REPUBLIC OF RWANDA

RWANDA UTILITIES REGULATORY AGENCY

STATISTICS AND TARIFF INFORMATION IN TELECOM SECTOR AS OF SEPTEMBER 2011

CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. MOBILE AND FIXED TELEPHONE SERVICE

1.1. SUBSCRIPTIONS, MARKET SHARE EVOLUTION AND COVERAGE

As of September 2011, the major players in mobile telephony included MTN Rwandacell and TIGO Rwanda Ltd and the penetration rate continues to grow at a remarkable rate while the fixed telephone subscriptions growth remains stagnant with a decreasing trend as compared to last quarter status. Below is the status as of September 2011.

Table 1: Number of mobile and fixed telephone service subscribers per operator

Operators	Active subscribers		Fixed Teledensity	Mobile Teledensity	General teledensity
	Mobile Active subscribers	Fixed Telephony	**0.40%**	**40.2%**	**40.60%**
MTN Rwanda	2,865,835	13,015			
TIGO Rwanda	1,438,697				
RWANDATEL	-	29,080			
Total	**4,304,532**	**43,095**			

Table above indicates that mobile penetration rate reached **40.2%** as of September 2011 against 36.5% in June 2011 representing 10% increase as compared to June 2011 and 44% increase as compared to December 2010.

The overall target for mobile telephony by the end of 2011 was 3,730,102. This number was already exceeded by 15% as of September 2011.

The number of subscribers on fixed network on the other hand slightly decreased in September 2011 to 43,095 down from 43,169 in June 2011. This makes a 0.1% decrease compared to the previous quarter. The decrease was due to Rwandatel decreasing number of subscribers. It is also important to notice that until September 2011, TIGO does not have any subscriber on its fixed network. The figures 1,2 and 3 below visualize the trend in subscription for both the fixed and mobile telephone services from 2002 to September 2011, the evolution of prepaid and postpaid subscribers and the market share.

Figure 1: Development of the subscriber base per type of telephone service for the period 2002 to September 2011.

