

**POSTAL AND
TELECOMMUNICATIONS
REGULATORY AUTHORITY OF
ZIMBABWE
(POTRAZ)**



'creating a level playing field'

**ABRIDGED POSTAL & TELECOMMUNICATIONS
SECTOR PERFORMANCE REPORT**

SECOND QUARTER 2021

Disclaimer:

This report has been prepared based on data provided by service providers. The information provided in this quarterly report is subject to alteration in case of any revisions or updates from the service providers. Whilst the Authority has taken effort to ensure accuracy of the data contained in this report, it is not liable for the inaccuracy of any information.

TABLE OF CONTENTS

LIST OF TABLES2

LIST OF FIGURES.....2

MAJOR HIGHLIGHTS.....4

1. MOBILE TELEPHONY5

 1.1 MOBILE SUBSCRIPTIONS5

 1.2 MOBILE VOICE TRAFFIC.....6

 1.3 MOBILE INTERNET & DATA.....7

 1.4 MOBILE REVENUES, COSTS & INVESTMENT.....8

 1.5 MOBILE TELEPHONY INFRASTRUCTURE.....10

2. FIXED TELEPHONE SERVICE11

 2.1 SUBSCRIPTIONS11

 2.2 FIXED NETWORK TRAFFIC.....12

 2.3 FIXED TELEPHONE REVENUES, INVESTMENT & COSTS.....13

3. DATA & INTERNET SERVICES.....14

 3.1 SUBSCRIPTIONS14

 3.2 INTERNATIONAL INTERNET CONNECTIVITY15

 3.3 IAP REVENUES, OPERATING COSTS & INVESTMENT16

4. POSTAL & COURIER17

 4.1 POSTAL & COURIER VOLUMES.....17

 4.2 POSTAL & COURIER REVENUES, COSTS & INVESTMENT19

5. OUTLOOK19

.....

LIST OF TABLES

Table 1: Active Mobile Subscriptions	5
Table 2: Prepaid vs Post-paid Mobile Subscriptions	5
Table 3: Mobile Telephone Traffic.....	6
Table 4: Mobile Network Operating Costs.....	9
Table 5: Mobile Base Stations	10
Table 6: Mobile Network Population Coverage	11
Table 7: Fixed Telephone Subscriptions.....	11
Table 8: Fixed Voice Traffic.....	12
Table 9: Fixed Voice Revenue, Investment & Costs.....	13
Table 10: Active Internet Subscriptions	14
Table 11: Active Fibre Subscriptions	15
Table 12: Equipped International Internet Bandwidth Capacity (Mbps).....	15
Table 13: Used International Internet Bandwidth Capacity	16
Table 14: IAP Revenues, Operating Costs (ZWL)	16
Table 15: Postal and Courier Volumes	18
Table 16: Postal & Courier Revenues, Costs & Investment.....	19

LIST OF FIGURES

Figure 1: Market Share of Mobile Subscribers.....	6
Figure 2: Voice Traffic Market Share.....	7
Figure 3: Market Share of Internet & Data Traffic.....	8
Figure 4: Mobile Revenue Contribution per Service.....	8
Figure 5: Market Share of Mobile Revenue	9
Figure 6: Market Share of Mobile Base Station Infrastructure.....	10
Figure 7: Corporate Fixed Telephone Subscriptions	12
Figure 8: Contribution to Revenue by Service	14

Figure 9: Market Share of Equipped International Internet Bandwidth Capacity	16
Figure 10: Market Share of IAP Revenue.....	17
Figure 11: Postal & Courier Volumes	18

LIST OF ACRONYMS

2G	Second Generation
3G	Third Generation
ACPU	Average Cost per User
AMPU	Average Margin per User
ARPU	Average Revenue per User
ADSL	Asymmetric Digital Subscriber Line
GB	Gigabyte
LTE	Long Term Evolution
MB	Megabyte
TB	Terabyte
Mbps	Megabits per second
VoIP	Voice Over Internet Protocol

MAJOR HIGHLIGHTS

The following are the main sector trends for the second quarter of 2021 compared to the first quarter of 2021:

- Active fixed telephone lines increased by 1.7% to record 245,322 in the second quarter of 2021 from 249,486 recorded in the first quarter of 2021; the fixed tele-density remained 1.7%.
- Active mobile telephone subscriptions increased by 3.9% to record 13.5 million in the second quarter of 2021, from 13 million recorded in the first quarter of 2021; the mobile penetration rate increased by 3.5% to reach 91.3% from 87.8% recorded in the first quarter of 2021.
- The total number of active Internet and data subscriptions increased by 1.9% to reach 9.2 million in the second quarter of 2021 from 9 million recorded in the previous quarter; the Internet penetration rate increased by 1.2% to reach 62.3% from 61.1% recorded in the previous quarter.
- Fixed telephone voice traffic increased by 3.3% to record 88.2 million minutes in the second quarter of 2021, from 85.5 million minutes recorded in the first quarter of 2021
- Total mobile voice traffic increased by 13.4% to record 1.77 billion in the second quarter of 2021 from 1.56 billion minutes recorded in the first quarter of 2021.
- Mobile Internet and data traffic increased by 7.2% to record 23,436 TB in the second quarter of 2021 from 21,865 Terabytes recorded in the first quarter of 2021.
- Used international incoming bandwidth capacity also increased by 3.8% to record 181,308Mbps in the second quarter of 2021 from 174,645Mbps recorded in the first quarter of 2021.
- Total postal and courier volumes increased by 20.3% to record 581,450 items in the second quarter of 2021 from 483,391 items recorded in the first quarter of 2021.
- Total mobile operator revenues grew by 22.2% to record ZWL16.9 billion in the second quarter of 2021 from ZWL13.8 billion recorded in the first quarter of 2021; on the other hand, operating costs grew by 15.8% to record ZWL8.8 billion from ZWL7.6 billion.
- Revenue generated by the fixed telephone network grew by 18.5% to record ZWL1.9 billion in the second quarter of 2021 from ZWL1.6 billion recorded in the first quarter of 2021; fixed network operating costs increased by 11.7% to record ZWL1.84 billion from ZWL1.65 billion recorded in the previous quarter.
- IAP revenues grew by 10.2% to record ZWL6 billion in the second quarter of 2021 from ZWL5.4 billion recorded in the first quarter of 2021; meanwhile, total operating costs for IAPs grew by 4% to record ZWL3.3 billion from ZWL3.2 billion.
- Total revenue generated by the postal and courier sector increased by 28.3% to record ZWL344.9 million in the second quarter of 2021 from ZWL267.8 million recorded in the first quarter of 2021; operating costs increased by 18.4% to record ZWL337.8 million from ZWL285.2 million recorded in the first quarter of 2021.

