COMMUNICATIONS AUTHORITY OF KENYA

QTR 3 FY 2020/2021

(January 2021-March 2021)

BROADCASTING SERVICES REPORT

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I INTRODUCTION

The ICT sector law mandates the Communications Authority of Kenya (the Authority) with promoting and facilitating the development of a diverse range of broadcasting services in Kenya. This mandate includes issuing licenses for various broadcasting services, facilitating the development of Kenyan programmes, administering the broadcasting content aspects of the ICT Law, developing media standards, and regulating and monitoring compliance with these standards. In addition, the Authority promotes the observance of public interest in broadcasting services and ensures that broadcasters provide internal mechanism for disposing of complaints related to broadcasting services.

This report gives an overview of the performance of the broadcasting services during the third Quarter of FY 2020/21.

II STRATEGIC IMPLICATIONS

In the Corporate Strategic Plan 2018-23, the Authority, under Key Result Area (KRA) I on Access and Market Development committed to achieve efficient ICT markets by fostering competition in the ICT sector through licensing of additional operators and service providers. Further, one of the strategic objectives of the Authority is to ensure compliance to regulatory requirements, and to this effect, Authority monitors broadcasters compliance with license requirements as per the ICT Law.

III OVERVIEW OF THE BROADCASTING MARKET

1. Growth of Licensees during the period under review Q3 -2020-2021

Under the current strategic period, the Authority is expected to increase the number of licensees by 350 new licensees by the end the financial year 2020-2021. Specifically, the targeted new broadcasting service licences is 100 in the FY 2020/21.

Table 1 below gives a breakdown of licences issued by the end of the third quarter of 2020-2021.

Table 1: New Licenses issued period January – March 2021

LICENSE FRAMEWORK	LICENSE TYPE	Q1 NEW	Q2 NEW	Q3 NEW	RENEWALS	TOTAL
Multi Media Services -	Commercial Free to Air Television	8	18	12	-	38

LICENSE FRAMEWORK	LICENSE TYPE	Q1 NEW	Q2 NEW	Q3 NEW	RENEWALS	TOTAL
Broadcasting	Commercial FM Radio	8	5	9	-	22
	Community FM Radio	1	2	4	-	7
	Subscription Broadcasting Service	1	0	0	-	1
Sub-Total		**18**	**25**	**25**	**0**	**68**

During the period under review, the number of licensees increased by 25 new licensees, an achievement of the target for the period.

The Table 2 below provides the details of the total number of licences issued in the broadcasting licence sector.

Table 2: Cummulative Licences Under Broadcast License Framework

No.	Licence Category	Total Licences issued as at the end of Q1	Total Licences issued as at the end of Q2	Total Licences issued as at the end of Q3
1.	Broadcast Signal Distributor	2	2	2
2.	Self-Provisioning Broadcast Signal Distributor	3	3	3
3.	Commercial Free to Air Television	183	200	212
4.	Community Free to Air Television	8	8	8
5.	Commercial FM radio	84	89	98
6.	Community FM Radio	15	16	20
7.	Subscription Broadcasting Service	18	18	18

8.	Subscription Management Service	4	4	4
9.	Landing Rights Authorization	4	3	3
	Total	**320**	**343**	**368**

2. Free-To Air (FTA) Broadcasting Services

By the end of quarter 3, the number of commercial free-to-air (FTA) television stations on air stood at 130, an increase from 122 in quarter 2 of FY2020/21. The number of other television broadcasting categories remained at 3 and 2 for Public FTA TV and Community FTA TV respectively. During this period, the number of FM radio stations also remained at 131 for Commercial FM radio, 13 for Public FM radio and 42 for Community FM radio stations.

Table 3 below detailing the growth of on air TV and FM Radio broadcasting within this fiscal year.

Table 3: Television and Radio stations that were on air by the end of Q1, Q2 and Q3 of the FY 2020/21

Number of stations	**Q1 2019/20**	**Q2 2020/21**	**Q3 2020/21**
FTA TV			
Commercial FTA TV stations	111	122	130
Community FTA TV stations	2	2	2
Public FTA TV stations	3	3	3
FM RADIO			
Commercial FM Radio stations	131	131	131
Community FM Radio stations	42	42	42
Public FM Radio stations	13	13	13

Table 4 presents a comparative trend of the number of broadcasters who were on air for each of the above categories from fiscal year 2017/2018 to Q3 2020/2021.

Table 4: Comparison of on-air FTA broadcasting services from 2017/18 to Q3 2020/21.

Number of stations	2017/18	2018/19	2019/2020	Q1 2020/21	Q2 2020/21	Q3 2020/21
FTA TV						
Commercial FTA TV stations	66	85	95	111	122	130
Community FTA TV stations	1	1	2	2	2	2
Public FTA TV stations	3	3	3	3	3	3
FM RADIO						
Commercial FM Radio stations	131	131	131	131	131	131
Community FM Radio stations	38	42	42	42	42	42
Public FM Radio stations	13	13	13	13	13	13

Figure 1 below presents a comparative trend of the number of broadcasters who were on air for each of the above categories as at the end of 3rd quarter of FY 2020/21.