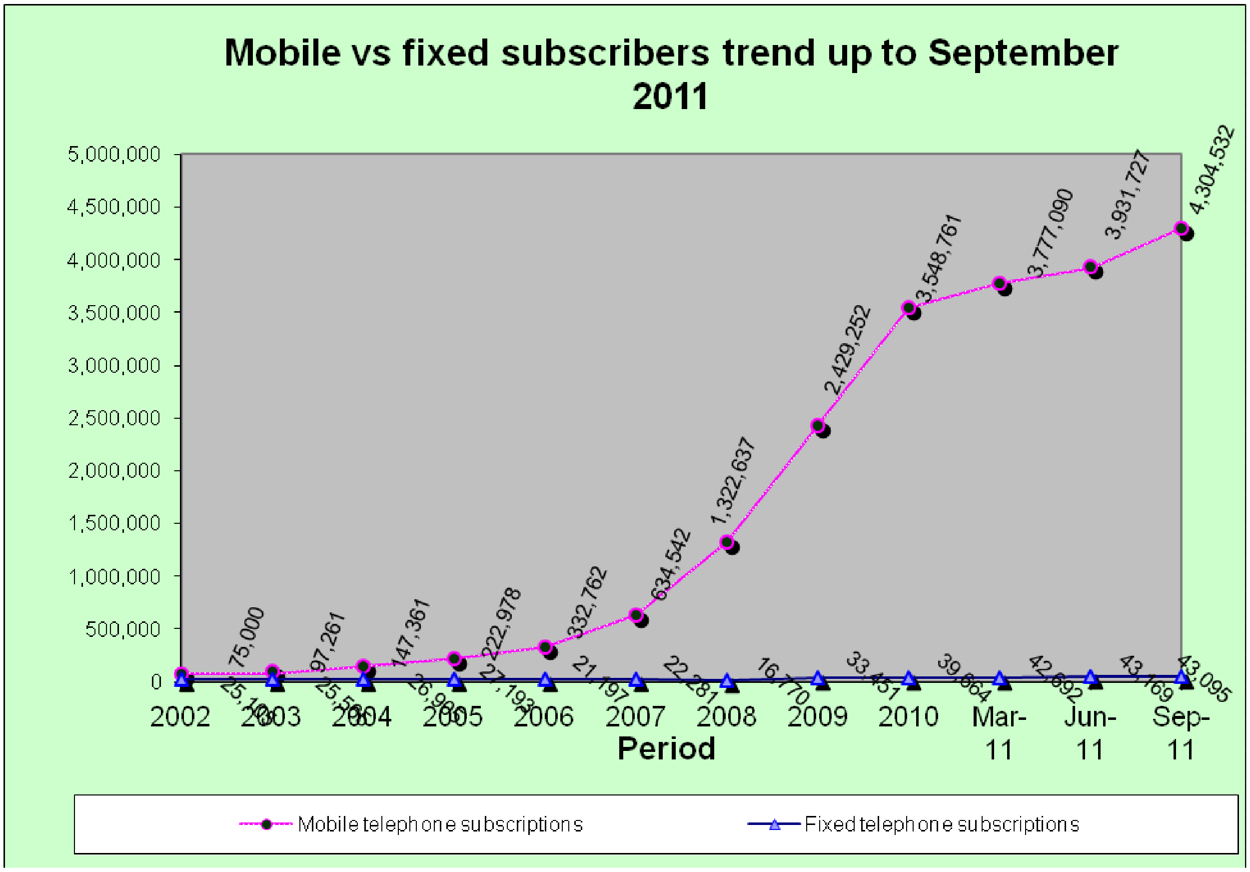
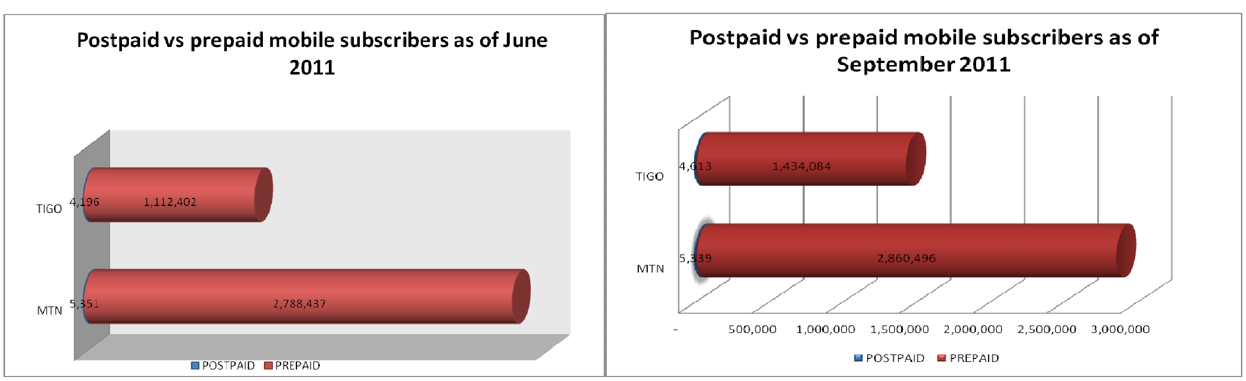
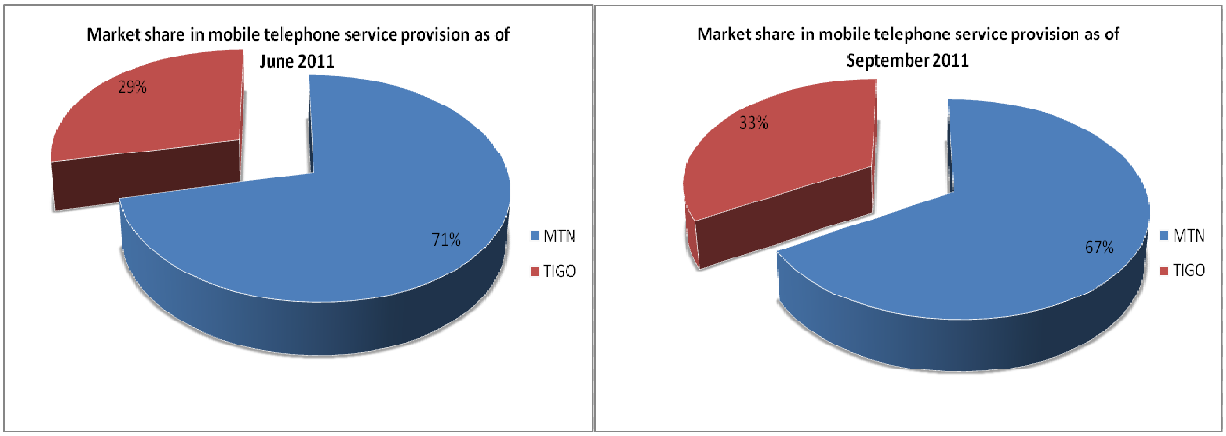


