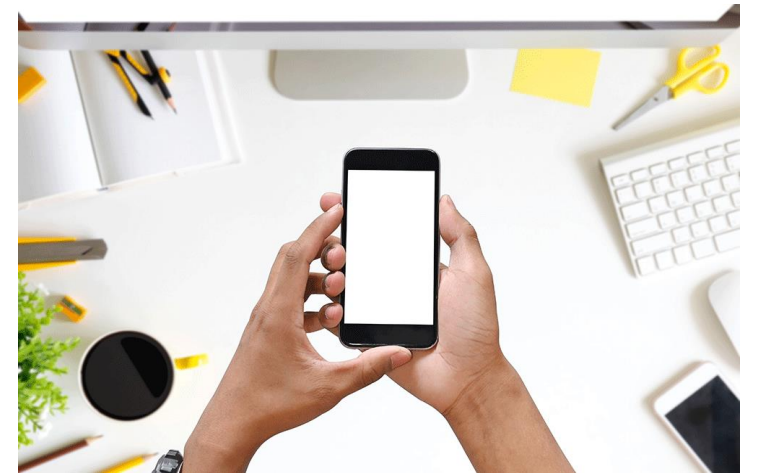


Introduction

The Quarter 4 sector performance report focuses on the following:

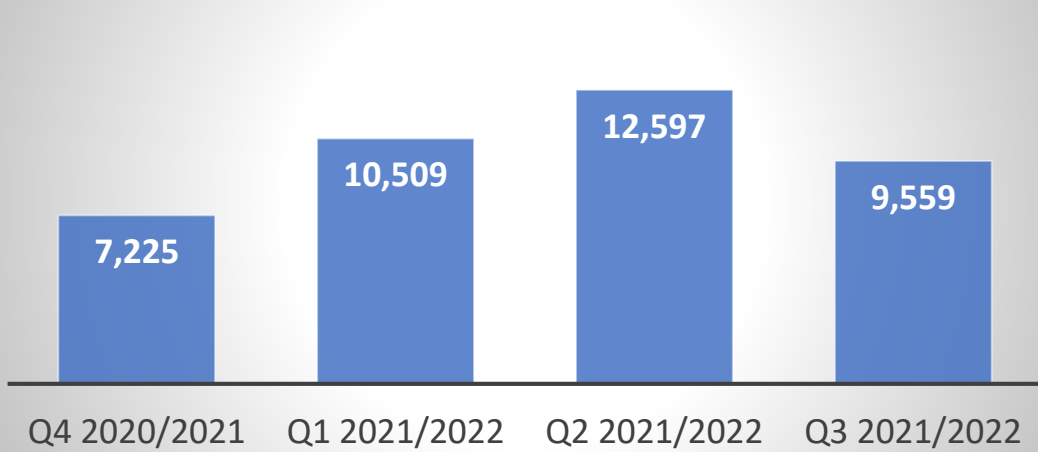
- Key Telecommunications Indicators (3rd quarter of 2021/2022)
 - Subscription Indicators
 - Traffic Indicators
- To benchmark Lesotho using regional statistics on telephone indicators



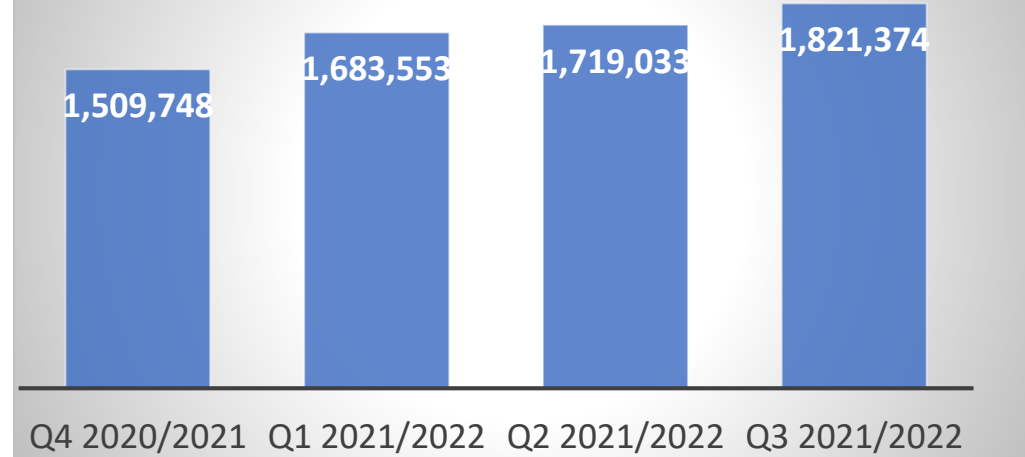
Telecommunications Sector – Voice Subscriptions