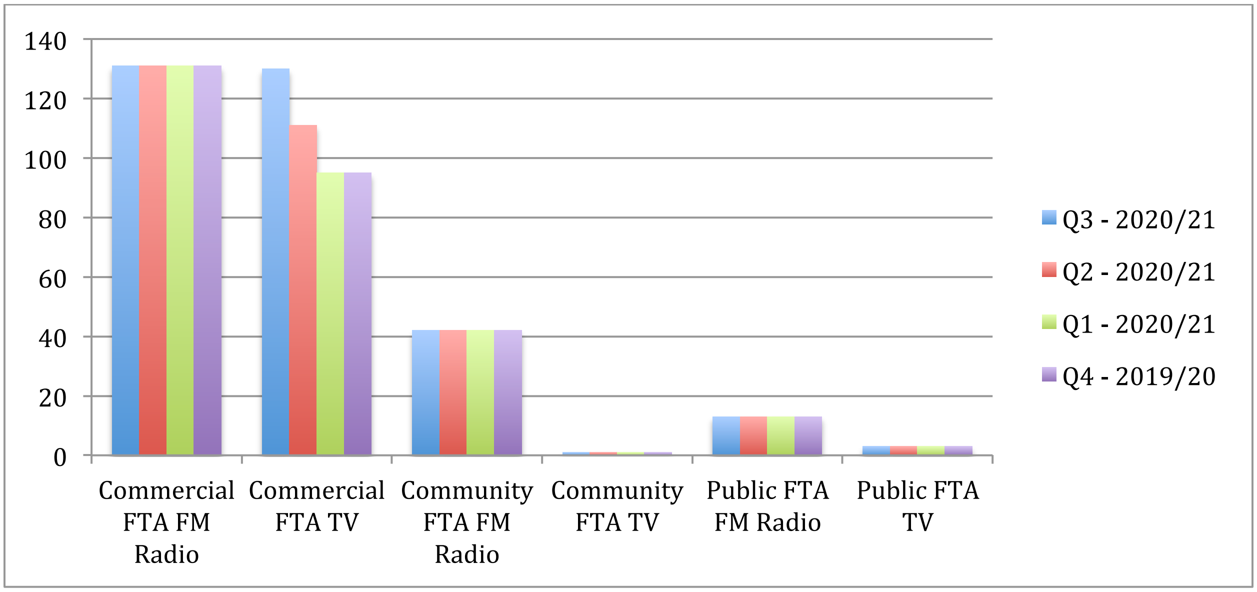


Figure 1: Comparison of on-air FTA broadcasting services as end of 3rd quarter of year 2020/21.

3. Subscription Broadcasting Services

By the end of the third quarter of 2020/21, new subscriptions for broadcasting services had grown by 2.5% from the 2nd quarter with a total of 5,537,355 subscribers at the close of the 3rd quarter. This consists of 4,001,566 subscribers on DTT platform, 1,453,438 subscribers on DTH platform and 82,351 subscribers on the cable TV platform.

Figure 2 below illustrates the growth trend of the number of subscribers for broadcasting services for the four quarters to the end of Q3 of the FY 2020/21.

Communications Authority of Kenya

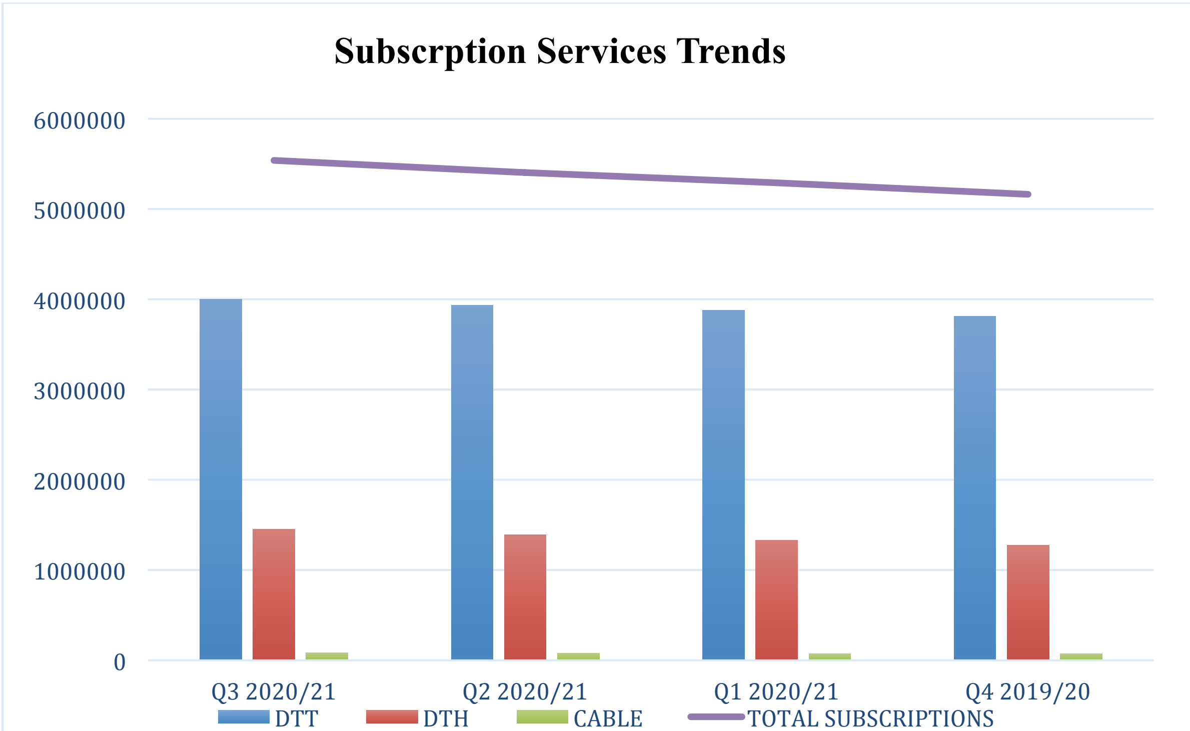
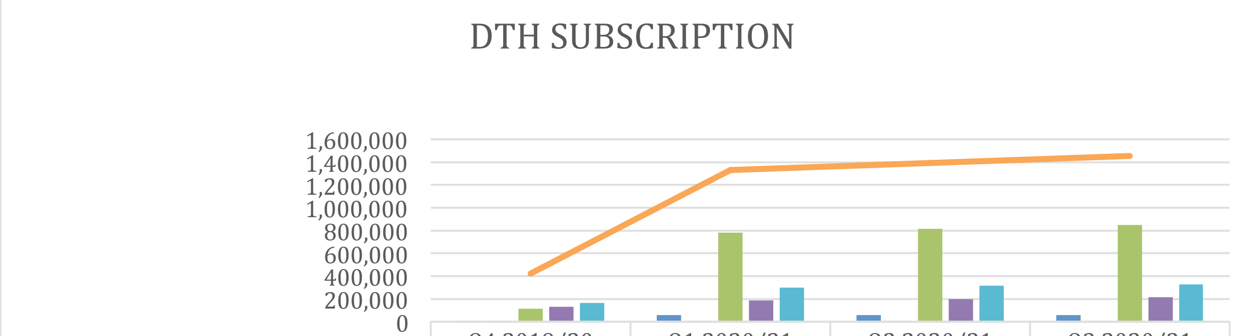