Figure 2: Evolution of the number of postpaid and prepaid mobile subscribers per operator for the last two quarters



In all cases prepaid subscribers represent more than 99.5% of the total subscribers as depicted from the above graphs.

Figure 3: Evolution of mobile telephone service market share per operator for the last two quarters.



MTN Rwanda is still leading in mobile subsribers with 67% of the market share followed by Tigo which has 33%. However , as compared to June 2011, the market share of MTN decreased by 6% in September 2011in favor of TIGO. The coverage for each network is depicted from the table below:

Table 2: Mobile telephone network coverage as of September 2011per type of coverage and per operator

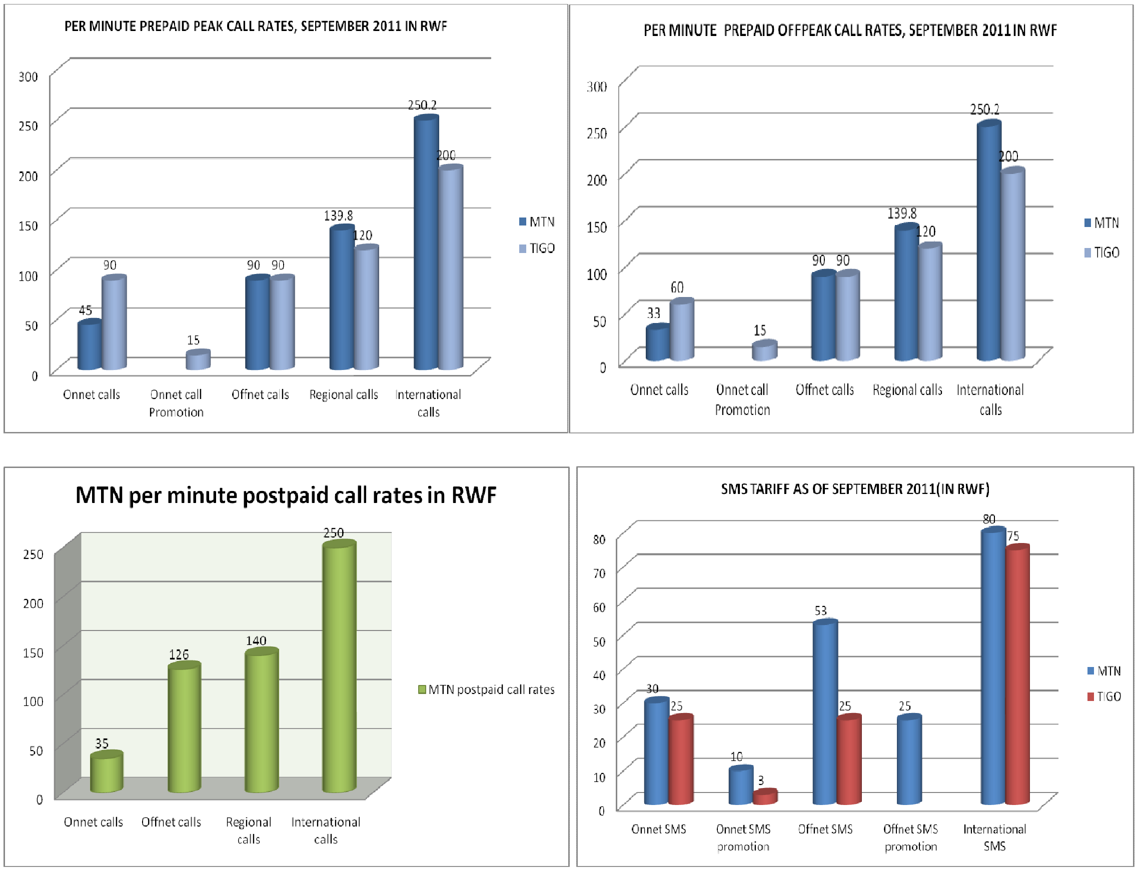
	Geographical coverage	**Population coverage**
MTN Rwanda	97.01%	95.6%
TIGO	71.48%	92.3%

