websites and E-mail	371	0.64	327	0.63
MOBLKE	Mobile Content	52	0.09	50	0.09
INFO.KE	Information	127	0.22	118	0.23
Total		58,259		51,548	

Source: Kenya Network Information Centre (KeNIC) - www.kenic.or.ke

3.5 Revenue and Investment in the Data/Internet Market

The revenues and investments for the data/Internet sector will be updated at the end of financial year.

Table 17: Data/Internet Revenue and Investment

Data/Internet Revenue and Investments	2014*	2013	2012	2011	2010	Variation (%) Over 2013	Variation (%) Over 2012	Variation (%) Over 2011	Variation (%) Over 2010
Data/Internet Revenue (KES Millions)	10,158	21,941	25,627	13,710	8,659	-53.7	-14.4	86.9	58.3
Data/Internet Investments (KES Millions)	3,440	3,537	6,115	5,079	3,520	-2.7	-42.2	20.4	44.3

Source: CA, Operators' Returns. * Note that revenue and investments in data market excludes data revenues from the mobile sector

4 BROADCASTING

4.1 Digital Television

The cumulative number of free-to-air TV channels on the digital terrestrial platform stood at 62 while the number of pay TV service providers on the DTT platform remained 2 (GoTV and StarTimes).

4.2 Digital Terrestrial Television sites rollout

As at 31st March 2016, the digital signal was available in Nairobi, Nakuru, Nyeri, Mombasa, Kisumu, Webuye, Eldoret, Malindi, Meru (Nyambene), Kisii, Kericho, Narok, Nyahururu, Embu, Kisii, Machakos, Murang'a, Naivasha, Nyeri, Webuye, Narok, Mbuinzau, Kapenguria, Wajir, Kitui, Lamu and Namanga. This signal covered about 60 per cent of the Kenyan population.

4.3 Set top Boxes

The number of digital Set Top Boxes purchased during the quarter under review stood at 34 Free-to-Air set top boxes, 202, 826 for Pay TV and 12,697 for Cable TV.

4.4 FM Radio Broadcast

The total number of FM stations remained at 139 across the country.

5 POSTAL AND COURIER SERVICES

5.1 Postal and Courier Traffic

The postal and courier sub-sector demonstrated a downward trend during the period under review unlike in the preceding quarter, which recorded significant growth. The number of letters posted locally decreased by 27.0 per cent to stand at 12.8 million down from 17.6 million letters recorded during the last quarter. This decline is attributed to the end of the festive and examination seasons last quarter during which the volume of letters and courier/parcels items increased significantly.

The number of courier/parcel items sent during the quarter stood at 970,020 up from 747,173 items sent in the last quarter representing an increase of 29.8 per cent.

International incoming letters decreased by 8.8 per cent during the quarter under review to post 2.0 million letters down from 2.2 million letters posted last quarter. Similarly, international outgoing letters exhibited the highest decline of 29.2 per cent to post 1.8 million letters during the quarter under review.

Table 18: Postal and Courier Traffic

Post and Courier Traffic	Jan-Mar 16	Oct-Dec 15	Quarterly Variation (%)	Jan-Mar 15
Number of Letters (Up to 350 gms) Posted Locally	12,855,103	17,613,809	-27.0	16,738,268
Total Courier Items Sent Locally	970,020	747,173	29.8	344,222
International Incoming Letters (Up to 350 gms)	2,084,672	2,285,817	-8.8	2,436,307
International Outgoing Letters (Up to 350 gms)	1,885,891	2,665,410	-29.2	2,293,147

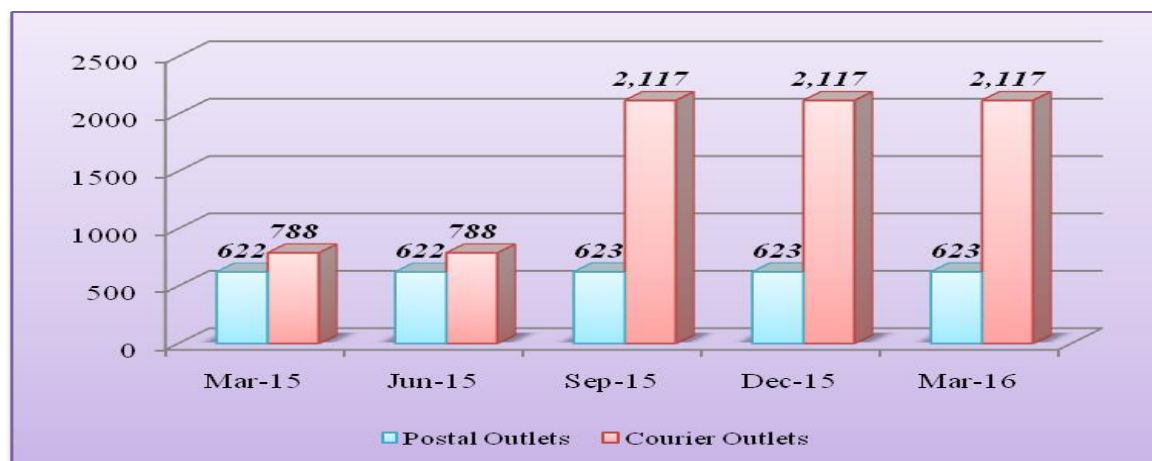
Source: CA, Operators' Returns, *Provisional data for G4S** Reviewed data from Roy Parcels