Figure 2: Broadcasting subscription trends over the end of 2019/21 to the end of Q3 2020/21

Digital terrestrial television (DTT) broadcasting service Broadcasting Service remained the most popular way of accessing television services. However, it is worth noting that both DTH subscription services had the highest percentage increase in new subscribers at 4.6% growth from the last quarter. There has also been an increasing interest of local content on the subscription platform, which may also contribute to the growing subscribers on the other platforms.

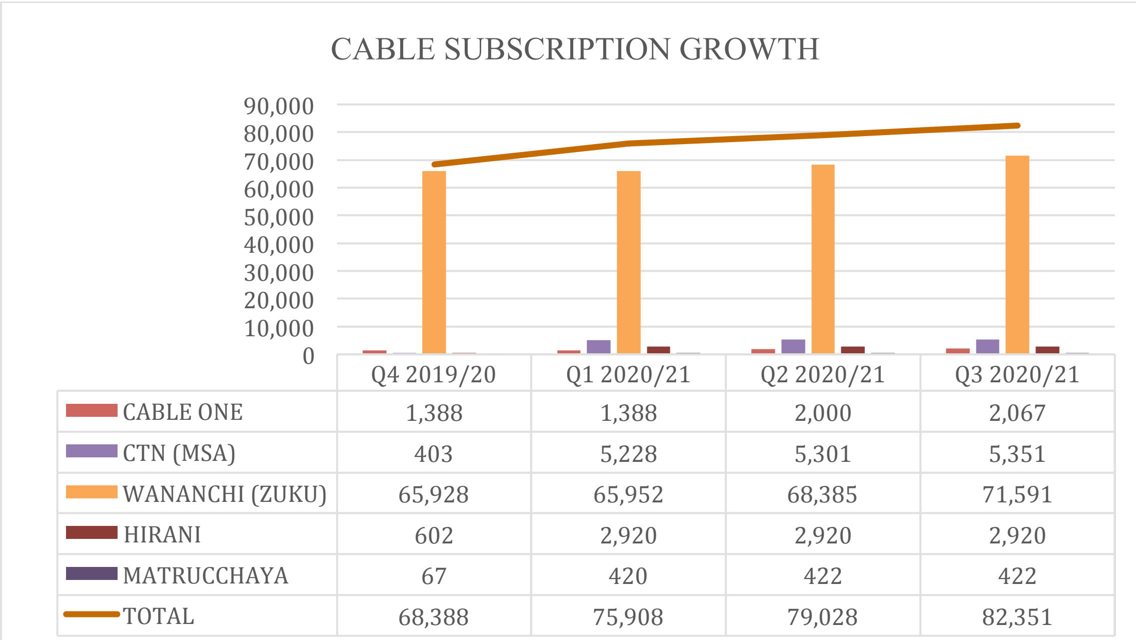
Figure 3 shows the subscriptions to satellite broadcasting services for each of the five service providers.



	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21
AZAM	8,432	57,808	58,447	58,924
ECONET (KWESE)	2,779	4,591	4,591	4,591
MULTICHOICE (DSTV)	114,973	780,729	813,958	846,083
STARTIMES	131,040	188,311	196,732	215,545
WANANCHI (ZUKU)	163,638	301,270	316,111	328,295
TOTAL DTH SUBSCRIPTIONS	420,862	1,332,709	1,389,839	1,453,438

Figure 3: DTH subscription between Q4 2019/20, Q1 2020/21, Q2 2020/21 and Q3 2020/21

Subscriptions to cable broadcasting services per service provider were as shown in Figure 5 below.