1.2. TARIFF STRUCTURE

a) Mobile telephone Network

In general, the tariffs for mobile telephone calls remained stable from January to September 2011 as described below ;

Figure 4. Evolution of mobile telephone voice and sms tariff structure per operator for the period July to September 2011



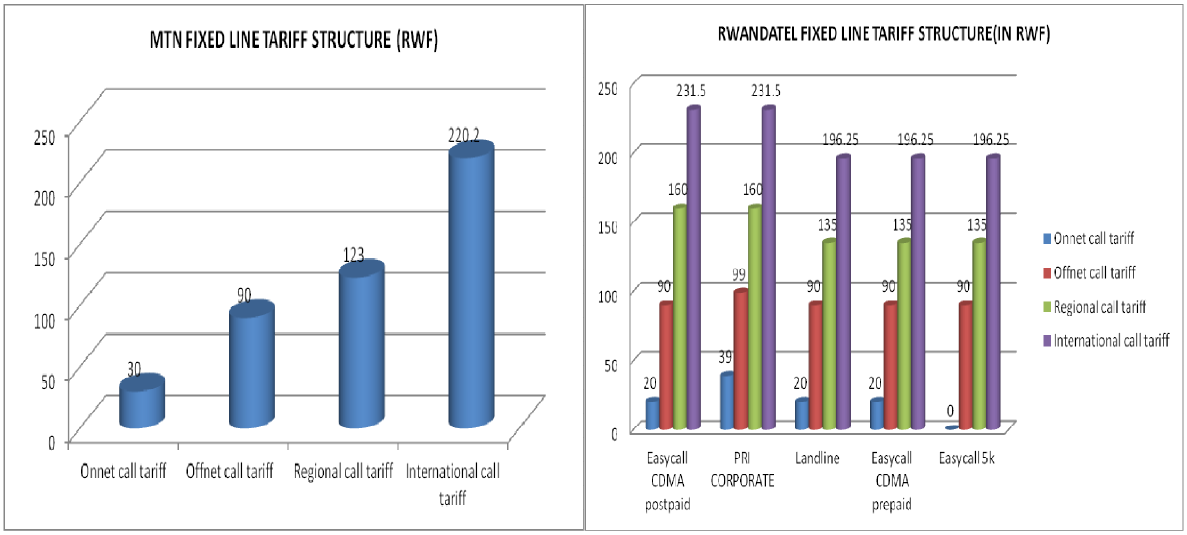
The above figures indicate the following:

- TIGO is the cheapest in terms of both regional and international calls.
- Though TIGO onnet call tariff is twice higher that the one applied by MTN, TIGO continuous promotional tariff for onnet calls makes it appear as the cheapest. If the normal tariff was to be applied by both operators, MTN could be twice cheaper in terms of onnet calls.
- Although TIGO has some postpaid subscribers on its network the tariff remains the same for both options while MTN postpaid customers benefit from a 22% reduction in terms of onnet calls. However, it can also be noted that offnets calls from the postpaid option are more expensive than the prepaid option (126 Rwf for postpaid customers as compared to 90Rwf for prepaid customers).
- TIGO is still the cheapest in terms of both normal tariff and also promotional tariff on onnet sms (10 Rwf for MTN and 3Rwf for TIGO)

b)Fixed telephone network

Rwandatel is the active telecom operator in terms of fixed line voice services. Below is the tariff structure for fixed line telephone as of June 2011.