Quarter on Quarter Voice Subscriber Net Additions

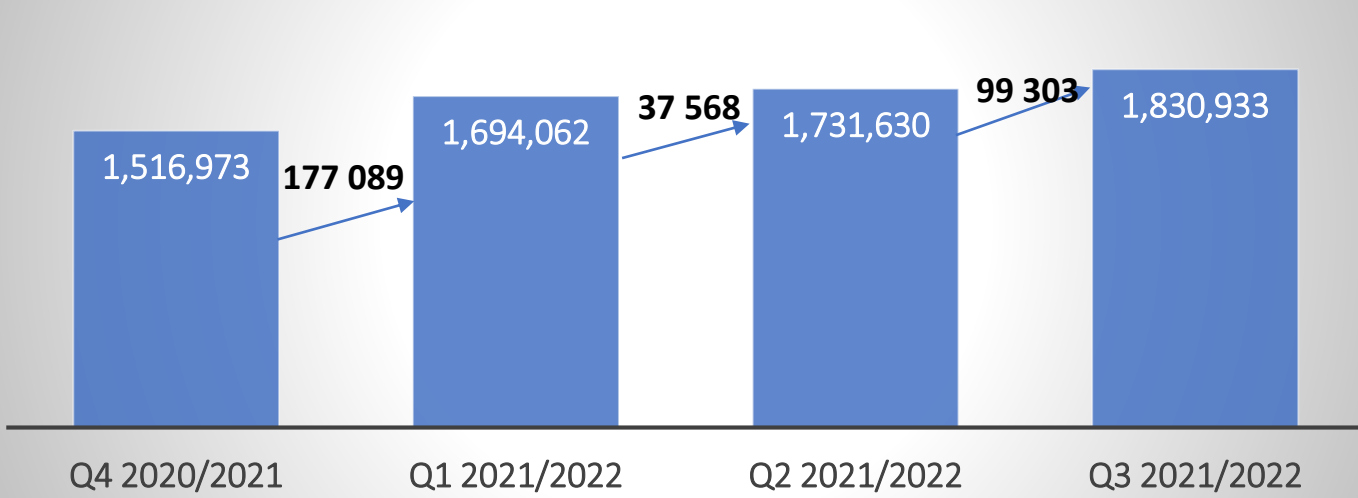
Fixed Telephone Subscriptions



Mobile Cellular Subscriptions



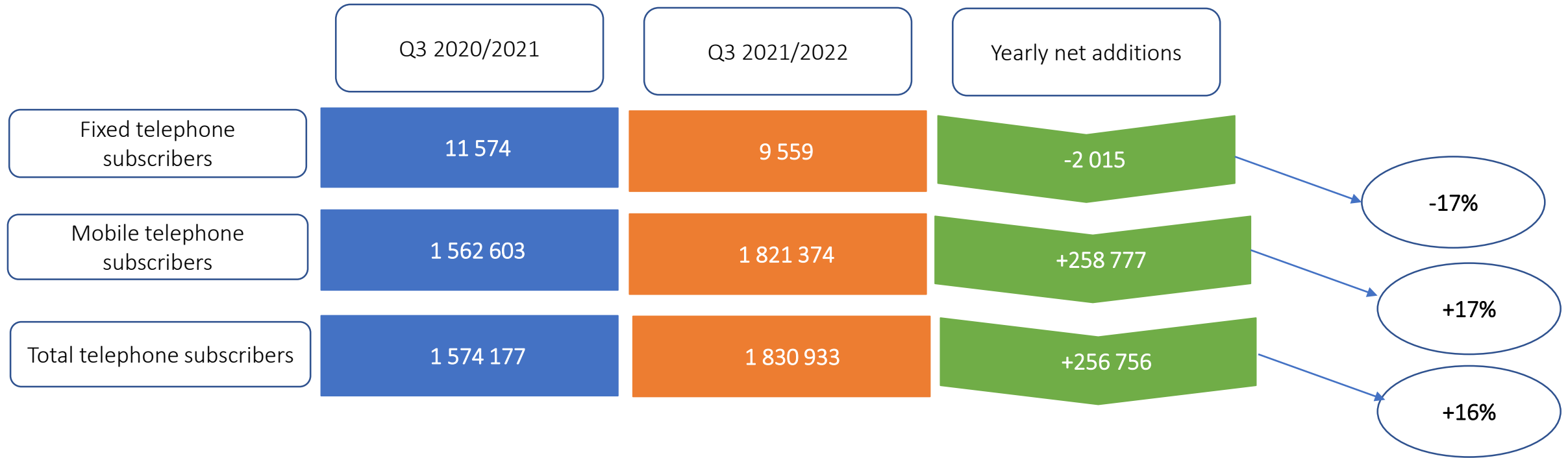
Total Telephone Subscriptions



In terms of quarter-on-quarter growth, the sector continued to experience a positive growth from October to December 2021 (Q3 2021/2022). That is, voice subscriptions (both fixed and mobile) grew by 99 303 new subscriptions and this translates to an increase of 5.7% compared to an increase of 2.2% in the previous quarter. The expansion in the voice subscriptions could be attributed to the performance of the domestic economy, which remained positive, recording a growth of 2.2% in the 3rd quarter of 2021.