1. MOBILE TELEPHONY

1.1 MOBILE SUBSCRIPTIONS

The total number of active mobile telephone subscriptions increased by 3.9% to reach 13,481,527 in the second quarter of 2021 from 12,970,615 recorded in the first quarter of 2021. As a result, the mobile penetration rate increased by 3.5% to reach 91.3% from 87.8% recorded in the first quarter of 2021. All the mobile operators recorded growth in active subscriptions, in varying magnitudes, as shown in table 1 below:

Table 1: Active Mobile Subscriptions

Operator	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Econet	8,668,095	8,872,214	2.4%
NetOne	3,721,416	4,027,009	8.2%
Telecel	581,104	582,304	0.2%
Total	12,970,615	13,481,527	3.9%

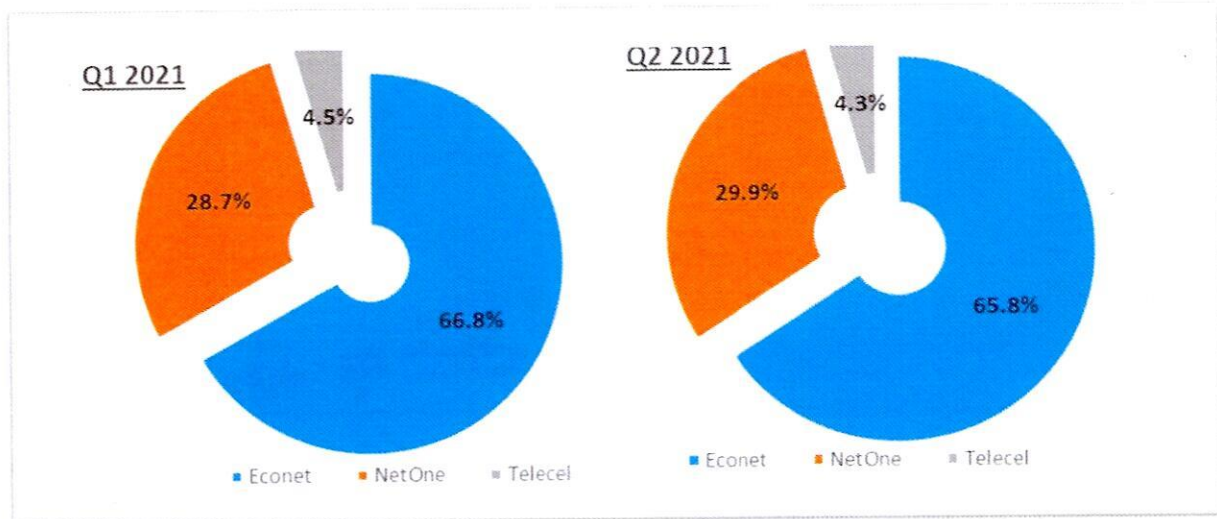
As shown above, NetOne recorded the biggest growth in active subscriptions in the quarter under review. Prepaid subscriptions constituted 97.4% of total active subscriptions. Prepaid subscriptions recorded growth in the 2nd quarter of 2021, whereas, post-paid subscriptions declined as shown in Table 2 below:

Table 2: Prepaid vs Post-paid Mobile Subscriptions

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Prepaid	12,602,828	13,130,464	4.2%
Post-paid	367,787	351,063	-4.5%
Total	12,970,615	13,481,527	3.9%

Post-paid subscriptions have been declining as consumers migrate to the prepaid platform to enjoy lower tariffs from promotions on the prepaid platform. A quarterly comparison of the market share of active mobile subscriptions is shown in Figure 1 below:

Figure 1: Market Share of Mobile Subscribers



As shown above, Telecel and Econet lost market share by 0.2% and 1%, respectively, whereas NetOne gained market share by 1.2%.

1.2 MOBILE VOICE TRAFFIC

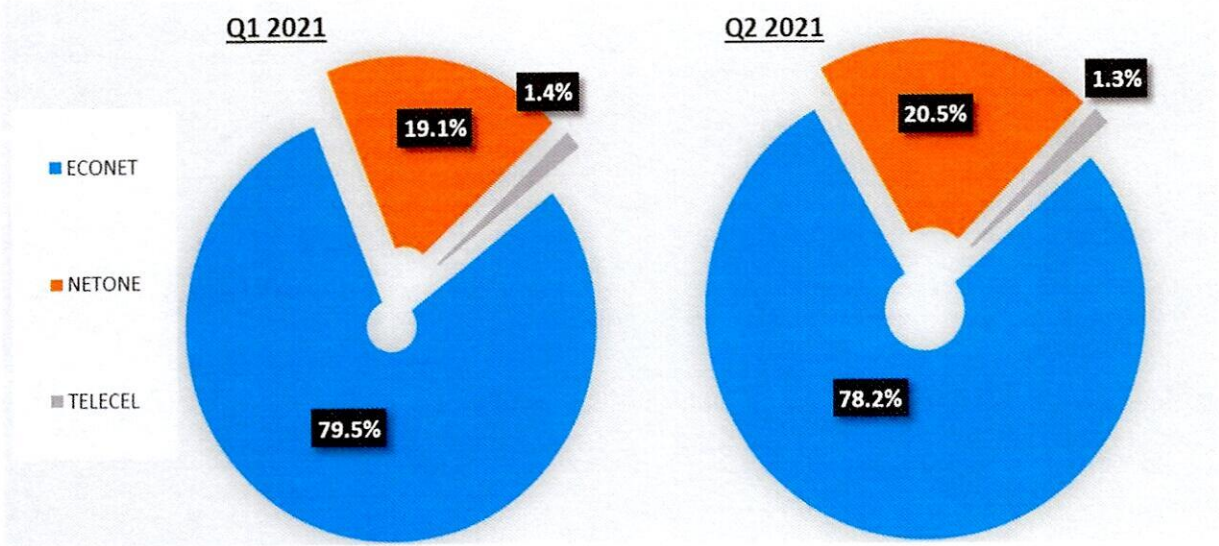
Total mobile voice traffic increased by a considerable 13.4% in the second quarter of 2021 as shown in table 3 below:

Table 3: Mobile Telephone Traffic

Traffic Category	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Net on Net	1,161,831,655	1,297,791,115	11.7%
Mobile to Fixed	3,920,851	4,273,887	9%
Incoming from Fixed	65,350,528	69,642,202	6.6%
Mobile to Other Mobile (by termination)	267,905,778	336,715,415	25.7%
Outgoing to IAPs	2,326,936	1,882,696	-19.1%
Incoming from IAPs	26,578,501	27,213,466	2.4%
TOTAL NATIONAL	1,527,914,249	1,737,484,071	13.7%
International Incoming	27,157,480	26,221,498	-3.4%
International Outgoing	5,595,350	6,192,581	10.7%
Inbound Roaming	525,790	697,970	32.7%
Outbound Roaming	140,287	425,075	203%
Total	1,561,333,156	1,771,025,157	13.4%

Outbound roaming traffic recorded the biggest growth as shown above. This may be attributable to increased cross-boarder travelling following the opening up of borders to the vaccinated population. International incoming traffic recorded a consecutive decline, whereas, international outgoing traffic has been increasing, implying a decline in foreign currency earnings from international voice service. A quarterly comparison of the voice traffic market share is shown in Figure 2 below:

Figure 2: Voice Traffic Market Share

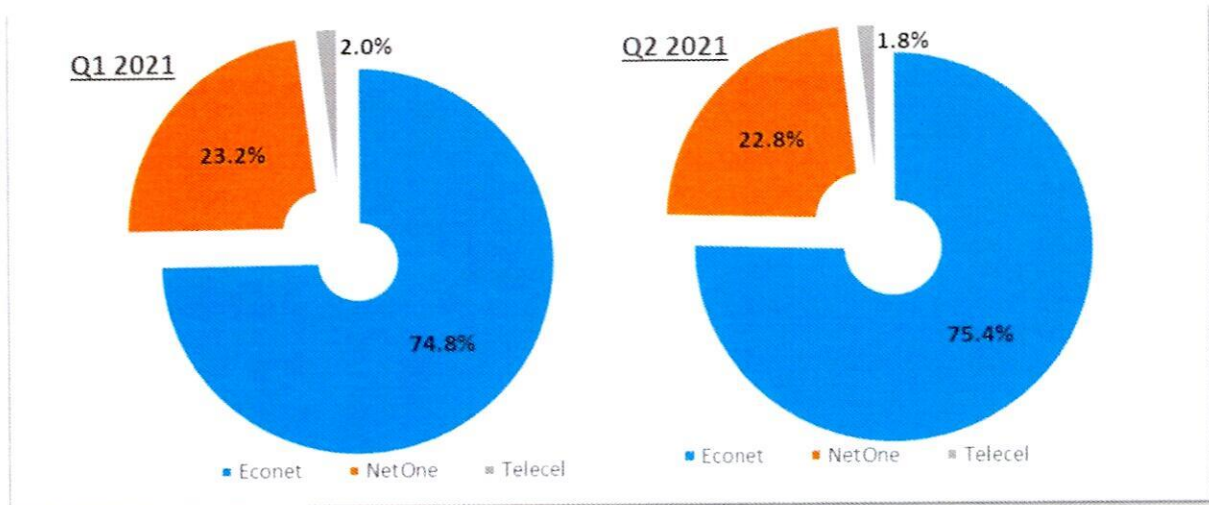


As shown above, Telecel and Econet lost voice traffic market share by 0.1% and 1.3%, respectively, in line with the decline in their subscriber market shares. On the other hand, NetOne gained market share of voice traffic by 1.4%.

1.3 MOBILE INTERNET & DATA

Mobile Internet and data traffic increased by 7.2% to record 23,436 TB in the second quarter of 2021 from 21,865 Terabytes recorded in the first quarter of 2021. Of the total mobile Internet and data traffic, 1,521,111 MB were consumed by inbound roaming subscribers, whereas, 192,403 MB were consumed by outbound roaming subscribers. In-bundle data constituted 97.3% of total mobile Internet and data usage, up from 97.2% recorded in the first quarter of 2021. A quarterly comparison of the market share of mobile Internet and data usage is shown in Figure 3 below:

Figure 3: Market Share of Internet & Data Traffic

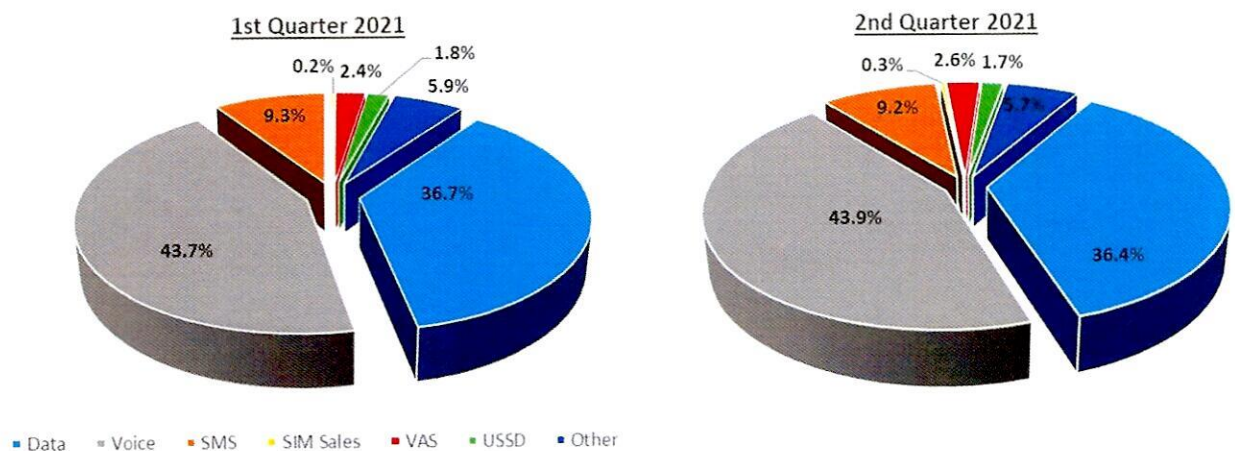


As shown above, Econet gained market share of data by 0.6% whereas NetOne and Telecel lost market share by 0.4% and 0.2%, respectively.

1.4 MOBILE REVENUES, COSTS & INVESTMENT

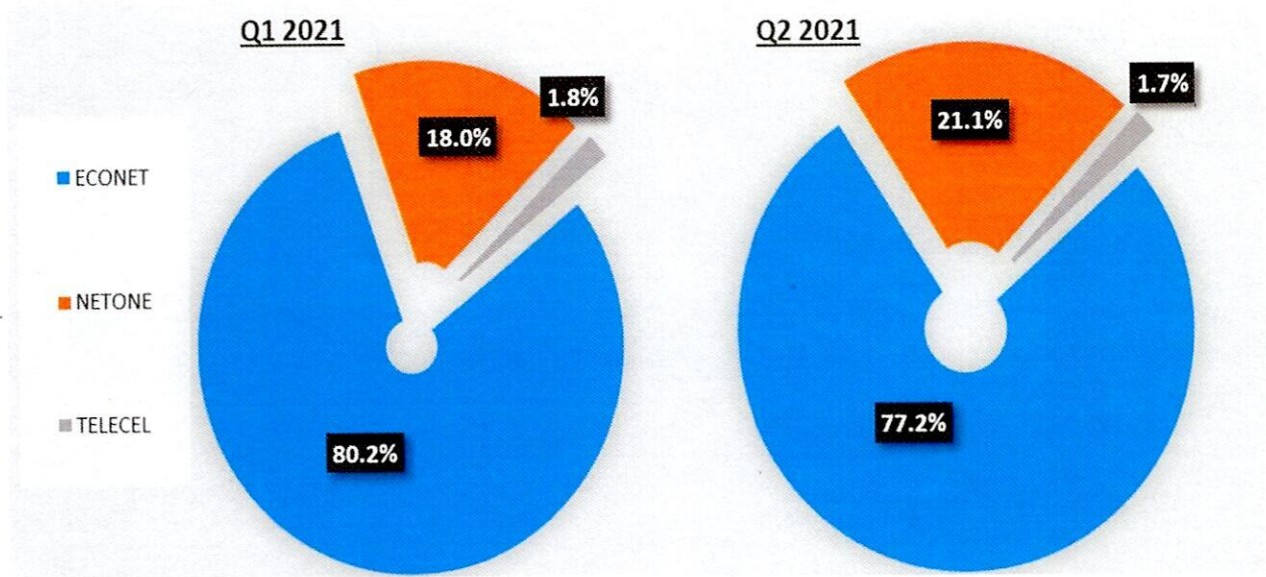
A 22.2% growth in mobile operator revenues was recorded in the second quarter of 2021 with revenues totalling ZWL16.9 billion from ZWL13.8 billion recorded in the first quarter of 2021. The growth in revenue is attributable to the growth in voice as well as Internet and data traffic. A quarterly comparison of the revenue contribution per service is shown in Figure 4 below:

Figure 4: Mobile Revenue Contribution per Service



There was no major change in the revenue contribution per service as shown above. The quarterly variation in the market share of mobile revenue is shown in Figure 5 below:

Figure 5: Market Share of Mobile Revenue



As shown above, Telecel and Econet lost revenue market share by 3% and 0.1%, respectively, whereas, NetOne gained revenue market share by 3.1%.

Operating costs grew by 15.8% to record ZWL8.8 billion in the second quarter of 2021 from ZWL7.6 billion recorded in the first quarter of 2021. Operating costs per mobile operator are shown in Table 4 below:

Table 4: Mobile Network Operating Costs

Operator	Operating costs (ZWL)		
	1 st Quarter 2021	2 nd Quarter 2021	Variance
Econet	5,655,507,436	6,571,847,385	16.2%
NetOne	1,718,868,113	1,893,676,144	10.2%
Telecel	287,031,929	407,810,333	42.1%
Total	7,661,407,478	8,873,333,862	15.8%

The growth in operating costs is attributable to the inflationary pressures in the economy. Staff costs, depreciation and bandwidth costs continued to constitute the bulk of mobile network operating costs.