Figure 5: Per minute fixed line tariff as of September 2011 (in RWF)



Rwandatel is 33% cheaper than MTN in terms of fixed onnet calls.

1.3. TRAFFIC STATISTICS

a) Total outgoing mobile calls(in minutes) and quarterly traffic market share

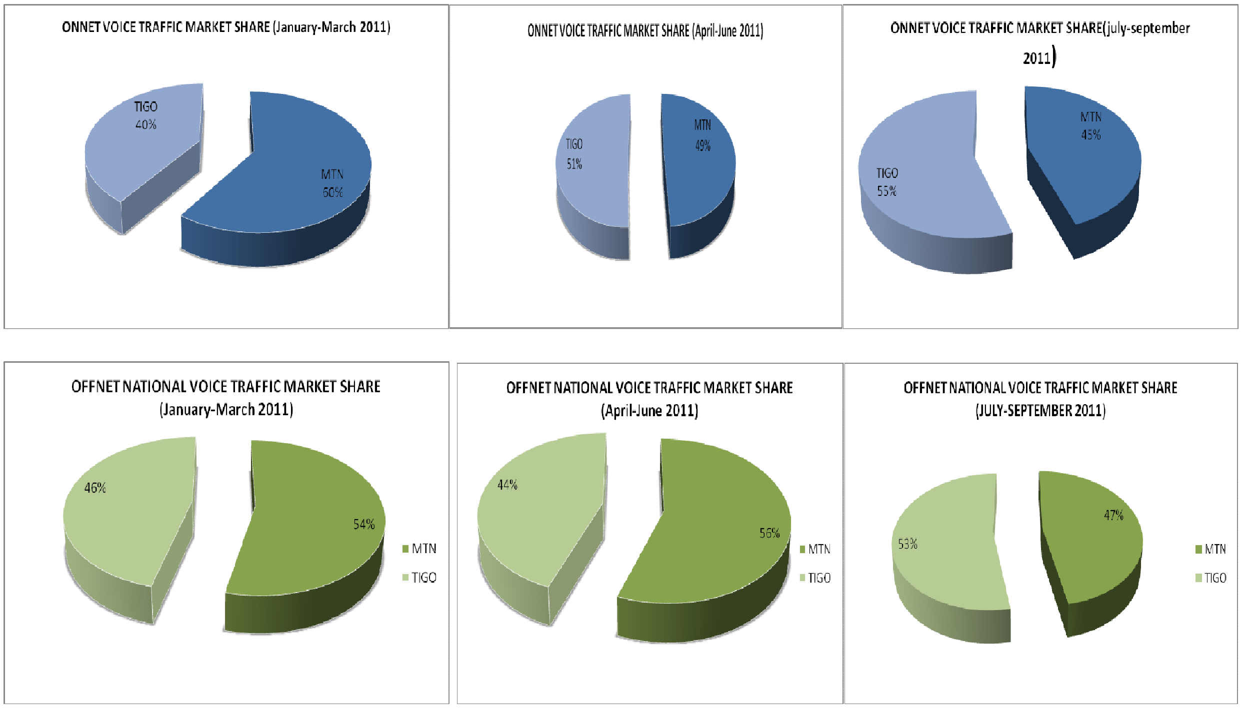
The table below indicates the actual total number of minutes terminated within the last three quarters:

Table 3. Evolution of the volume of terminated telephone calls for the last three quarters of 2011 in minutes per type of call.