	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21
CABLE ONE	1,388	1,388	2,000	2,067
CTN (MSA)	403	5,228	5,301	5,351
WANANCHI (ZUKU)	65,928	65,952	68,385	71,591
HIRANI	602	2,920	2,920	2,920
MATRUCCHAYA	67	420	422	422
TOTAL	68,388	75,908	79,028	82,351

Figure 4: Cable TV subscription between Q4 2019/20, Q1 2020/21, Q2 2020/21 and Q3 2020/21

Besides their relatively higher price compared to other services, the comparatively low uptake of Cable Broadcasting Subscription Services could be attributed to the required high initial set up costs for this services.

Table 5 below illustrates the trend of the number of subscribers for broadcasting services from fiscal year 2017/2018 to Q3 of 2020/21

Table 5: Broadcasting subscription trends from fiscal year 2016/2017 to the end of Q3 of FY 2020/2021

Subscriptions	2017/18	2018/19	2019/2020	Q3 2020/21
DTT	3,469,570	3,620,831	3,813,126	4,001,566
DTH	1,008,316	1,544,248	1,266,989	1,453,438
Cable	153,462	151,955	73,417	82,351

4. Broadcasting Signal Distribution Services –DTT Population coverage

In its 4th Strategic Plan cycle running for the period 2018-2023, under KRA 1 on Access and Market Development, the Authority aims to achieve universal access to ICT services. During this cycle, the Authority committed to implement universal access to ICT services by, among others, increasing access to quality broadcasting services. The Authority committed to increase the percentage of population covered by digital terrestrial broadcasting networks from 85% in 2018 to 90% by 2023.

The Authority aims to achieve this goal by enforcing DTT network rollout obligations on common-carrier broadcasting signal distributors (BSDs) who are licensed to develop DTT infrastructure. Currently, there are five BSDs which comprise of two common-carrier BSDs namely Signet Signal Distributors Ltd (Signet) which is a subsidiary of the Kenya Broadcasting Corporation (KBC) and Pan Africa Networks Group (K) Co. Ltd (PANG). The three other BSDs are self-provisioning BSDs which include Africa Digital Network Ltd (ADNL), GOTV Kenya Ltd (GOTV) and Lancia Digital Broadcast Ltd.

In order to monitor DTT network coverage, the Authority enforces the BSD license condition on network rollout obligations by setting annual rollout targets for all common-carrier BSDs until all broadcast sites in Kenya's GE06 sites are eventually covered. To realize this, the Authority engages common carrier BSDs to set the rollout targets and thereafter to monitor the progress in implementation of the committed network rollout. To bring additional population under DTT coverage, the Authority requires BSDs to roll out DTT networks in areas with no coverage or with poor DTT network coverage.

As at the end of March 2021, the proportion of the population that was under DTT network coverage remained at 90.15% as mapped on the 2019 KNBS Kenya National Housing and Population Census (KHPC) data following DTT mapping in Nyandarua County that did not impact on overall population coverage. This coverage arising from DTT coverage mapping on 2019 KNBS KHPC data as well as the expected increase in population coverage from newly commissioned and upgraded DTT transmitter sites shall be further confirmed through subsequent DTT inspection and coverage measurements scheduled to be carried out during the remaining period of this fiscal year.

Table 6: Comparative of DTT population coverage trends from fiscal year 2016/2017 to the end of Q3 2020/2021

DTT TV Coverage	2016/17	2017/18	2018/19	2019/2020	Q1 2020/21	Q2 2020/21	Q3 2020/21
Population Coverage (%)	78.5	86	86	89.26	89.26	90.15	90.15

The readily available capacity on the DTT platform has resulted in the commercial FTA TV licence category registering the highest growth in the sector. . This can be attributed to various factors such as:

- Reduced regulatory fees which CA reviewed in 2018 in order to reduce entry barriers for investors in the sector
- Availability of TV channel slots on the DTT platforms of two common carrier signal distributors giving broadcasters choice and bringing to reality the expected benefit from digital broadcasting
- There is also an increased knowledge base in the market on TV broadcasting due to an increase of players in the broadcasting value chain. This has boosted the confidence of investors in the sector and created a demand for these licences especially during the Covid-19 pandemic period which has increased airing of educational and religious programmes on TV.
- SIGNET has also in this financial year installed local insert facility at various DTT sites, giving regional broadcasters opportunities to go on air only in areas where they are interested as opposed to national signal streams.

The growth of the FTA industry shows prospects for job creation within the value chain. It also means that there will be increased and diversified content on the free to air platform, increasing consumer choice and improving quality. Further, we may see a growth of local content especially with increasing regional broadcast services.

The subscription television platform has also seen steady growth over the financial year, with highest percentage growth seen in DTH services at 4.6% for DTH from the last quarter. The DTT subscription services however still have the highest number of subscribers, and this may be due to the affordability of services with the minimum bouquet costing just below 500KES per month and the most expensive just below 1500KES. There has also been an increasing interest of local content on the subscription platform, which may also contribute to the growing subscribers on the other platforms.

5. Broadcast Content Monitoring Performance

a. Monitoring of the parameters indicated in the Programming Code

The Authority assessed broadcasters' performance on the standards outlined in the Programing Code. Precedence has been given to five standards namely; local content, children's programming, access to broadcasting content by Persons with disabilities, advertisement and inappropriate content as they are of public interest and therefore have a higher magnitude to the public. Some standards like inappropriate content address the issues of good taste and decency, protection of minors and to some extent religious content.

Other standards like accuracy, impartiality and privacy are subjective in nature and therefore difficult to monitor. Enforcing them is mostly based on the complaints received. Other standards are monitored when they occur or on need basis. They include; elections and electioneering period, crime and crisis situations. Checking for compliance for Copyright and classification of programmes is done when carrying out inspections.