Telecommunications Sector – Voice Subscriptions

Year on Year Voice Subscriptions Net Additions

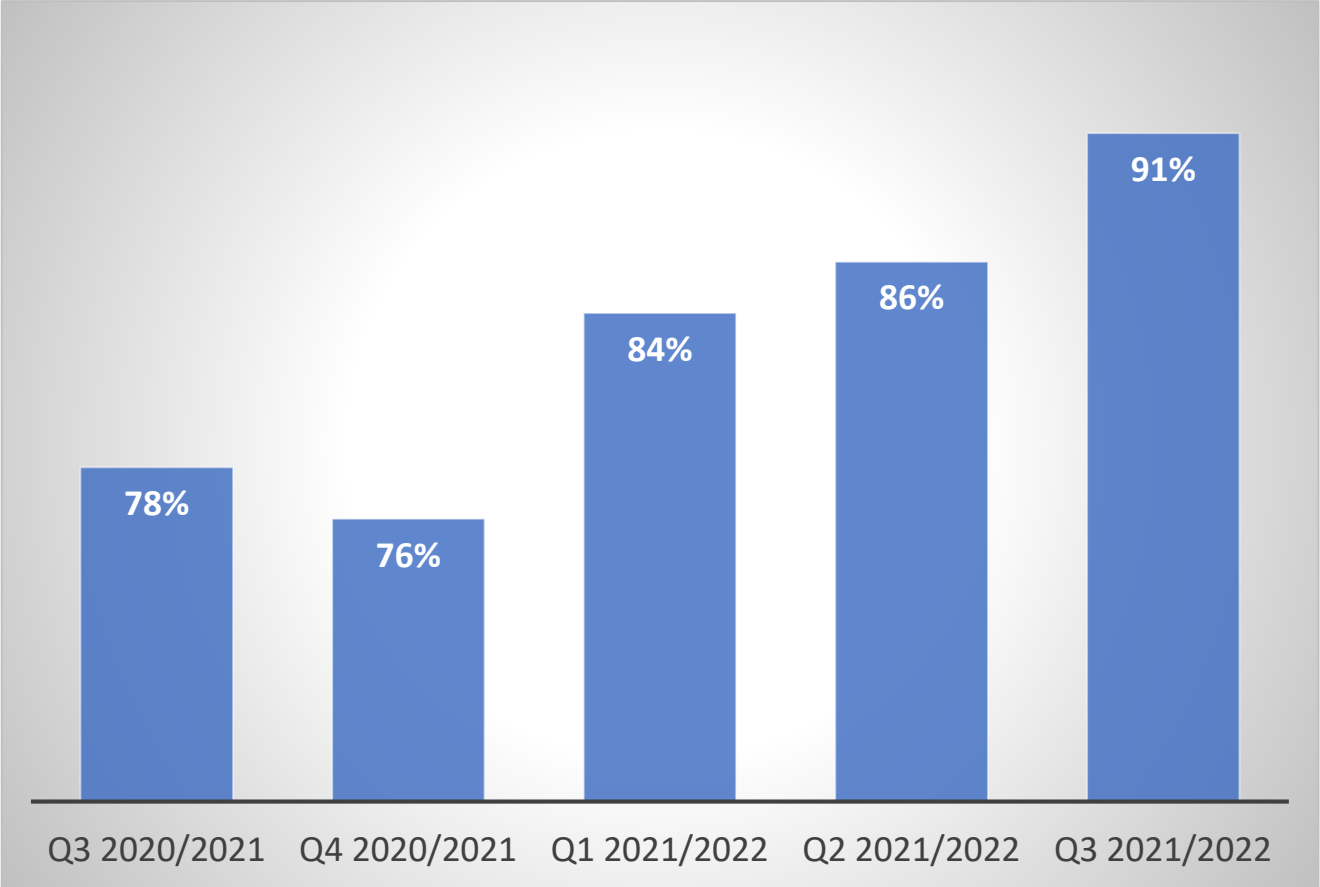


In terms of year on year comparison, there were 256 756 new customers connected in a period of 12 months ending in December 2021. This is a year-on-year growth of 17%. This again could be attributed to the positive GDP growth of 2.2% recorded in the 3rd quarter of 2021 compared to a decline of 9.9% recorded in the corresponding quarter of 2020.

While the overall subscription experienced a positive year-on-year growth, the fixed telephone subscriptions declined by 17% while mobile telephone subscriptions increased by 17%. Businesses and corporate institutions are main subscribers of fixed telephones and during the pandemic, some of them were shutdown and in some cases, employees worked from home with mobile devices.

Telecommunications Sector – Voice Subscriptions

Quarter on Quarter Voice Penetration Rates



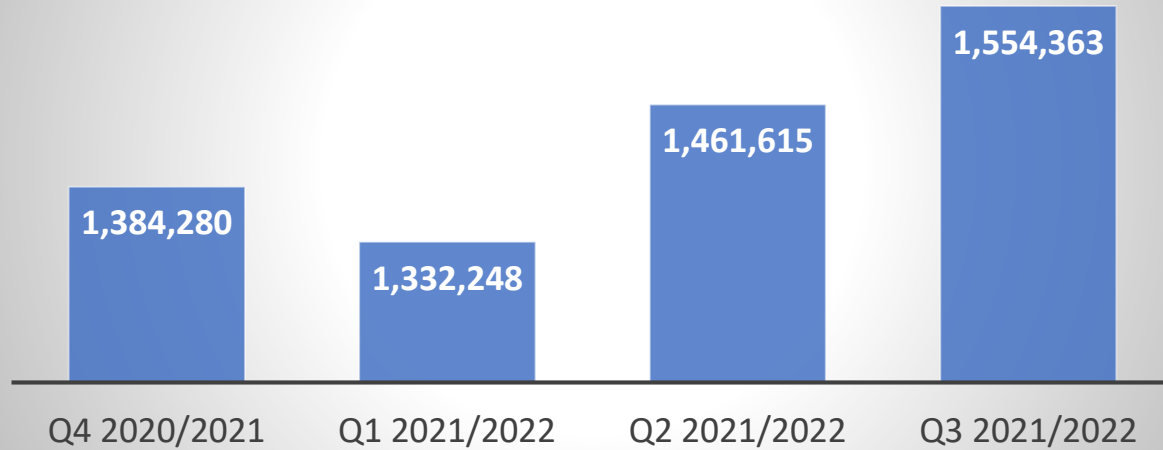
In terms of nationwide access, the telephone penetration rate in the third quarter of 2021/2022 showed that there were 91 telephone subscribers for every 100 Basotho. This is an increase of 5 percentage points from the previous quarter.

In terms of year-on-year comparison, the sector experienced an annual growth rate of 17 percentage points. This again may be attributed to the growth seen in the economy as measured by GDP, which increased by 2.2% in quarter three of 2021 compared to a decline of 9.9% in the same quarter of 2020.

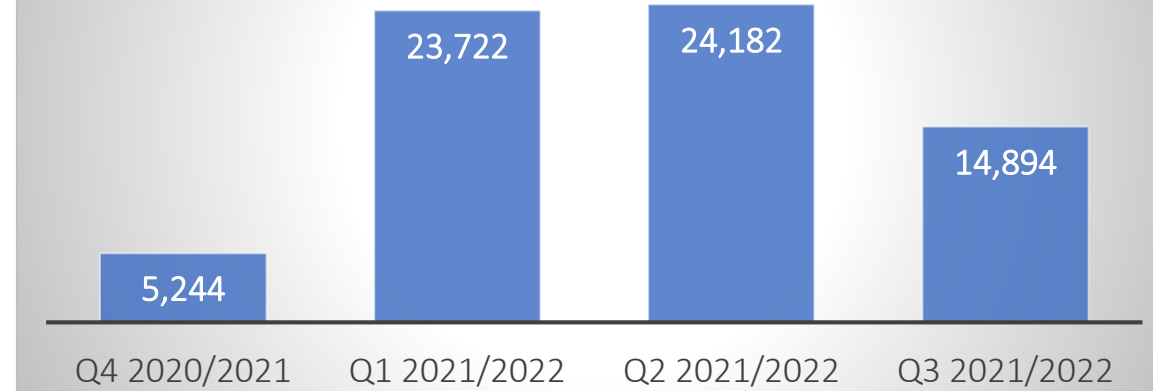
Telecommunications sector - Broadband Subscriptions

Quarter on Quarter Broadband Subscriptions

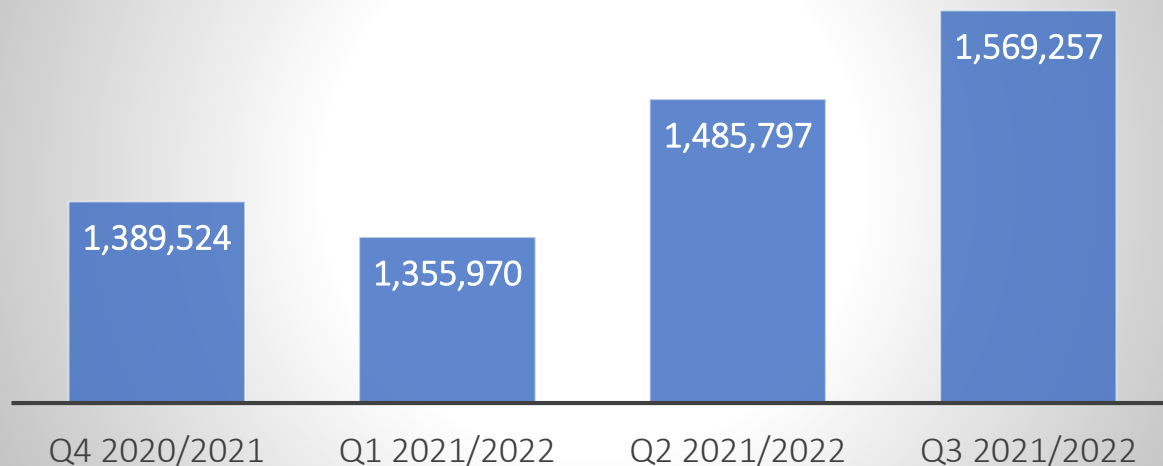
Mobile Broadband Subscriptions



Fixed Broadband Subscriptions



Total Broadband Subscriptions



92, 748 new mobile subscriptions were realized in the this quarter and this translates into a quarter to quarter growth of 6.5% while the fixed broadband decreased by 9,288 subscriptions, which is a -38.4%.