	January-March 2011	April-June 2011	July-September 2011
Onnet calls	853,336,641	1,120,575,265	1,079,260,126
Offnet calls	10,335,887	8,589,012	11,185,090
International calls	20,795,085	20,337,417	23,040,564

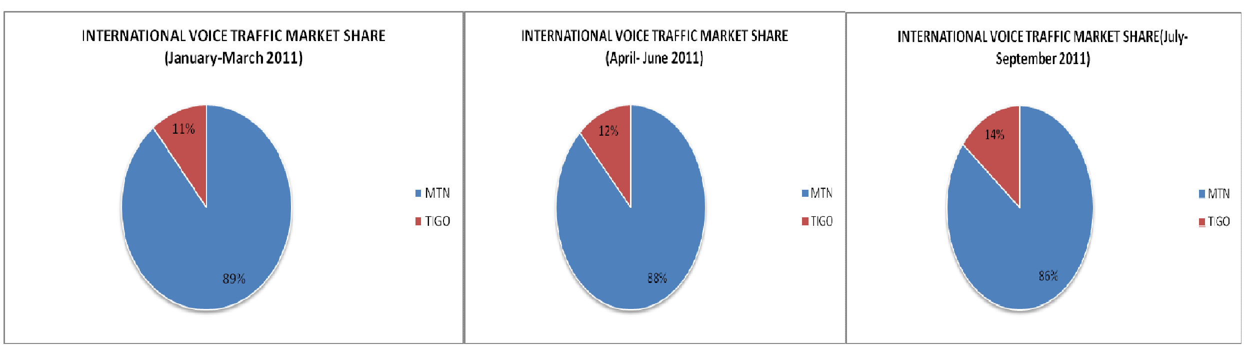
The third quarter of year 2011 experienced an increase of offnet and international calls at a proportion of 30% and 13% respectively while the onnet traffic slightly decreased by 4% . The voice traffic market share for the last two quarters is illustrated hereunder:

Figure 6: Evolution of the voice traffic market structure in percentage of market share per operator and per type of call for the last three quarters of year 2011



TIGO has already acquired 55% market share in terms of onnet calls due to the continuous onnnet promotional tariff and 53% of offnet traffic market by September 2011.

Figure 7: Evolution of the market structure on international voice traffic in percentage of market share for the period January to September 2011 per operator.



Though TIGO is the cheapest in terms of international calls, the above figures indicate that MTN is still dominant in terms of international calls volumes with 86% and traffic market share. This might be due to the bigger number of MTN subscribers.