During this quarter, fifty four (54) TV and thirteen (13) FM radio stations were selected for monitoring based on past complaints received regarding their content.

6. Other Activities Undertaken During the Third Quarter

a. Sensitizations on the Programming Code

The Authority continued carrying out sensitizations on the Programming Code and the Complaints Handling Procedure with the aim of enhancing compliance with broadcast content regulatory requirements. IBSE Gummi FM Radio station Isiolo & Ghetto FM Radio stations, were sensitized through virtual meetings due to the Covid 19 pandemic. A number of staff Community FM stations under the Umbrella: Kenya Community Media Network, an Association of 26 Community FM Radio stations, were also sensitized on the Programming Code during the World Radio Day.

7. Findings in QTR 3 FY/2020/21 Broadcast Content Monitoring Exercise

The Authority monitored a total of fifty four (54) TV and thirteen (13) FM radio stations in this quarter, which were selected based on past complaints received. The radio stations monitored are Radio Maisha, Spice FM, Classic 105, Kiss 100. Milele FM, Radio Jambo, Homeboyz, Choice FM, Capital FM, Hot 96, Nation FM and Radio Citizen.

The broadcast monitoring findings for the sampled FTA TV Stations in the third quarter, are summarized below in Table 7:

Table 7: Comparison of quarterly compliance levels with content standards

REQUIREMENT	2020/2021				
	Compliant TV stations	Non-Compliant TV Station	% Compliance Quarter 3	% Compliance Quarter 2	% Compliance Quarter1
Local content quota requirement of 40%	51	3	94%	94	91
PWDs sign language insert requirement	21	0	100	100	100
Advertisement (maximum limit of 10 minutes in every 30 minutes of TV programming)	54	0	100	100	100
Local Children's programming requirement of at least 5hrs per week	8	46	15	13.5	19

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REQUIREMENT	2020/2021				
	Compliant TV stations	**Non-Compliant TV Station**	**% Compliance Quarter 3**	**% Compliance Quarter 2**	**% Compliance Quarter1**
Appropriate content requirement during the watershed period	54	0	100	98	96

8. Analysis of the Findings

a. Local Content compliance

During the monitoring exercise in Quarter 3, we established that fifty-one(51) of the fifty four (54) TV stations monitored met the 40% threshold. This means that, 94% of the stations monitored were compliant with the 40% quota requirement. The stations that did not comply with the 40% local content threshold were three (3) as was the case in the previous quarter. The non-compliant stations are; KTN Home, One Accord, and CTN.

To ensure improvement in compliance with the expectations of the Programming Code standards, the Authority will continue carrying out quarterly sensitization sessions with affected broadcasters on the same.

During the third quarter of the 2020/2021 fiscal year, the TV stations with the highest local content during the watershed period were Faith TV, Kingdom TV and MBCI TV registering 85.7%, 75.49%, and 71.64% respectively. The stations with the lowest local content during the watershed period are: One Accord TV, KTN Home and CTN TV registering 31%, 32% and 37% respectively. While in the second quarter, the TV stations with the highest local content during the watershed period were Faith TV, Kingdom and Ukombozi registering 95%, 77.7%, and 74% respectively. The stations with the lowest local content during the watershed period were: KTN Home, CTN and Star Africa registering 32%, 25%, and 23% respectively. The performance is summarised in Tables 8 and 9 below as well as in Figure 7.

Table 8: The comparison of the Performance in terms of local content for the last four quarters.

Q3 2020/2		Q2 2020/21		Q1 2020/21	
Stations	**Highest to lowest local content %age**	**Stations**	**Highest to lowest local content %age**	**Stations**	**Highest to lowest local content %age**
Faith TV	85.7%	Faith TV	95%,	Faith TV	91.7%
Kingdom TV	75.49%	Kingdom TV	77.7%	Mwangaza TV	76%
MBCI TV	71.64%	Ukombozi TV	74%	Ukombozi TV	74.6%
One Accord	31%	KTN Home	32%	CTN	28.9%
KTN Home	32%	CTN	25%	KTN Home	28.6%
CTN TV	37%	Star Africa	23%	Star Africa	21.2%

Table 9: The comparison of the local content quota performance in terms of percentage over the last four quarters.

Local Content Quota (%)	**Number of broadcasters (4th Quarter 2019/2020)**	**Number of broadcasters (1st quarter 2020/21)**	**Number of broadcasters (2nd quarter 2020/2021)**	**Number of broadcasters (3rd Quarter 2020/2021)**
≥ 40	45	48	49	50
30 to < 40	5	2	1	3
20 to < 30	1	3	2	0
10 to < 20	0	0	0	1
<10	0	0	0	0