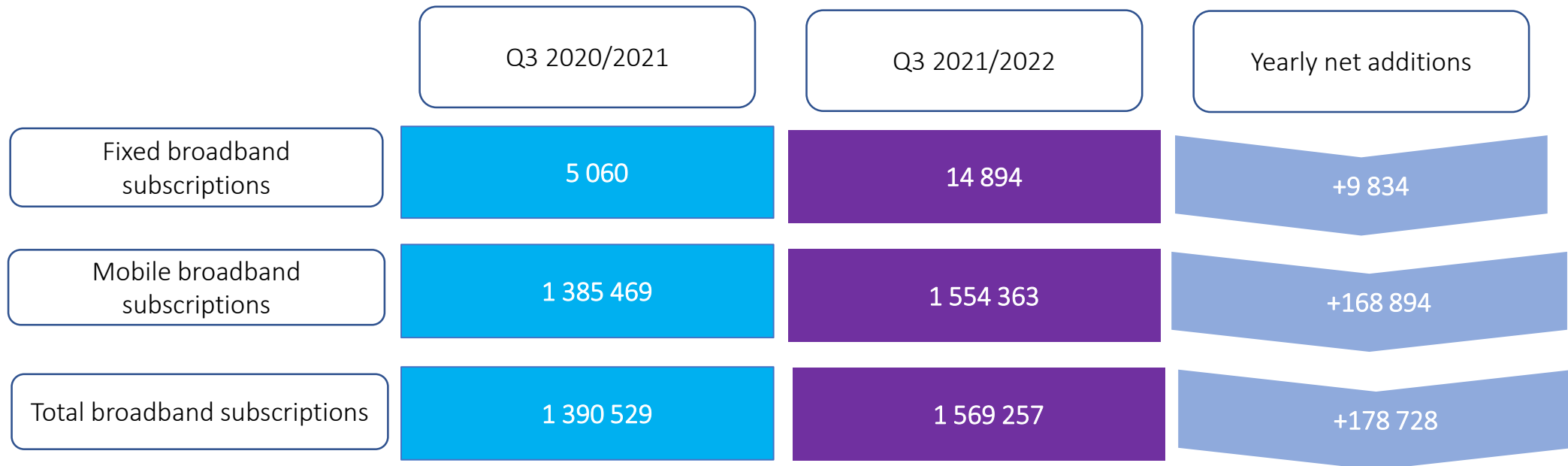
Again, the fact that some of the businesses and corporate institutions were shutdown while in others, employees worked from home with mobile devices, fixed subscriptions declined while mobile broadband subscriptions increased.

Overall, total broadband subscriptions increased by 83.460 from the previous quarter, which translates to 5.6%.