1.5 MOBILE TELEPHONY INFRASTRUCTURE

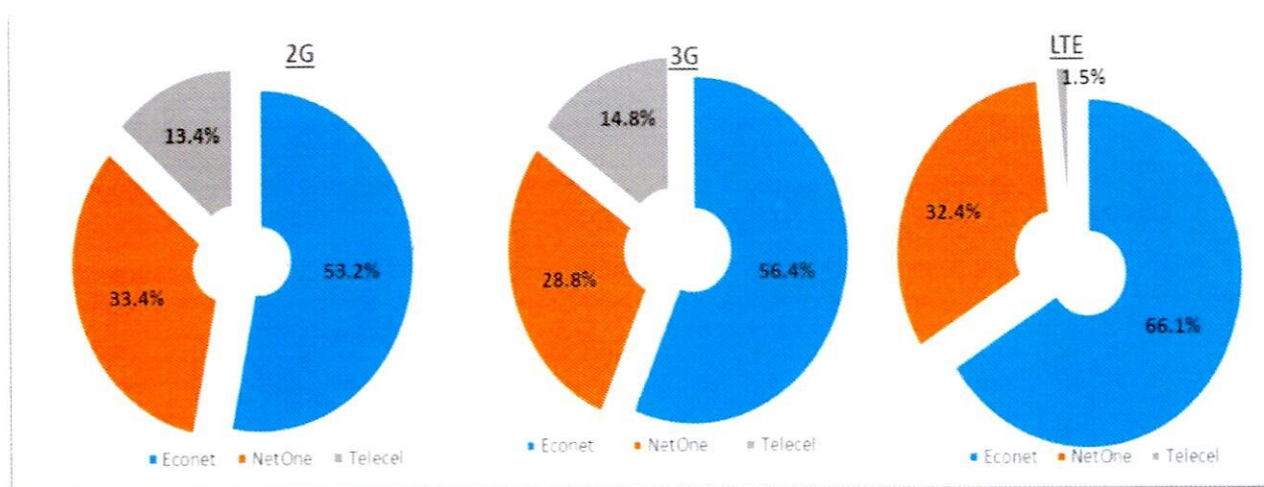
The total number of base stations in the country reached 9,048 in the second quarter of 2021, up from 8,996 recorded in the first quarter, following the deployment of 52 additional base stations. The growth in base stations is shown in Table 5 below:

Table 5: Mobile Base Stations

Operator	2G			3G			LTE		
	Q1 2021	Q2 2021	Net Addition	Q1 2021	Q2 2021	Net Addition	Q1 2021	Q2 2021	Net Addition
Econet	2,640	2,654	14	1,653	1,667	14	726	726	-
Telecel	664	671	7	437	437	-	17	17	-
NetOne	1,667	1,667	-	845	853	8	347	356	9
Total	4,971	4,992	21	2,935	2,957	22	1,090	1,099	9

As shown above, all the mobile operators deployed additional base stations in the second quarter of 2021. The market share of mobile base stations was as follows:

Figure 6: Market Share of Mobile Base Station Infrastructure



The changes in the mobile network population coverage, owing to the new deployments, is shown in table 6 below:

Table 6: Mobile Network Population Coverage

		1 st Quarter 2021	2 nd Quarter 2021	Variance
2G	Rural	74.71%	74.76%	0.05%
	Urban	99.87%	99.87	-
	Total	93.45%	93.47%	0.02%
3G	Rural	67.19%	67.22%	0.03%
	Urban	99.90%	99.91%	0.01%
	Total	83.95%	83.97%	0.02%
4G	Rural	1.83%	1.84%	0.01%
	Urban	91.99%	91.99%	-
	Total	34.98%	34.99%	0.01%

2. FIXED TELEPHONE SERVICE

2.1 SUBSCRIPTIONS

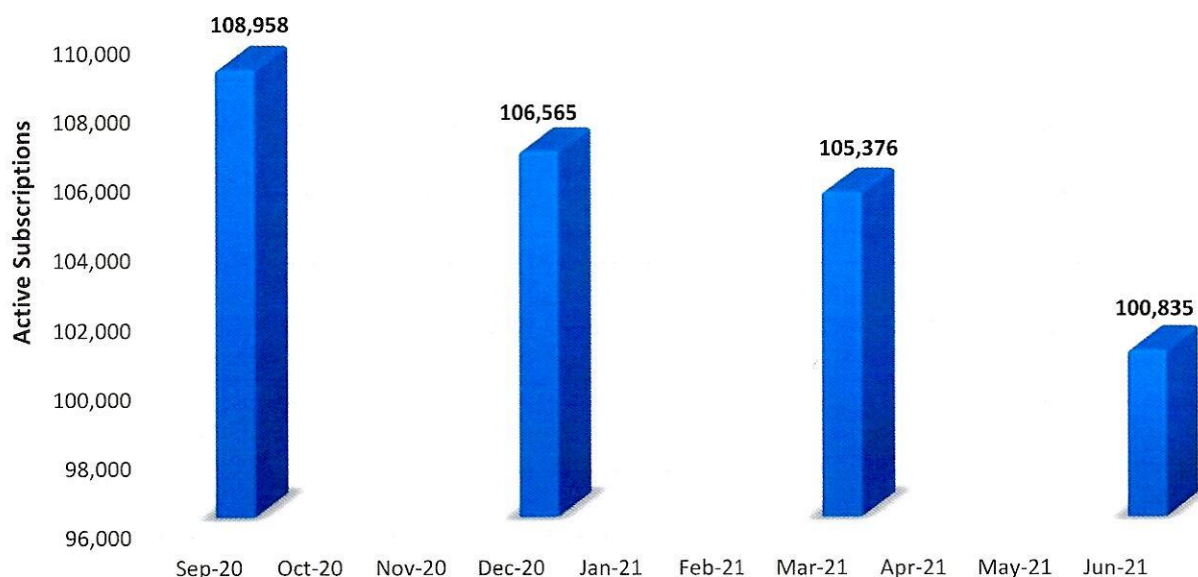
The total number of active fixed telephone lines as at 30 June 2021 was 245,322. This represents a 1.7% decline from 249,486 recorded in the first quarter of 2021. The decline emanated from the decline in corporate subscriptions as shown in table 7 below:

Table 7: Fixed Telephone Subscriptions

Subscriber category	1 st Quarter 2021	2 nd Quarter 2021	% Growth
Residential	144,110	144,487	0.3%
Corporate	105,376	100,835	-4.3%
Total Active	249,486	245,322	-1.7%

The fixed tele density remained at 1.7%. The fixed network continues to face competition from emerging technologies such as Voice over Internet Protocol (VoIP), hence the decline in active subscriptions over the years. Corporate subscriptions have declined in the last three consecutive quarters as shown in figure 7 below:

Figure 7: Corporate Fixed Telephone Subscriptions



2.2 FIXED NETWORK TRAFFIC

Fixed telephone voice traffic increased by 3.3% to record 88.2 million minutes in the second quarter of 2021, from 85.5 million minutes recorded in the first quarter of 2021. The growth in fixed voice traffic per category is shown in table 8 below:

Table 8: Fixed Voice Traffic

Traffic category	1 st Quarter 2021	2 nd Quarter 2021	Variance
Net on Net	10,553,116	8,584,630	-18.7%
Outgoing to Mobile	65,363,017	69,642,202	6.5%
Incoming from Mobile	3,973,603	4,273,887	7.6%
Incoming from IAPs	615,697	761,240	23.6%
Outgoing to IAPs	644,214	768,589	19.3%
Total National Voice Traffic	81,149,647	84,030,548	3.6%
International Incoming	3,068,483	3,096,910	0.9%
International Outgoing	1,233,283	1,101,327	-10.7%

Total traffic	85,451,413	88,228,785	3.3%
----------------------	-------------------	-------------------	-------------

As shown above, net-on-net and international outgoing traffic were the only two fixed voice traffic categories to record negative growth in the second quarter of 2021. Fixed net-on-net traffic for the greater part of 2020 and 2021 has generally been fluctuating and much lower than in previous years. The bulk of fixed on-net is generated by corporates, hence the decline may be attributable to closure of some corporate offices as well as the shift to shorter business hours as part of COVID-19 prevention measures.