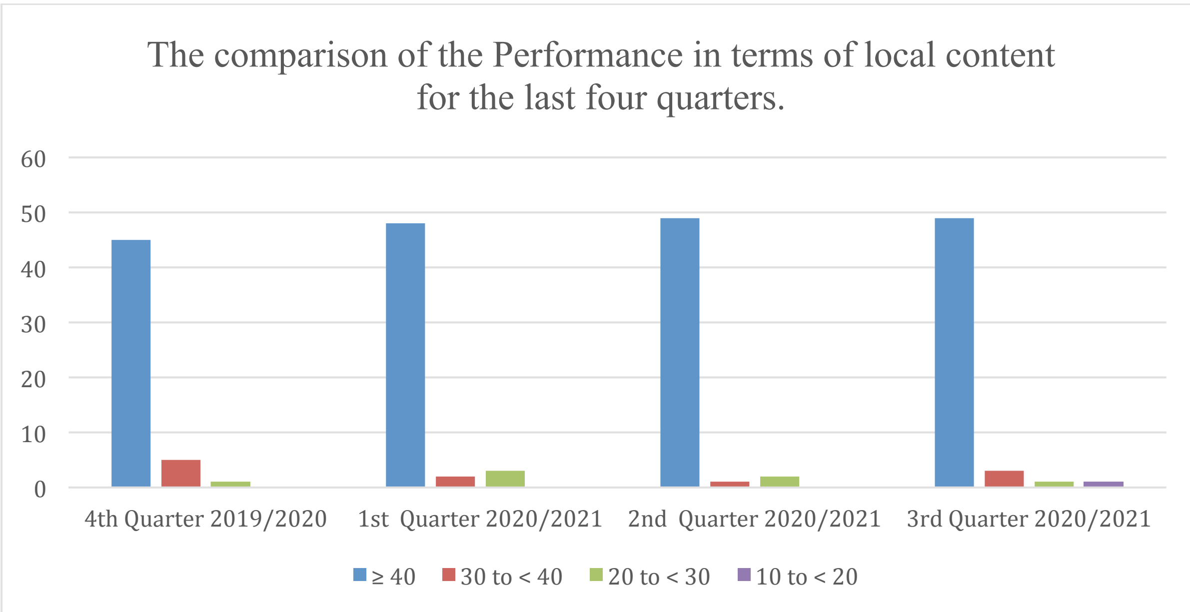


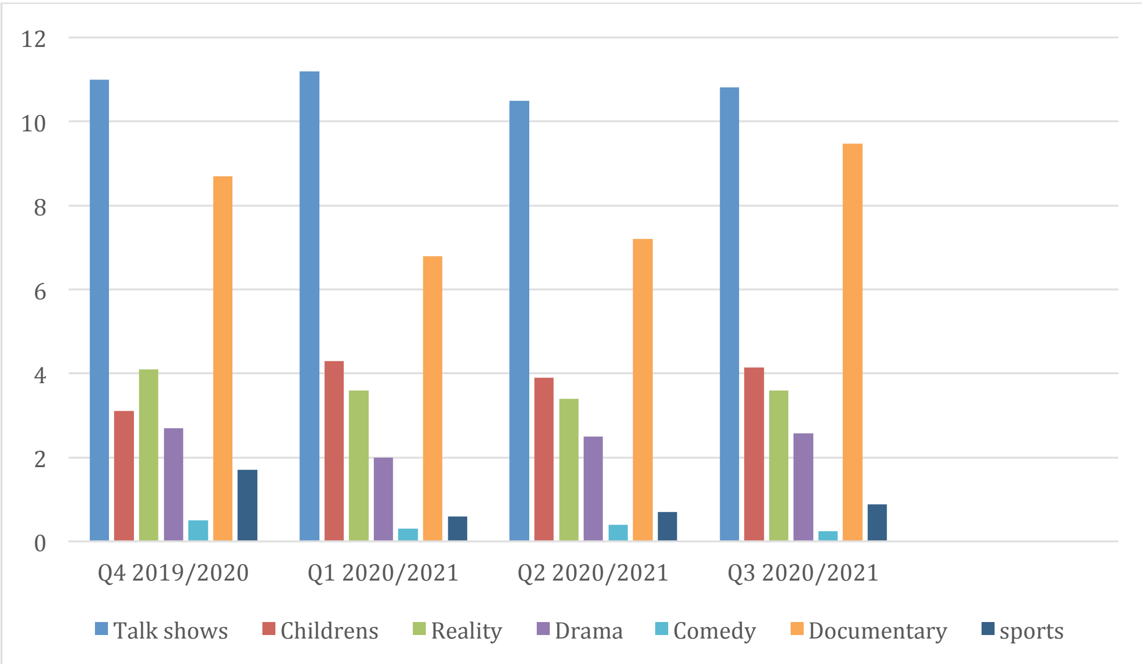
Figure 5: Local Content Quota Performance

b. Performance of the various genres of local content during watershed

Table 10: Performance of the various genres of local content

Genre	4th Quarter 2019/2020	1st Quarter 2020/2021	2nd Quarter 2020/2021	3th Quarter 2020/2021
Music	32	24.9	26	27.01
Religious	21.5	35.4	33.2	32.83
Talk shows	11	11.2	10.5	10.82
Children	3.1	4.3	3.9	4.14
Reality	4.1	3.6	3.4	3.59
Drama	2.7	2	2.5	2.57
Comedy	0.5	0.3	0.4	0.25
Docs/Features	8.7	6.8	7.2	9.47
Sports	1.7	0.6	0.7	0.88
Current affairs	7.2	3.8	4.5	2.88
Magazine	7.5	6.5	7.7	5.58

Figure 6: Performance of the various genres of local content



The results in this quarter show that religious content had the highest weekly average of 32.83% while music programming was rated second with a weekly average of 27.01%. Talk shows and came in third at 10.82% and features came at fourth at 9.47%. Comedy, sports and Drama had the lowest local content across most of the stations monitored during the review period registering 0.25%, 0.88% and 2.57% respectively.