Telecommunications Sector - Broadband Subscriptions

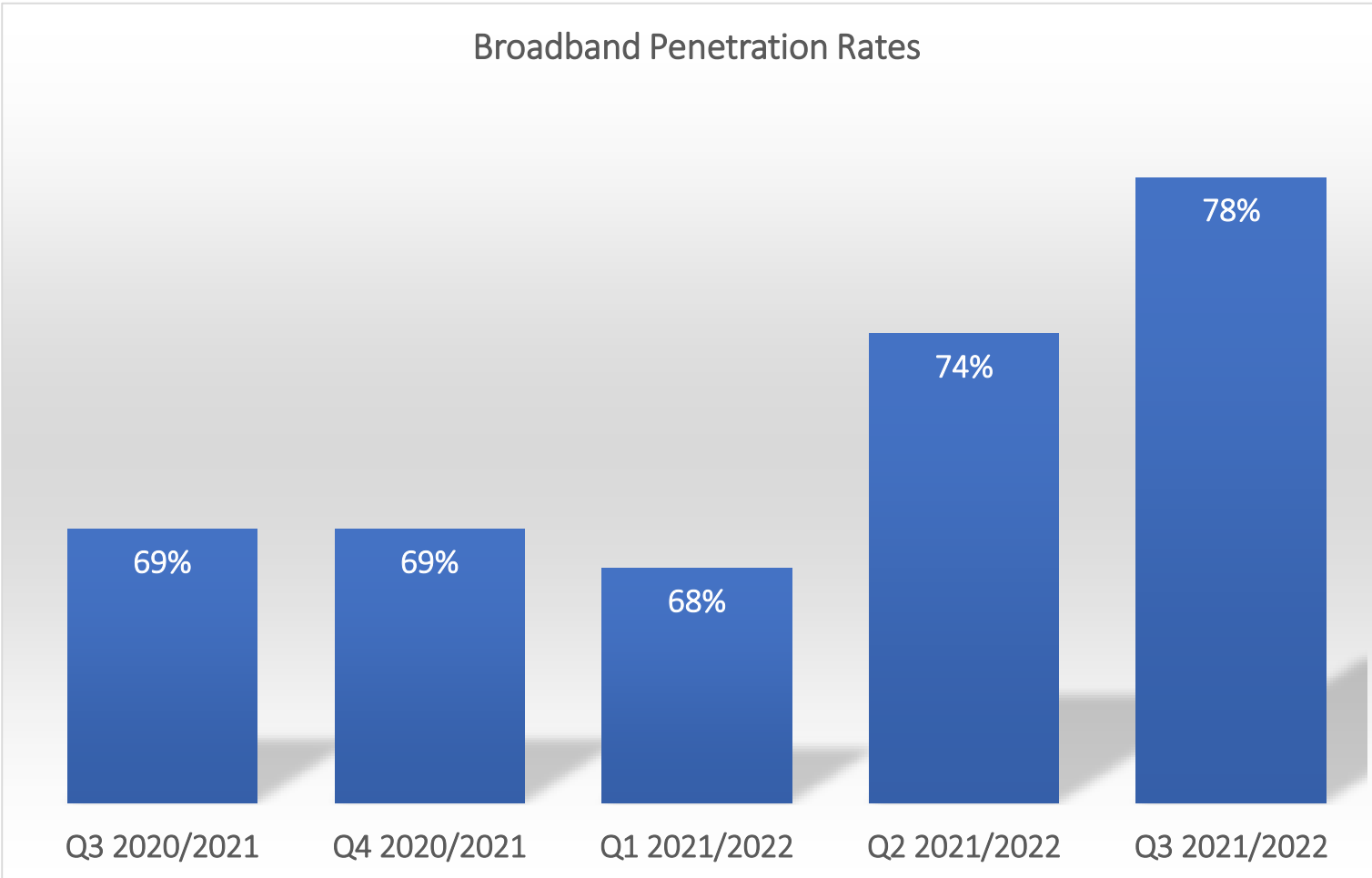
Year on Year Broadband Subscriptions

With year-on-year broadband subscriptions, the industry witnessed an increase in the number of total subscriptions which has been brought about by an increase in both mobile and fixed subscriptions. The total number of broadband subscriptions increased by 178 728 from December 2020 to December 2021 . During this period, Covid-19 restrictions that included travel restrictions and work from home protocols were maintained and this could have largely influenced the attained growth of broadband subscriptions.



Telecommunications Sector - Broadband Subscriptions

Broadband Penetration Rates



By the end of December 2021, the broadband penetration rate had increased to 78%, which means that there were 78 Internet subscribers per 100 inhabitants.

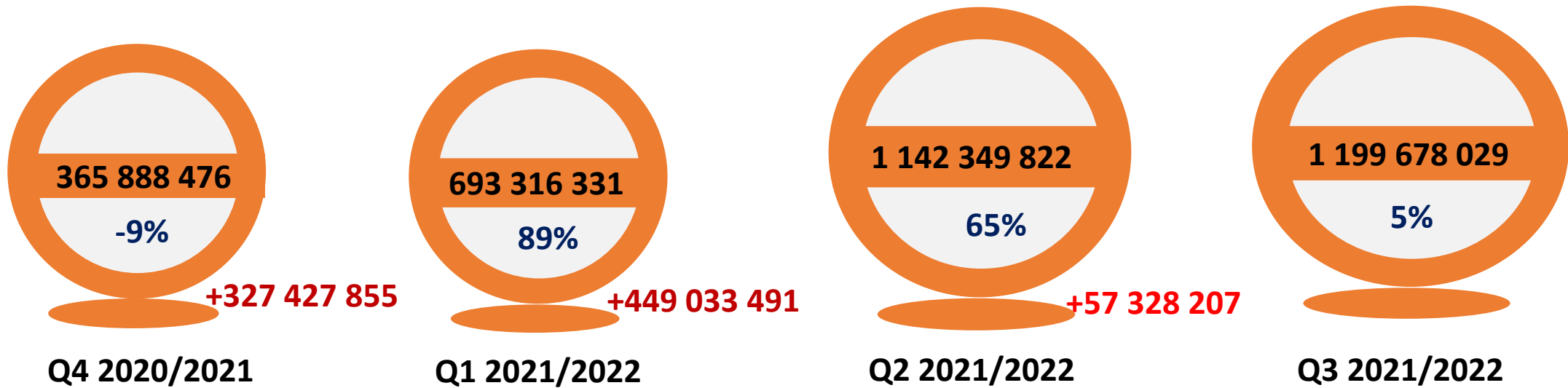
The penetration rate has been increasing over the quarters and year on year comparison shows an increase of 9%. That is, from December 2020 to December 2021, there were 9 additional subscribers out of 100 Internet users.

The positive growth overtime might be attributed to the service providers initiatives to introduce discounted data bundles during the Covid-19 restriction as a way of meeting consumers costs half way.

Telecommunications Sector – Voice Traffic Indicators

Domestic Voice Traffic – Quarter-on-Quarter

In the 3rd quarter of 2021/2022, over 1,199 billion minutes (on-net and off-net) of domestic traffic were experienced. This represents 57,3 million domestic minutes higher than the total minutes that were sold in the preceding quarter. The domestic traffic performance represents a 5% growth in domestic call volumes between quarter 2 and quarter 3 of 2021/2022. This again could be attributed to additional introduction of low cost bundled voice promotions by service providers, which led to an increased usage of mobile phones to make calls.



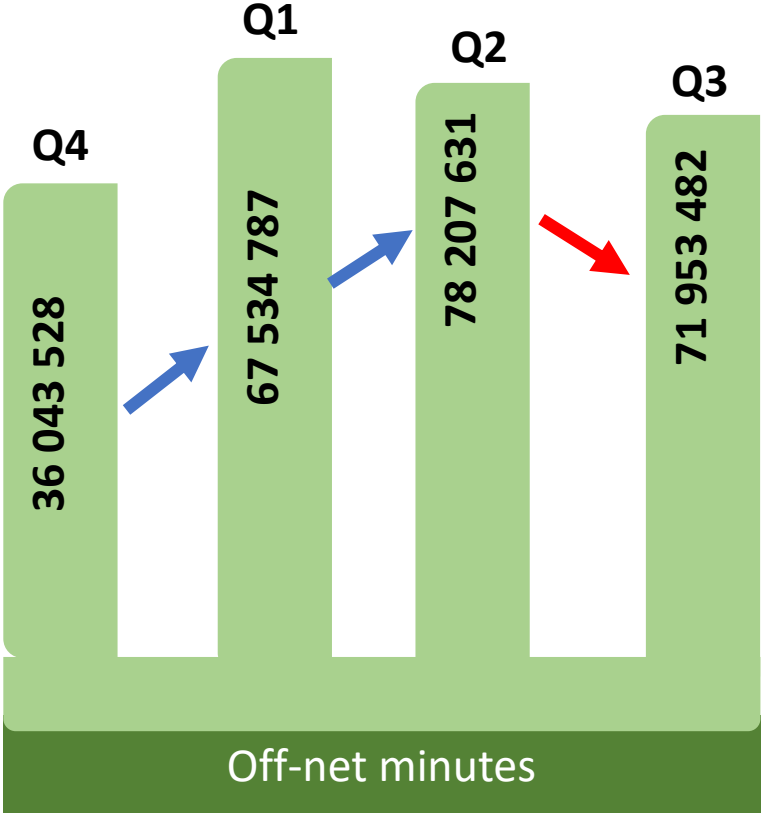
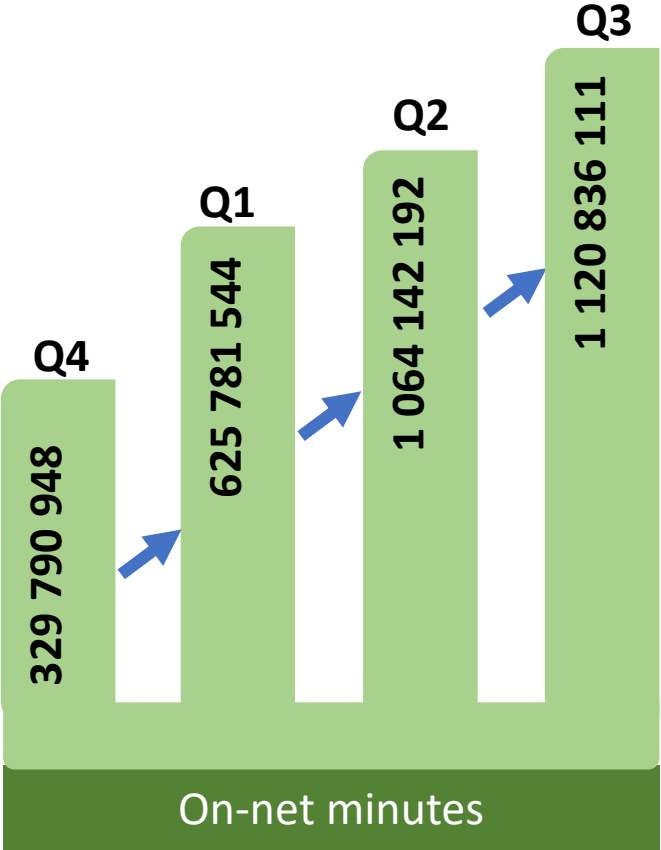
- Domestic voice traffic
- Domestic traffic growth
- Domestic traffic growth rate