2.3 FIXED TELEPHONE REVENUES, INVESTMENT & COSTS

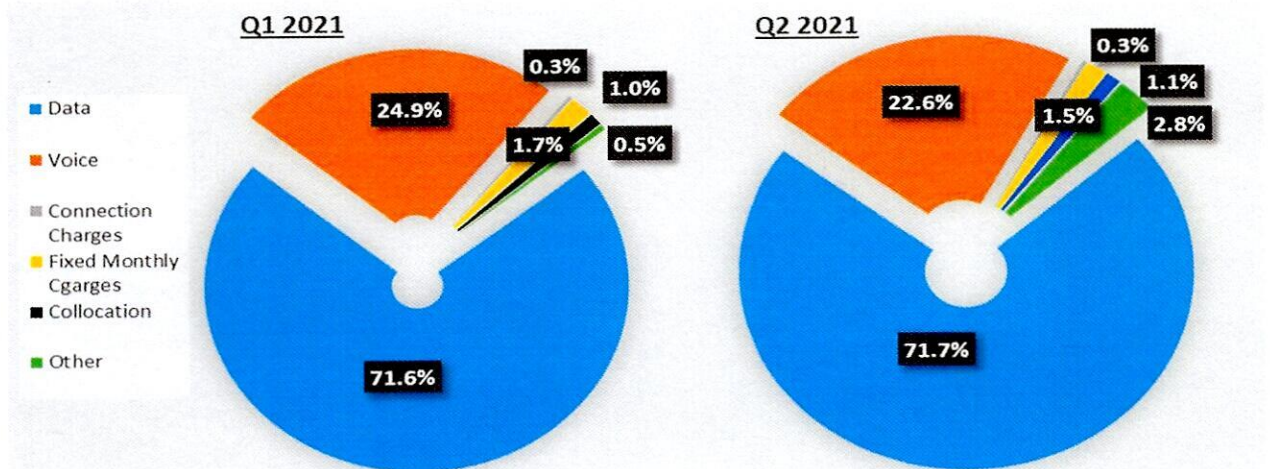
Fixed network revenue, operating costs and capital expenditure for the second quarter of 2021, are indicated in table 9 below:

Table 9: Fixed Voice Revenue, Investment & Costs

	1st Quarter 2021	2nd Quarter 2021	Variance (%)
	(ZWL)	(ZWL)	
Revenue	1,565,430,696	1,854,758,311	18.5%
ARPU per month	2,085	2,522	21.0%
Operating Costs	1,651,557,614	1,844,998,819	11.7%
ACPU per month	2,199	2,508	14.1%
Investment	99,759,985	141,472,848	41.8%

As shown above, growth in revenues, operating costs and capital expenditure was recorded in the second quarter of 2021. The growth in revenue is attributable to an increase in usage traffic, whilst the increase in operating costs and is attributable to inflationary pressures. The revenue contribution per fixed network service is shown in Figure 8 below:

Figure 8: Contribution to Revenue by Service



The contribution of data grew marginally (0.1%), whereas the contribution of voice declined by 2.3%. Data has become the main revenue contributor for the fixed network as demand for Internet and data continues to be on an upward trajectory.

3. DATA & INTERNET SERVICES

3.1 SUBSCRIPTIONS

A 1.9% growth in active Internet and data subscriptions was recorded in the second quarter of 2021. The growth in active data and Internet subscriptions by technology is shown in table 10 below:

Table 10: Active Internet Subscriptions

Technology	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
3G/HSDPA/LTE	8,847,103	9,020,133	2.0%
Leased Lines	1,135	1,194	5.2%
DSL	111,057	110,996	-0.1%
WiMAX	1,547	1,552	0.3%
CDMA	12,824	12,366	-3.6%
VSAT	2,013	1,989	-1.2%
Active Fibre Subscriptions	53,965	55,549	2.9%
Total	9,029,644	9,203,779	1.9%

As shown above, VSAT, CDMA and DSL were the categories that recorded a decline in active subscriptions. Whilst other internet and data technologies have been fluctuating over the past quarters, Fibre and mobile Internet data have generally been on the increase. The total number of subscribers who used LTE in the second quarter of 2021 was 1,061,576. This represents a 9.9% increase from 966,320 subscriptions recorded in the first quarter of 2021. The growth in fibre subscriptions, broken down by subscription type, is shown in table 11 below:

Table 11: Active Fibre Subscriptions

	1 st Quarter 2021	2 nd Quarter 2021	Variance
Corporate	6,668	6,748	1.2%
Residential	47,297	48,801	3.2%
Total	53,965	55,549	2.9%

As shown above, both residential and corporate fibre subscriptions increased in the second quarter of 2021.

3.2 INTERNATIONAL INTERNET CONNECTIVITY

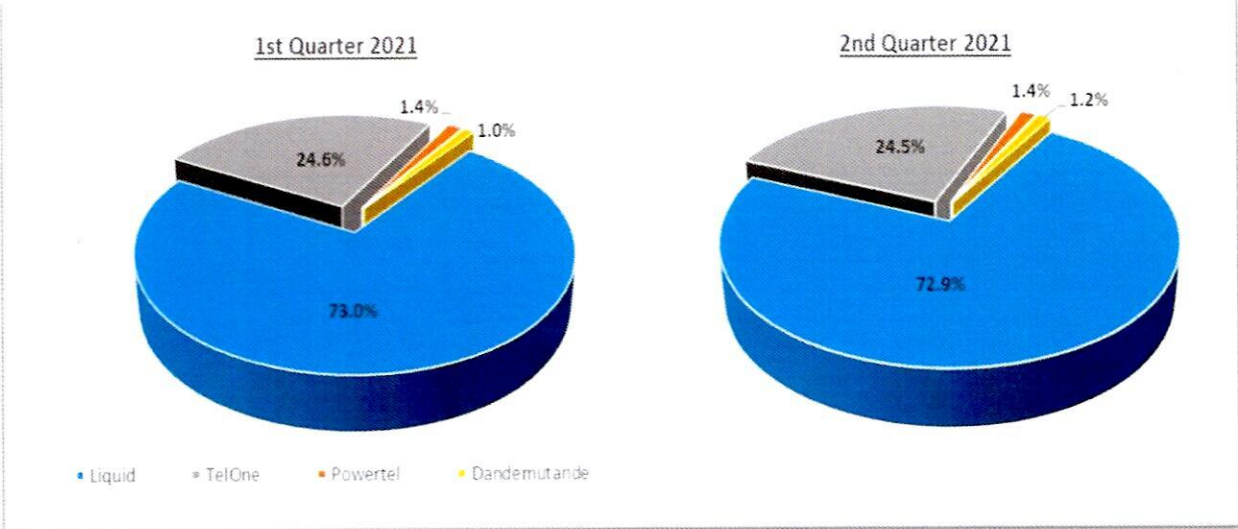
Dandemutande was the only Internet Access Provider (IAP) to expand its international Internet bandwidth capacity as shown in table 12 below:

Table 12: Equipped International Internet Bandwidth Capacity (Mbps)

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Liquid	260,000	260,000	-
TelOne	87,500	87,500	-
Powertel	5,000	5,000	-
Dandemutande	3,416	4,161	21.8%
Total	355,916	356,661	0.2%

There was a slight movement in the market share of equipped international Internet bandwidth capacity as shown in figure 9 below, due to the expansion by Dandemutande.