c. Performance of the various genres during prime time

Table 11: Performance of the various genres during prime time

Genre	**4th Quarter 2019/2020**	**1st Quarter 2020/2021**	**2nd Quarter 2020/2021**	**3rd Quarter 2020/2021**
Music	24.1	16.5	18	16.78
Religious	33	38.9	37.4	40.11
Talk shows	13.4	15	14.6	11.57
Children	0.9	1.0	1.2	0.75
Reality	5.9	6.5	7.1	7.66
Drama	3.7	5.9	5.8	6.37

Genre	4th Quarter 2019/2020	1st Quarter 2020/2021	2nd Quarter 2020/2021	3rd Quarter 2020/2021
Comedy	0.5	1.1	0.9	1.29
Docs/Features	13.4	11.2	12.1	11.27
Sports	0.4	0.02	0.3	0.51
Current affairs	2.7	0.4	1.5	0.38
Magazine	2	3.1	1.1	3.34

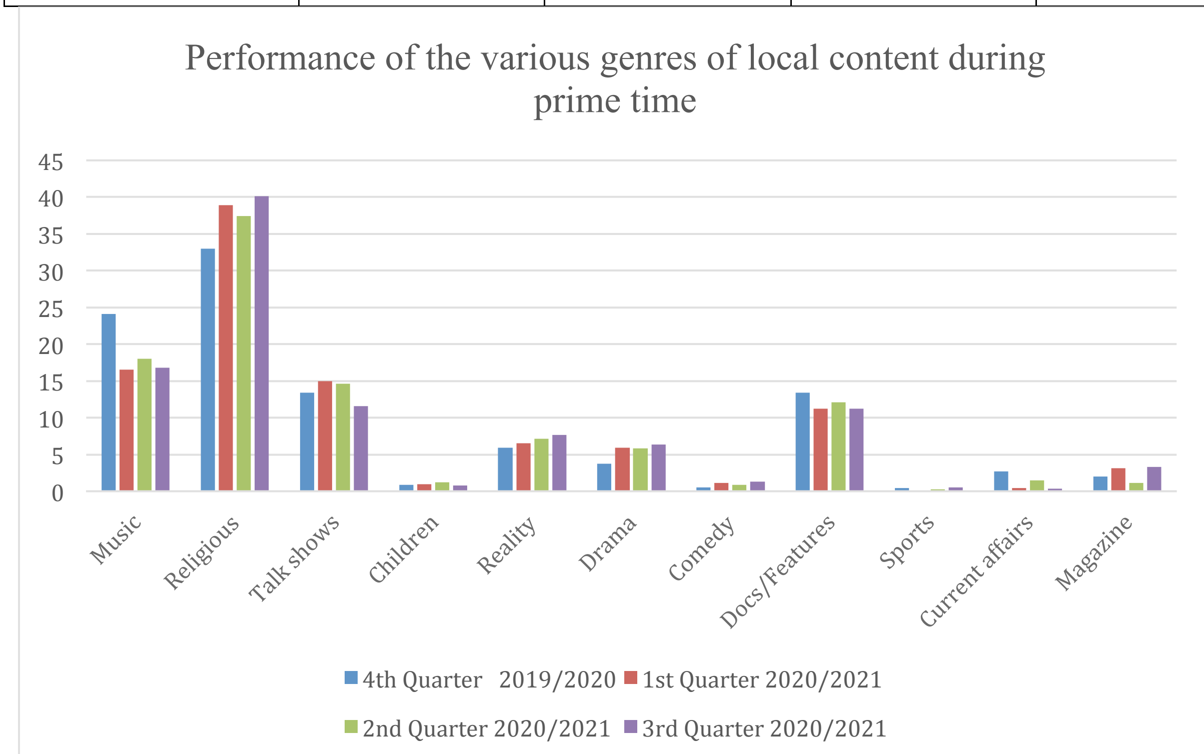


Figure 7: Performance of the various genres of local content during prime time

The results in this quarter show that religious programs had the highest weekly average of 37.4 %, music came in second at 18 % and talk shows came in third at 14.6%. Sports, current affairs and children's programming had the lowest local content across most of the stations monitored during the period under review registering 0.3%, 1.5% and 1.1 % respectively.

d. Advertisements requirements

During the quarter under review, no TV station contravened this requirement.

e. Accessibility to broadcasting services by Persons with Disabilities (PWDs)

On accessibility to broadcasting services by PWDs, twenty- one (21) TV stations that air news and programs of national importance were compliant.

f. Religious programming guidelines

During the period under review, no TV station was found to be in contravention with this requirement.

g. Appropriate content during watershed period requirement

During the the period under review, no TV station was found to be in contravention with this requirement.

h. Children programming performance

The TV stations that were compliant with the 5 hours of children's programming this quarter were seven (7) namely; EDU TV, Citizen TV, Horizon TV, KTN Home, K24, Switch TV, Morning Cloud. The low figures throughout the financial year are attributed to the cost implication associated with complying with this standard, as some of the broadcasters are unable to produce more content due to the impact of Covid- 19 pandemic.