5.2 Number of Postal and Courier Outlets

During the period under review, the number of postal and private courier outlets remained at 623 and 2,117 outlets respectively.

The number of postal and private courier outlets is as illustrated in figure 11.

Figure 11: Number of Postal Outlets



Source: CA, Operators' Returns,

5.3 Postal and Courier Revenue and Investments

Table 19 shows the revenues and investments in the postal and courier sub-sector. This table will be updated at the end of the financial year 30th June 2016.

Table 19: Postal and Courier Revenue and Investments

Post/Courier Revenue and Investment	2014	2013	2012	2011	2010	Variation (%) Over 2013	Variation (%) Over 2012	Variation (%) Over 2011	Variation (%) Over 2010
Revenue (KES Millions)	8,530	7,086	7,467	11,793	10,694	20.4	-5.1	-36.7	11.0
Investments (KES Millions)	397	519	390	504	672	-23.5	33.1	-22.6	-25.0

Source: CA, Operators' Returns,

6 TARIFFS, PROMOTIONS & SPECIAL OFFERS

During the quarter under review, the Authority received 10 applications for promotions, special offers, and tariffs. All applications were reviewed accordingly and approved. Table 20 shows a breakdown of tariffs per operator in the various service categories.

Table 20: Tariffs filed by the respective service providers

Service Provider	Jan-Mar 16					
	Voice	SMS	Data	Bundles	Other	Total
Safaricom	-	-	3	1	-	4
Airtel	1	-	-	-	-	1
Orange	-	-	1	-	-	1
Total	1	0	4	1	0	6

Source: CA, Operator filings.

As illustrated in Table 20 above, voice and data market segments continue to be the focus areas for operators as they continue to grapple with additional market shares.

Table 21: Promotion filed by the respective service providers

Service Provider	Jan-Mar 16					
	Voice	SMS	Data	Bundles	Other	Total
Safaricom	-	-	-	-	-	0
Airtel	-	-	-	1	2	3
Orange	-	-	1	-	-	1
Total	0	0	1	1	2	4

Source: CA, Operator filings.

As shown in Table 21 above, most promotions and special offers mainly focussed on non-voice, SMS and data services.

7 CONCLUSION

The uptake of the various ICT services remained low during the period under review. The number of voice, SMS and data promotions filed during the quarter was relatively low compared to that filed during the previous period. Notably, the quarter under review also coincided with the back-to-school period during which most parents and guardians directed their financial resources to school expenses hence had to cut down on other costs. Although the number of mobile subscriptions went up during the quarter, voice and SMS volumes went down when compared to that recorded during the previous quarter. However, it is expected that an upward trend will be experienced during the next quarter.

The data/Internet market in the country continued to thrive regardless of the few special offers and promotions on data run during the quarter. Mobile data remained the greatest contributor of data/Internet subscriptions, as was the case in the previous quarters. Based on the Access Gap

Study Report released in April 2016, 94.4 per cent of the Kenyan population has access to 2G network services whereas 78 per cent of the population has access to 3G services. The expansion of 3G services in the country explains the massive use of mobile data/Internet services. The international Internet bandwidth leased and used during the quarter also increased as a result of increased demand for faster and more reliable data/Internet services. This is expected to rise further in the coming quarters as most businesses and institutions strive to offer their goods and services on e-platforms.

The postal and courier market, which had exhibited massive growth during the previous quarter, recorded a downward trend during the quarter under review. Similar reduction of mobile voice and SMS traffic as well as the volume of letters sent and received both locally and internationally during the quarter under review is attributed to the end of the festive season and the examination.

Published: June 2016
Author: Communications Authority of Kenya (CA)