Figure 9: Market Share of Equipped International Internet Bandwidth Capacity



There was an increase in used international incoming bandwidth capacity as shown in table 13 below:

Table 13: Used International Internet Bandwidth Capacity

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Incoming	174,645	181,308	3.8%
Outgoing	46,787	49,753	6.3%

Used international Internet bandwidth will continue to grow as the uptake of Internet and data increases. The growth in outgoing international internet bandwidth capacity implies an increase in local online content accessed outside our borders in the quarter under review.

3.3 IAP REVENUES, OPERATING COSTS & INVESTMENT

Total revenue by Internet Access Providers recorded a 10.2% growth, operating costs grew by 4%, whilst capital expenditure also increased by 3.1% as shown in table 14 below:

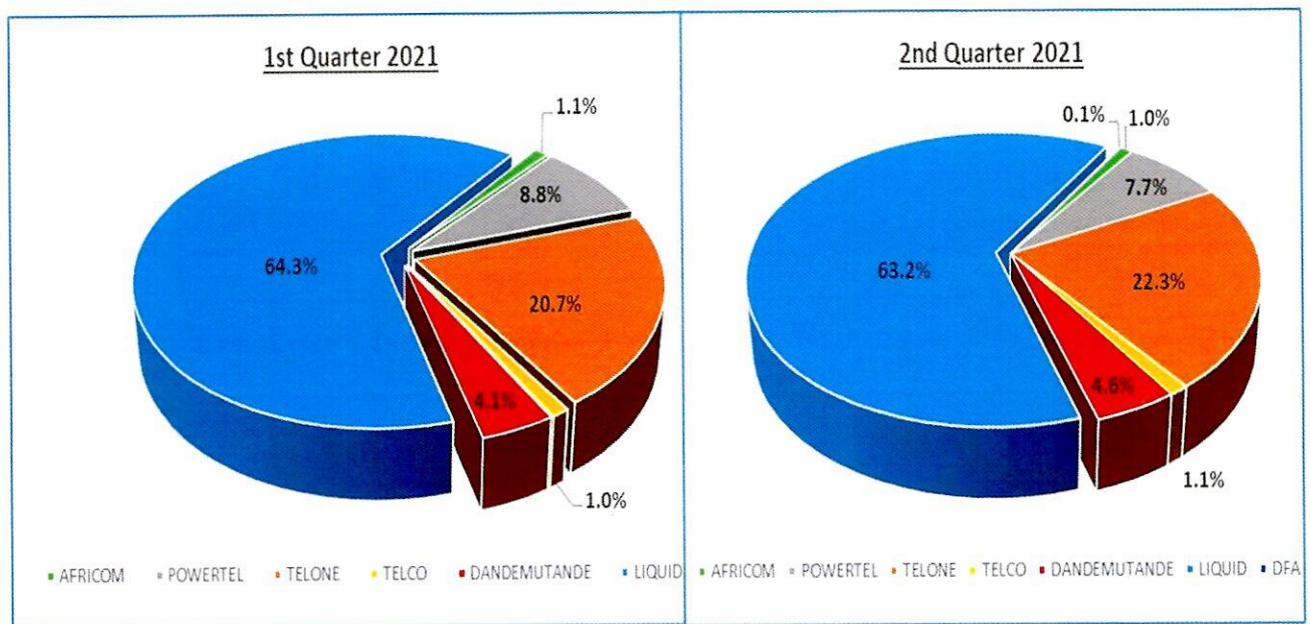
Table 14: IAP Revenues, Operating Costs (ZWL)

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
--	------------------------------	------------------------------	--------------

Revenue	5,418,880,996 ¹	5,970,777,750	10.2%
Operating Costs	3,198,113,147	3,325,428,267	4.0%
Capital Expenditure	268,891,409	277,282,169	3.1%

IAP revenues have been consistently growing due to the growing demand for Internet and data. A quarterly comparison of the IAP revenue market share is shown in Figure 10 below:

Figure 10: Market Share of IAP Revenue



As shown above, Liquid continued to dominate the market. However, in the second quarter of 2021, their revenue market share declined by 1.1%. Powertel and Africom's market shares also declined by 1.1% and 0.1% respectively. On the other hand, TelOne, Dandemutande and Telco's market shares grew by 1.6%, 0.5% and 0.1%, respectively. DFA a recently licensed IAP had 0.1%. in relation to the other Internet Access Providers owing to a 62.3% growth in their revenue. Africom also recorded a 0.2% growth in the revenue market share.

4. POSTAL & COURIER

4.1 POSTAL & COURIER VOLUMES

The trend of growing postal and courier volumes continued into the quarter under review. Total postal and courier volumes increased by 20.3% to record 581,450 items in the second quarter

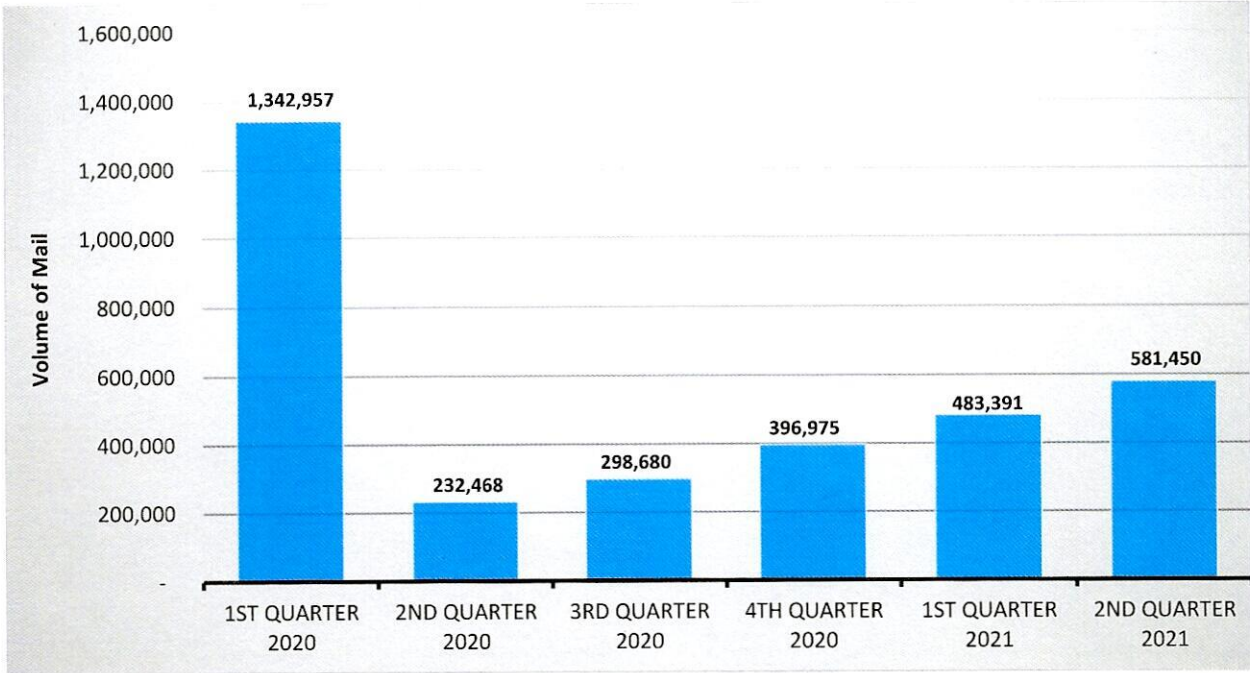
of 2021 from 483,391 items recorded in the first quarter of 2021. The growth in total volumes emanates from a surge in international incoming courier as shown in table 15 below:

Table 15: Postal and Courier Volumes

	1 st Quarter 2021	2 nd Quarter 2021	% Growth
Domestic postal letters	238,038	274,634	15.4%
Domestic courier	123,791	103,372	-16.5%
International incoming courier	96,671	182,663	89.0%
International outgoing courier	24,891	20,781	-16.5%
Total Postal & Courier	483,391	581,450	20.3%

After suffering setbacks from the global COVID-19 pandemic, postal and courier volumes have been steadily rising over the past four quarters as shown in figure 11 below:

Figure 11: Postal & Courier Volumes



Postal and courier volumes are expected to pick up as the ease of channelling courier items to and from several destinations improves post-lockdown. The application of COVID-19

restrictions affected the channelling of mail and caused a huge dip in mail volumes globally. Despite the growth recorded in the quarter under review, postal and courier volumes are still way below the quarterly average of over 1 million prior to the COVID-19 era.

4.2 POSTAL & COURIER REVENUES, COSTS & INVESTMENT

Total revenue generated by the postal and courier sector increased by 28.3% to record ZWL344.9 million in the second quarter of 2021 from ZWL267.8 million recorded in the first quarter of 2021. This is largely attributed to increased mail volumes. Operating costs and capital expenditure grew by 18.4% and 22.6% respectively as shown in table 16 below:

Table 16: Postal & Courier Revenues, Costs & Investment

	1 st Quarter 2021	2 nd Quarter 2021	Variance
REVENUES	268,757,592	344,856,896	28.3%
OPERATING COSTS	285,180,736	337,765,699	18.4%
INVESTMENT	5,640,142	6,914,374	22.6%

The capital expenditure was mainly in delivery vehicles. Administration costs, line haul costs and transit charges formed the bulk of postal and courier operating costs.

5. OUTLOOK

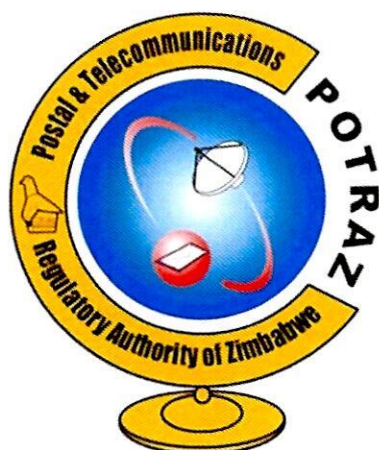
The sector continues to be critical in keeping the economy running in the midst of the COVID-19 pandemic by providing business-critical connectivity and resilience, facilitating work-from-home arrangements, e-banking, e-commerce, as well as keeping individuals and societies connected and informed during mandated social isolation periods. This has, however, resulted in an unparalleled surge in the use of the Internet in providing e-services, such as e-learning, e-shopping, e-worshipping and e-health, amongst others. Indeed, the pandemic has shone light on the urgent need for accelerating digital transformation. Never before in our lifetime have circumstances changed so fast, and has there been a greater need to adapt. This calls for concerted efforts in the consolidation of strategies that deliberately focus on ICT development,

executing smart policies and effective processes that embolden investments in ICTs and digital skills, and embracing emerging technologies that are crucial to the digital economy.

The shift to the auction based foreign currency market system seemingly eased inflationary pressures, but did not eliminate them completely as prices for goods and services, including fuel and energy, continued to be adjusted in line with the dynamics of the new exchange rate regime. Notwithstanding the above, foreign currency shortages continued to bedevil the economy at large, with implications on network expansion, upgrade and maintenance, taking a toll on quality of service as demand for data surged for operators.

The COVID-19 pandemic will not go away so soon but its spread will decrease owing to ongoing vaccinations across the globe and at national level. The anticipated increase in economic activity will bring about a further surge in demand for communication services, in particular data and courier volumes as consumers adapt to the new normal. Hence, the need to scale up digitalisation.

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ)



'creating a level playing field'

ABRIDGED POSTAL & TELECOMMUNICATIONS SECTOR PERFORMANCE REPORT

SECOND QUARTER 2021

Disclaimer:

This report has been prepared based on data provided by service providers. The information provided in this quarterly report is subject to alteration in case of any revisions or updates from the service providers. Whilst the Authority has taken effort to ensure accuracy of the data contained in this report, it is not liable for the inaccuracy of any information.

TABLE OF CONTENTS

LIST OF TABLES2

LIST OF FIGURES.....2

MAJOR HIGHLIGHTS.....4

1. MOBILE TELEPHONY5

 1.1 MOBILE SUBSCRIPTIONS5

 1.2 MOBILE VOICE TRAFFIC.....6

 1.3 MOBILE INTERNET & DATA.....7

 1.4 MOBILE REVENUES, COSTS & INVESTMENT.....8

 1.5 MOBILE TELEPHONY INFRASTRUCTURE.....10

2. FIXED TELEPHONE SERVICE11

 2.1 SUBSCRIPTIONS11

 2.2 FIXED NETWORK TRAFFIC.....12

 2.3 FIXED TELEPHONE REVENUES, INVESTMENT & COSTS.....13

3. DATA & INTERNET SERVICES.....14

 3.1 SUBSCRIPTIONS14

 3.2 INTERNATIONAL INTERNET CONNECTIVITY15

 3.3 IAP REVENUES, OPERATING COSTS & INVESTMENT16

4. POSTAL & COURIER17

 4.1 POSTAL & COURIER VOLUMES.....17

 4.2 POSTAL & COURIER REVENUES, COSTS & INVESTMENT19

5. OUTLOOK19

.....