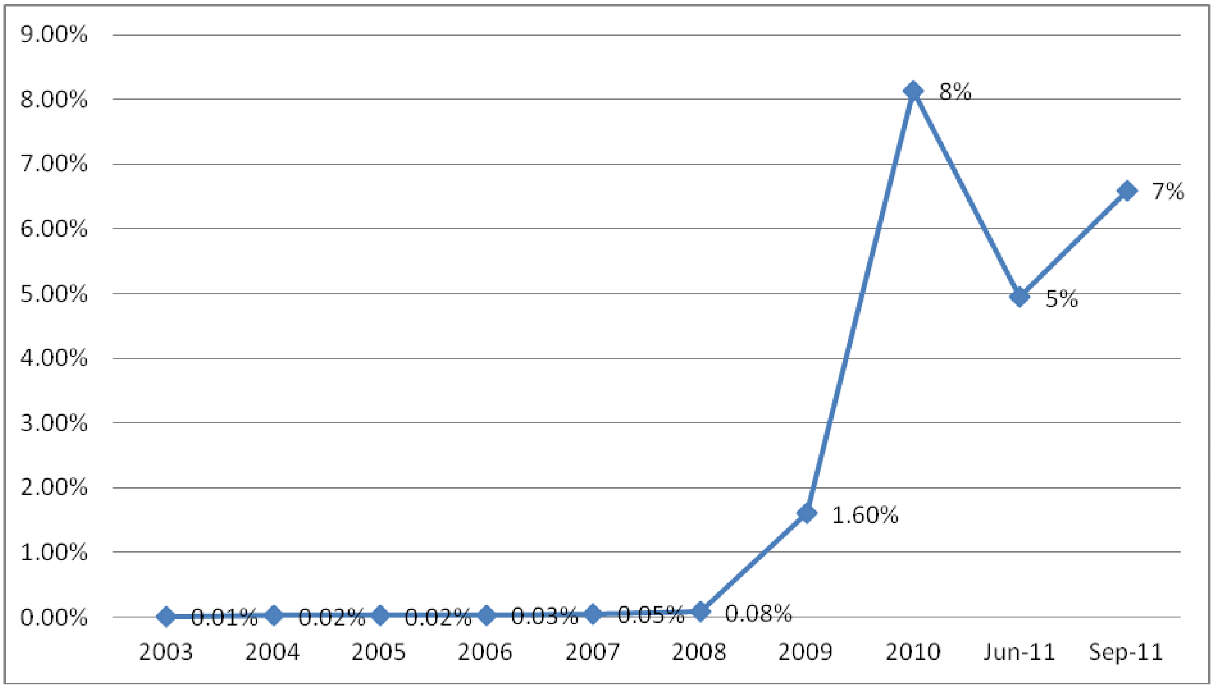
2. INTERNET SERVICE PROVISION

There are nine (10) licensed Internet Service Providers across the country including National telecommunication service operators (fixed and mobile). The table below is a list of all the operators providing Internet Services (ISPs) as well as the internet penetration trend since 2003.

Table 4. Licensed internet service providers as of September 2011

ISPs	LICENSED FROM(Year)	STATUS
MTN Rwandacell S.A.R.L	2006	Operational
RWANDATEL S.A	2008	Operational
TIGO Rwanda S.A	2008	Operational
New Artel	2004	Operational
ISPA	2006	Operational
Altech Stream	2007	Operational
AUGERE	2008	Not yet Operational
4G NETWORKS	2009	Not yet Operational
BSC	2010	Not yet Operational
4G Rwanda	2011	Not yet Operational
AIRTEL	2011	Not yet Operational

Figure 8. Development of the internet penetration rates



The Internet penetration was estimated at 7% by September 2011. From 5% by June 2011 this makes a 40% increase as compared to last quarter.

2.1. BROADBAND INTERNET SUBSCRIBERS

The table below illustrates the breakdown of internet subscribers per category and per operator:

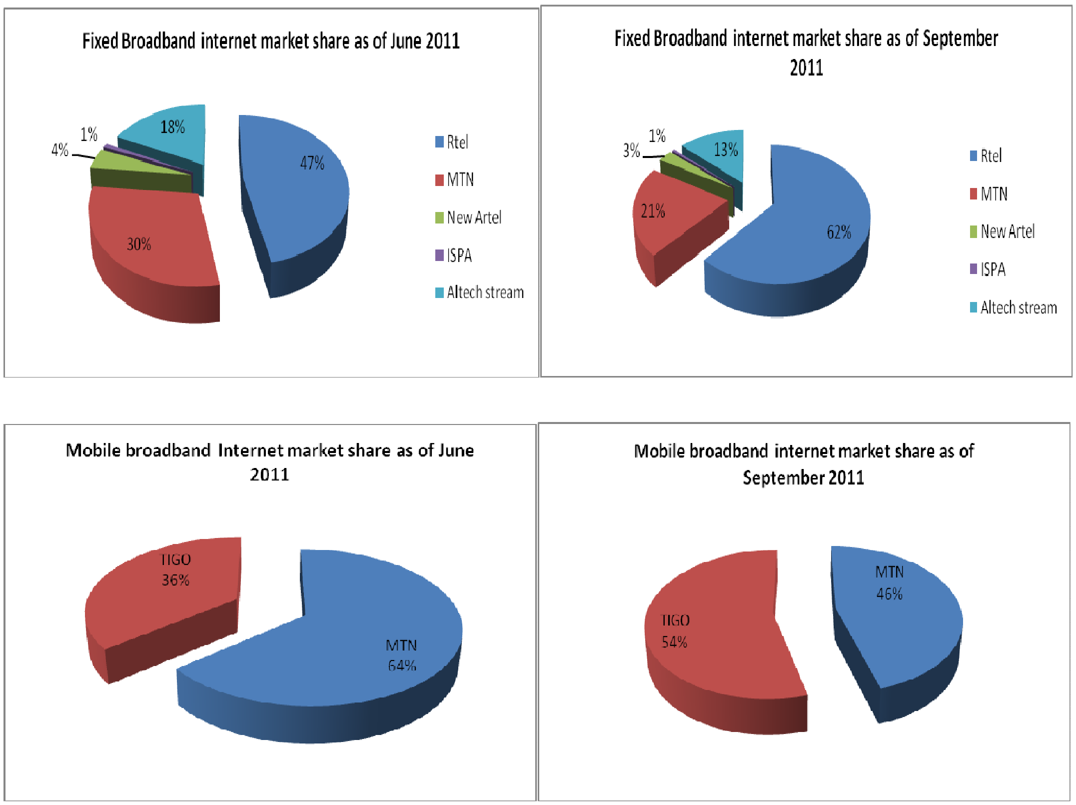
Table 5. Internet subscribers per category per operator