Telecommunications Sector – Voice Traffic Indicators

On-net and Off-net Voice Traffic

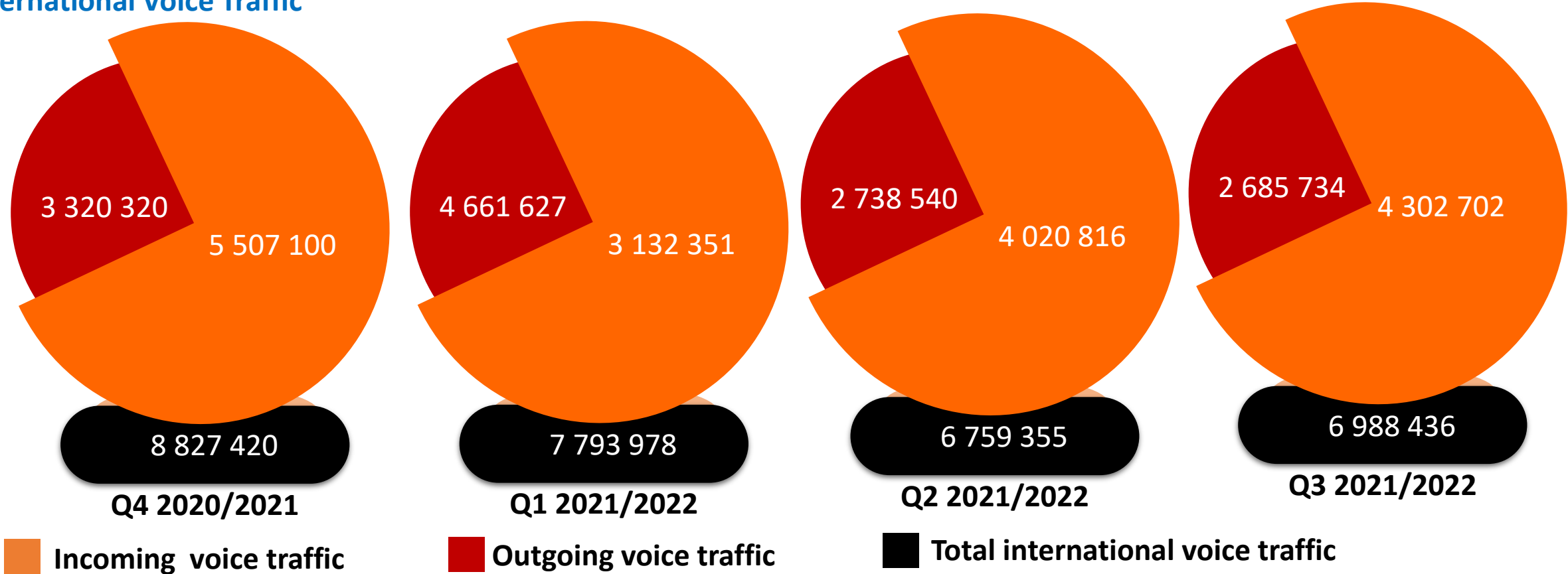
The domestic traffic market remains predominantly on-net market with 94 percent of the total traffic in quarter 3 remaining on-net while off-net remains at 6 percent of total voice domestic minutes.

Quarter to quarter comparison showed that both on-net and off-net minutes experienced growth except that there was 9 percent dip on the off-net minutes from the 2nd quarter to the 3rd quarter.



Telecommunications sector – Voice Traffic Indicators

International Voice Traffic



In the 3rd quarter of 2021/2022, the industry posted 6,988 million minutes of international voice traffic from 6.759 million minutes in the 2nd quarter of 2021/2022, which translates to 3.4% increase in the voice international minutes used.




While the incoming voice minutes dominates the international voice traffic, both the incoming and outgoing minutes have been declining over the previous quarters except the observed increase between quarter 2 and quarter 3. The observed decrease in the international voice traffic could be attributable to the growing migration to Over-The-Top (OTT) calling and video services. However, since the inter-country travel restrictions had been eased, roaming traffic figures are beginning to pick-up.

Telecommunications sector – Short Message Service (SMS) Traffic




SMS traffic

Domestic SMSs continue to dominate the SMS traffic volumes and this is observed from quarter 1 to quarter 3 of 2021/2022. To this end, the overall SMS traffic continued to increase in quarter 2 and quarter 3 of 2021/2022. This continued increase in the domestic SMS traffic might be attributed to the growth of mobile money usage.