Table 12: Children's Programming Performance

Duration of Children Programming (Minutes)	**Number of broadcasters (4th Quarter 2019/2020)**	**Number of broadcaster (1st Quarter 2020/2021)**	**Number of broadcaster (2nd Quarter 2020/2021)**	**Number of broadcaster (3rd Quarter 2020/2021**
<100	24	26	24	20
≥100 and <300	13	10	21	27
≥300	14	7	7	7

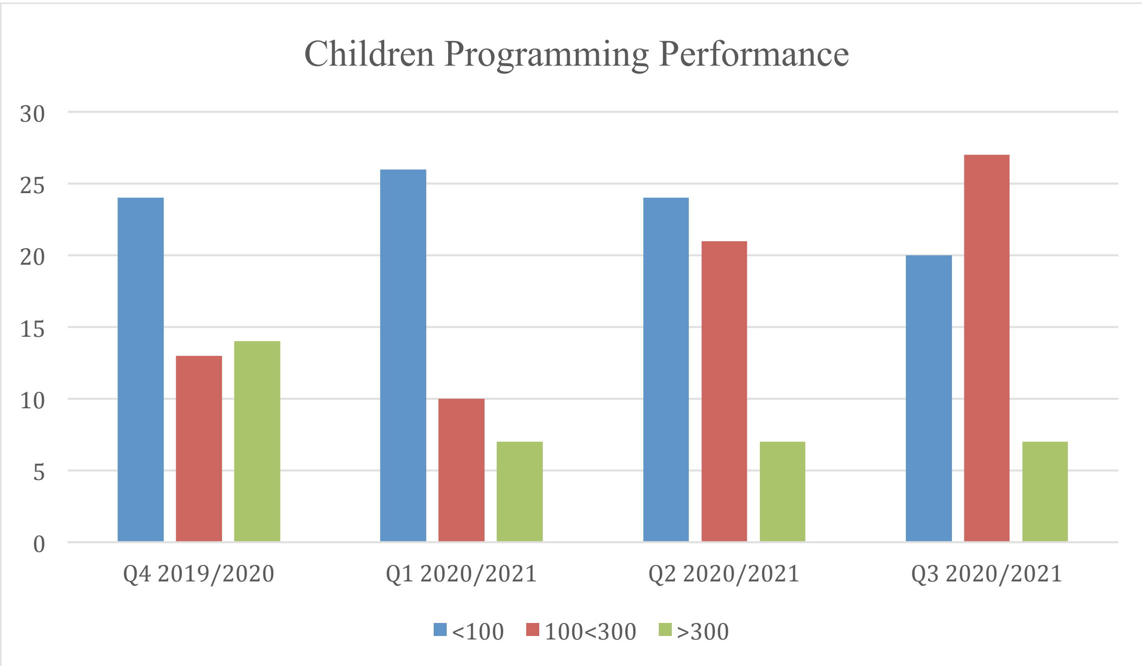


Figure 8: Children programming performance

i. Radio Stations Monitoring

During the period under review, thirteen (13) radio stations were monitored. Of the thirteen stations, two stations namely Homeboyz Radio and Ghetto Radio were found to be in contravention of the Programming Code requirements by airing inappropriate content during the watershed period. Ghetto Radio, being a first time offender of this nature, was issued with a Notice of Violation while Homeboyz Radio, being a repeat violator in inappropriate broadcast content was penalized Kenya Shillings One Million (Kshs. 1,000,000), in addition to being required to comply with a number of other regulatory directives as issued by the Authority.

IV. CONCLUSION OF BROADCASTING SERVICE REPORT

During the period under review, the number of licensees increased by 25 new licensees, an achievement of the target for the period. This comprises of 12 Commercial FTA TV,9 Commercial FM and 4 Community FM.

By the end of the third quarter of 2020/21, new subscriptions for broadcasting services had grown by 2.5% from the 2nd quarter with a total of 5,537,355 subscribers at the close of the 3rd quarter. This consists of 4,001,566 subscribers on DTT platform, 1,453,438 subscribers on DTH platform and 82,351 subscribers on the cable TV platform.

The Authority monitored a total of fifty four (54) TV and thirteen (13) FM radio stations in this quarter, which were selected based on past complaints received. During the monitoring, we established that fifty-one(51) of the fifty four (54) TV stations monitored met the 40% threshold. This means that, 94% of the stations monitored were compliant with the 40% quota requirement.

During the third quarter of the 2020/2021 fiscal year, the TV stations with the highest local content during the watershed period were Faith TV, Kingdom TV and MBCI TV registering 85.7%, 75.49%, and 71.64% respectively. The stations with the lowest local content during the watershed period are: One Accord TV, KTN Home and CTN TV registering 31%, 32% and 37% respectively. While in the second quarter, the TV stations with the highest local content during the watershed period were Faith TV, Kingdom and Ukombozi registering 95%, 77.7%, and 74% respectively. The stations with the lowest local content during the watershed period were: KTN Home, CTN and Star Africa registering 32%, 25%, and 23% respectively.

The results in this quarter show that during watershed period, religious content had the highest weekly average of 32.83% while music programming was rated second with a weekly average of 27.01%. Talk shows and came in third at 10.82% and features came at fourth at 9.47%. Comedy, sports and Drama had the lowest local content across most of the stations monitored during the review period registering 0.25%, 0.88% and 2.57% respectively.

During the quarter under review, no TV station contravened the advertisement and Religious programming guidelines. On accessibility to broadcasting services by PWDs, twenty- one (21) TV stations that air news and programs of national importance were compliant.

During the period under review, no station contravened the Programming Code requirements on appropriate content during the watershed period.

The number of TV stations that were compliant with the 5 hours of children's programming this quarter were seven (7), similar the previous quarter.

During the period under review, thirteen (13) radio stations were monitored. Of the thirteen stations, two stations were found to be in contravention of the Programming Code requirements by airing inappropriate content during the watershed period.