	Fixed internet		**Mobile internet**		**Total**
	Narrowband	Broadband(≥256kbps)	Narrowband	Broadband	
RWANDATEL	496	1,030	0		**1,526**
MTN	460	355	447,694	51,500	**500,009**
TIGO			143,708	61,361	**205,069**
New Artel	311	48			**359**
ISPA	50	10			**60**
Altech stream	220	223			**443**
	1,537	**1,666**	**591,402**	**112,861**	**707,466**

2.2. BROADBAND INTERNET MARKET SHARE

The figures below compare broadband market shares in terms of subscribers for the last two quarters:

Figure 9. Evolution of fixed and mobile broadband market share for the last two quarters



As far as fixed broadband internet is concerned, as of September 2011, among the six operating ISPs, Rwandatel is the main player with a 62% market share followed by MTN with 21% market share and Altech Stream with a 13% market share while the other six ISPs share the 4% remaining.

Though MTN used to have a biggest mobile broadband market share, the information from the operators (as per table 5 and figure 9 above) shows that TIGO already grabbed 54% of the total mobile broadband market as of September 2011.

2.3. INTERNATIONAL INTERNET BANDWIDTH

Below is the international bandwidth per operator as of September 2011

Table 6. International internet bandwidth per operator as of September 2011

Type	MTN Rwanda	Rwandatel	NEW ARTEL	ALTECH STREAM	TIGO RWANDA	ISPA
Uplink	620 Mbps	44 Mbps	160Mbps	322 Mbps	35 Mbps	3 Mbps
Downlink	620 Mbps	115 Mbps	175 Mbps	313Mbps	35Mbps	4 Mbps

3. EMPLOYMENT IN TELECOM SECTOR

Below is the employment status per operator in telecommunication sector as of September 2011:

Table 7. Employment status in telecom sector as of September 2011

Total staff	**779**
Of which Female	**148**
Foreign staff	**22**

From the above table, the following are the observations:

- The total staff employed in telecom sector (6 operating ISPs)as of September 2011 amounts to **779** of which 41%, 31%, 19%, 2%, 6% and 1% are employed in MTN, Rwandatel, TIGO, Altech Stream, New Artel, and ISPA respectively.
- **148** representing **19%** of the overall total staff are female whereas 24%, 16%, 15%, 23%, 14% and 18% are percentages of female staff out of the total employees in MTN, Rwandatel, TIGO, Altech Stream, New Artel, and ISPA respectively.
- **22** staff representing **3%** of the total staff are foreign.

4. TELECOM REVENUES AND INVESTMENTS FOR THE THIRD QUARTER 2011

Below are the non audited figures for revenues and investment for the last three quarters of the year 2011 for the three national telecom operators:

Table 8:Total revenues and investments from telecom sector as of September 2011

	Quarterly revenue in Rwf			Cumulative revenues and Investments in Rwf
	March 2011	June 2011	September 2011	
Quarterly revenue in Rwf	21,783,030,208	23,529,232,253	27,351,717,632	72,663,980,093
Quarterly investments in Rwf	4,531,296,934	5,027,915,091	7,371,202,358	16,930,414,383