Q4 2020/2021

Total SMS count		86 335 808
Domestic SMS count		26 442 361
International SMS count		59 893 447
Growth rate		-26




Q1 2021/2022

Total SMS count		193 357 091
Domestic SMS count		192 967 597
International SMS count		389 494
Growth rate		-99%

Q2 2021/2022

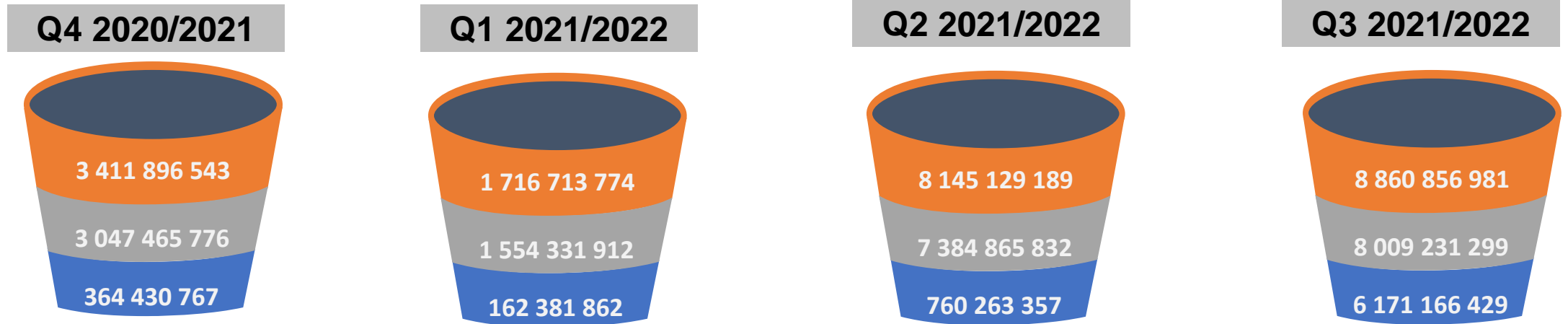
Total SMS count		234 918 250
Domestic SMS count		234 449 488
International SMS count		468 762
Growth rate		22%

Q3 2021/2022

Total SMS count		262 909 996
Domestic SMS count		262 324 585
International SMS count		587 411
Growth rate		12%

Telecommunications sector – Broadband traffic

Quarter-on-Quarter Broadband Traffic



 Total broadband traffic (MBs)

 Volume of downloaded/received (MBs)

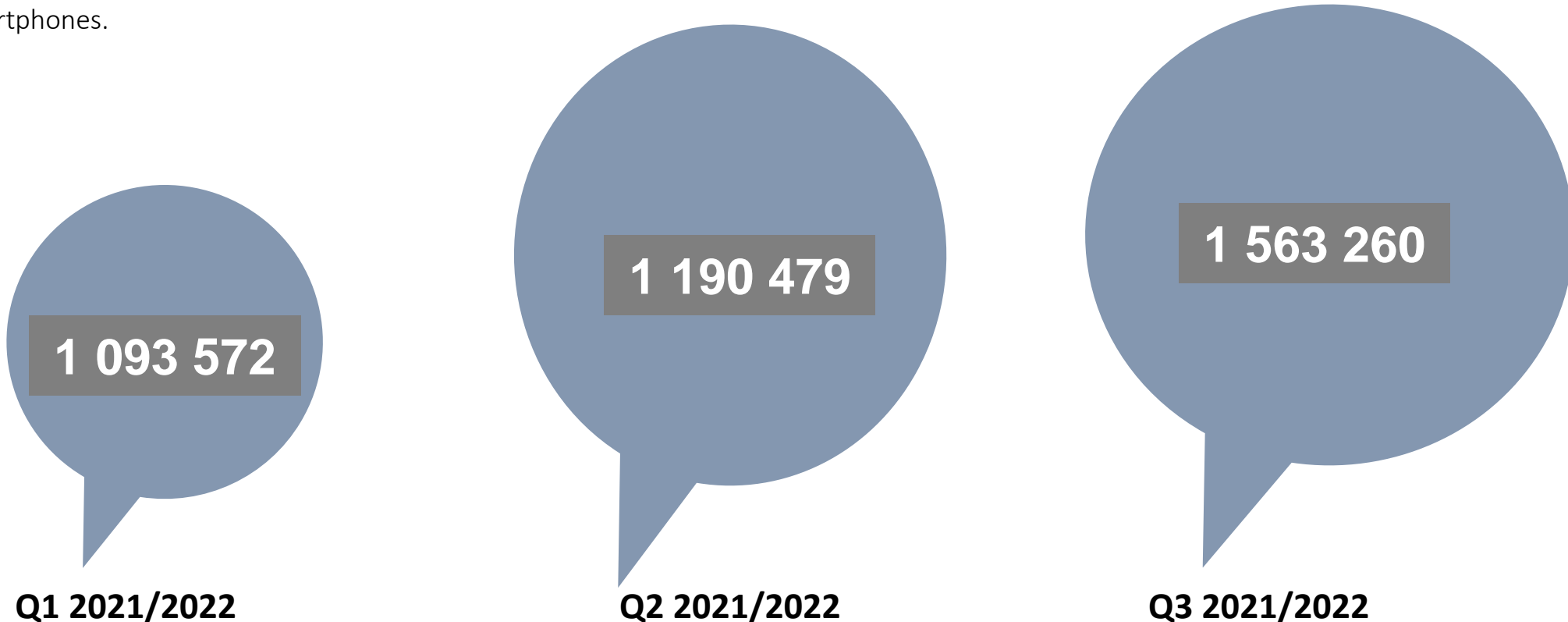
 Volume of uploaded/sent (MBs)

In the 3rd quarter, a total of 8,8 billion MBs (downloaded or uploaded) from the Internet was recorded compared to 8,1 billion MBs in the 2nd quarter. This translates to 8.8% growth from the 2nd quarter. This could be attributed to an increase in the number broadband subscriptions observed earlier.

Telecommunications sector – Smart Phones

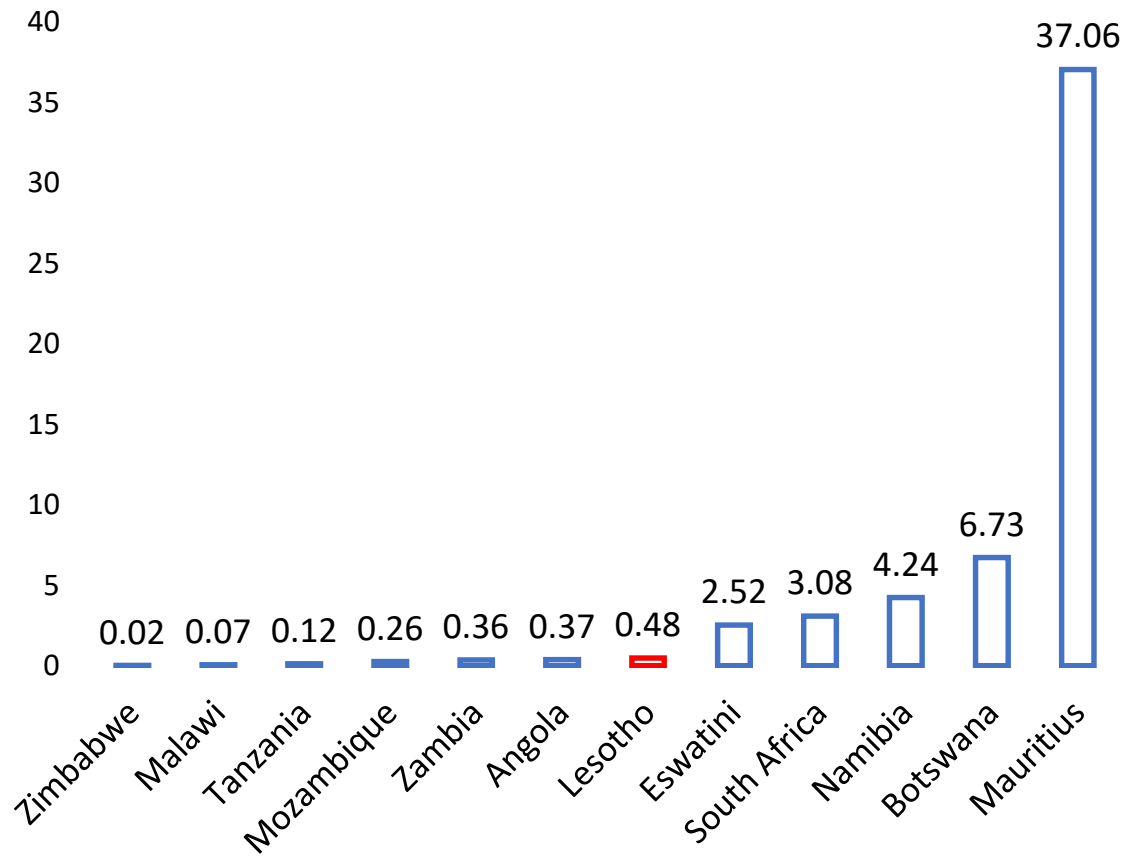
Quarter on quarter number of smartphones connected to the network

At the end of December 2021, there were 1,563 million smartphones connected to the public communication networks. This is a net addition of 372, 781 new smartphones, which translates to growth of 31.3% from the preceding quarter. It has been established that growing internet penetration and rising subscriptions in social media are some of the key factors driving global smartphone sales. Economic slowdown due to the COVID-19 pandemic led to rising demand for low-priced smartphones.

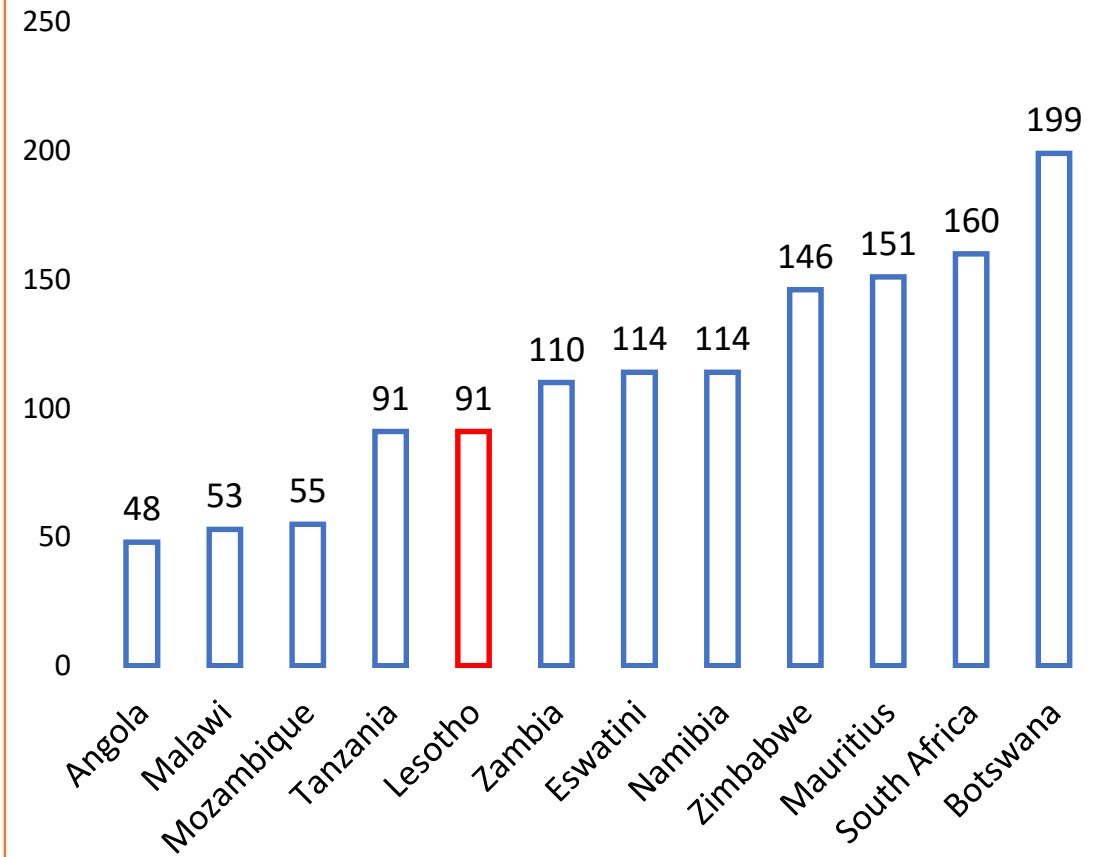


2021 Regional Telephone Subscriptions per 100 Inhabitants

Fixed Telephone subscriptions (%)



Mobile Cellular Subscriptions (%)



Of the 12 SADC countries with data, Lesotho is ranked 6th with Mauritius having the highest fixed telephone lines per 100 inhabitants, followed by Botswana. With mobile cellular subscriptions per hundred inhabitants, Lesotho is ranked 8th and has a tie with Tanzania and Botswana has the highest number of subscriptions while Angola has the least number of subscriptions. By the end of December 2021, there were 91 mobile cellular subscribers per 100 inhabitants in both Lesotho and Tanzania.