LIST OF TABLES

Table 1: Active Mobile Subscriptions	5
Table 2: Prepaid vs Post-paid Mobile Subscriptions	5
Table 3: Mobile Telephone Traffic.....	6
Table 4: Mobile Network Operating Costs.....	9
Table 5: Mobile Base Stations	10
Table 6: Mobile Network Population Coverage	11
Table 7: Fixed Telephone Subscriptions.....	11
Table 8: Fixed Voice Traffic.....	12
Table 9: Fixed Voice Revenue, Investment & Costs.....	13
Table 10: Active Internet Subscriptions	14
Table 11: Active Fibre Subscriptions	15
Table 12: Equipped International Internet Bandwidth Capacity (Mbps).....	15
Table 13: Used International Internet Bandwidth Capacity	16
Table 14: IAP Revenues, Operating Costs (ZWL)	16
Table 15: Postal and Courier Volumes	18
Table 16: Postal & Courier Revenues, Costs & Investment.....	19

LIST OF FIGURES

Figure 1: Market Share of Mobile Subscribers.....	6
Figure 2: Voice Traffic Market Share.....	7
Figure 3: Market Share of Internet & Data Traffic.....	8
Figure 4: Mobile Revenue Contribution per Service.....	8
Figure 5: Market Share of Mobile Revenue	9
Figure 6: Market Share of Mobile Base Station Infrastructure.....	10
Figure 7: Corporate Fixed Telephone Subscriptions	12
Figure 8: Contribution to Revenue by Service	14

Figure 9: Market Share of Equipped International Internet Bandwidth Capacity	16
Figure 10: Market Share of IAP Revenue.....	17
Figure 11: Postal & Courier Volumes	18

LIST OF ACRONYMS

2G	Second Generation
3G	Third Generation
ACPU	Average Cost per User
AMPU	Average Margin per User
ARPU	Average Revenue per User
ADSL	Asymmetric Digital Subscriber Line
GB	Gigabyte
LTE	Long Term Evolution
MB	Megabyte
TB	Terabyte
Mbps	Megabits per second
VoIP	Voice Over Internet Protocol

MAJOR HIGHLIGHTS

The following are the main sector trends for the second quarter of 2021 compared to the first quarter of 2021:

- Active fixed telephone lines increased by 1.7% to record 245,322 in the second quarter of 2021 from 249,486 recorded in the first quarter of 2021; the fixed tele-density remained 1.7%.
- Active mobile telephone subscriptions increased by 3.9% to record 13.5 million in the second quarter of 2021, from 13 million recorded in the first quarter of 2021; the mobile penetration rate increased by 3.5% to reach 91.3% from 87.8% recorded in the first quarter of 2021.
- The total number of active Internet and data subscriptions increased by 1.9% to reach 9.2 million in the second quarter of 2021 from 9 million recorded in the previous quarter; the Internet penetration rate increased by 1.2% to reach 62.3% from 61.1% recorded in the previous quarter.
- Fixed telephone voice traffic increased by 3.3% to record 88.2 million minutes in the second quarter of 2021, from 85.5 million minutes recorded in the first quarter of 2021
- Total mobile voice traffic increased by 13.4% to record 1.77 billion in the second quarter of 2021 from 1.56 billion minutes recorded in the first quarter of 2021.
- Mobile Internet and data traffic increased by 7.2% to record 23,436 TB in the second quarter of 2021 from 21,865 Terabytes recorded in the first quarter of 2021.
- Used international incoming bandwidth capacity also increased by 3.8% to record 181,308Mbps in the second quarter of 2021 from 174,645Mbps recorded in the first quarter of 2021.
- Total postal and courier volumes increased by 20.3% to record 581,450 items in the second quarter of 2021 from 483,391 items recorded in the first quarter of 2021.
- Total mobile operator revenues grew by 22.2% to record ZWL16.9 billion in the second quarter of 2021 from ZWL13.8 billion recorded in the first quarter of 2021; on the other hand, operating costs grew by 15.8% to record ZWL8.8 billion from ZWL7.6 billion.
- Revenue generated by the fixed telephone network grew by 18.5% to record ZWL1.9 billion in the second quarter of 2021 from ZWL1.6 billion recorded in the first quarter of 2021; fixed network operating costs increased by 11.7% to record ZWL1.84 billion from ZWL1.65 billion recorded in the previous quarter.
- IAP revenues grew by 10.2% to record ZWL6 billion in the second quarter of 2021 from ZWL5.4 billion recorded in the first quarter of 2021; meanwhile, total operating costs for IAPs grew by 4% to record ZWL3.3 billion from ZWL3.2 billion.
- Total revenue generated by the postal and courier sector increased by 28.3% to record ZWL344.9 million in the second quarter of 2021 from ZWL267.8 million recorded in the first quarter of 2021; operating costs increased by 18.4% to record ZWL337.8 million from ZWL285.2 million recorded in the first quarter of 2021.

1. MOBILE TELEPHONY

1.1 MOBILE SUBSCRIPTIONS

The total number of active mobile telephone subscriptions increased by 3.9% to reach 13,481,527 in the second quarter of 2021 from 12,970,615 recorded in the first quarter of 2021. As a result, the mobile penetration rate increased by 3.5% to reach 91.3% from 87.8% recorded in the first quarter of 2021. All the mobile operators recorded growth in active subscriptions, in varying magnitudes, as shown in table 1 below:

Table 1: Active Mobile Subscriptions

Operator	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Econet	8,668,095	8,872,214	2.4%
NetOne	3,721,416	4,027,009	8.2%
Telecel	581,104	582,304	0.2%
Total	12,970,615	13,481,527	3.9%

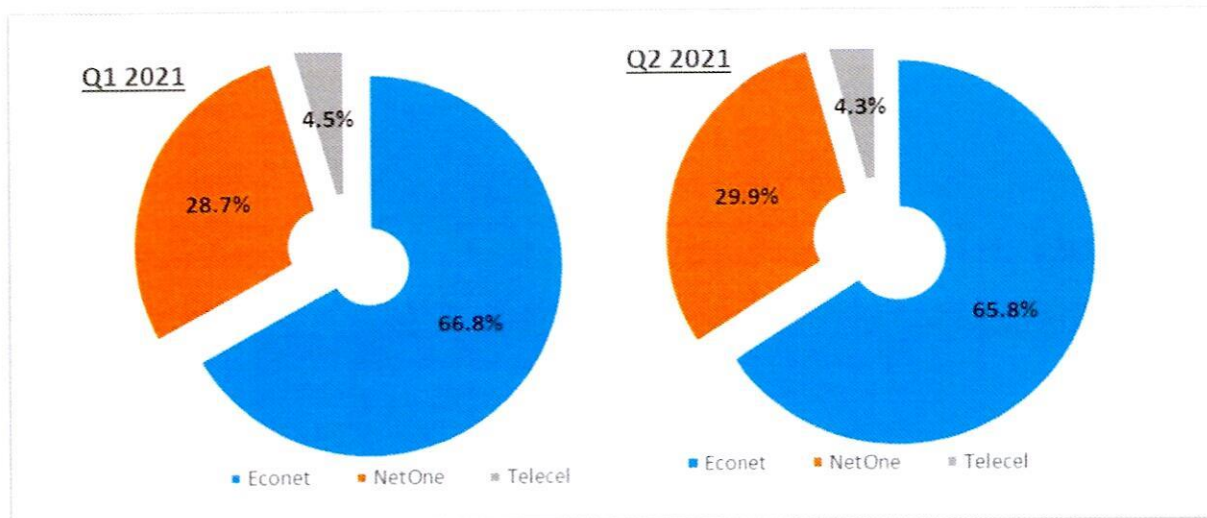
As shown above, NetOne recorded the biggest growth in active subscriptions in the quarter under review. Prepaid subscriptions constituted 97.4% of total active subscriptions. Prepaid subscriptions recorded growth in the 2nd quarter of 2021, whereas, post-paid subscriptions declined as shown in Table 2 below:

Table 2: Prepaid vs Post-paid Mobile Subscriptions

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Prepaid	12,602,828	13,130,464	4.2%
Post-paid	367,787	351,063	-4.5%
Total	12,970,615	13,481,527	3.9%

Post-paid subscriptions have been declining as consumers migrate to the prepaid platform to enjoy lower tariffs from promotions on the prepaid platform. A quarterly comparison of the market share of active mobile subscriptions is shown in Figure 1 below:

Figure 1: Market Share of Mobile Subscribers



As shown above, Telecel and Econet lost market share by 0.2% and 1%, respectively, whereas NetOne gained market share by 1.2%.

1.2 MOBILE VOICE TRAFFIC

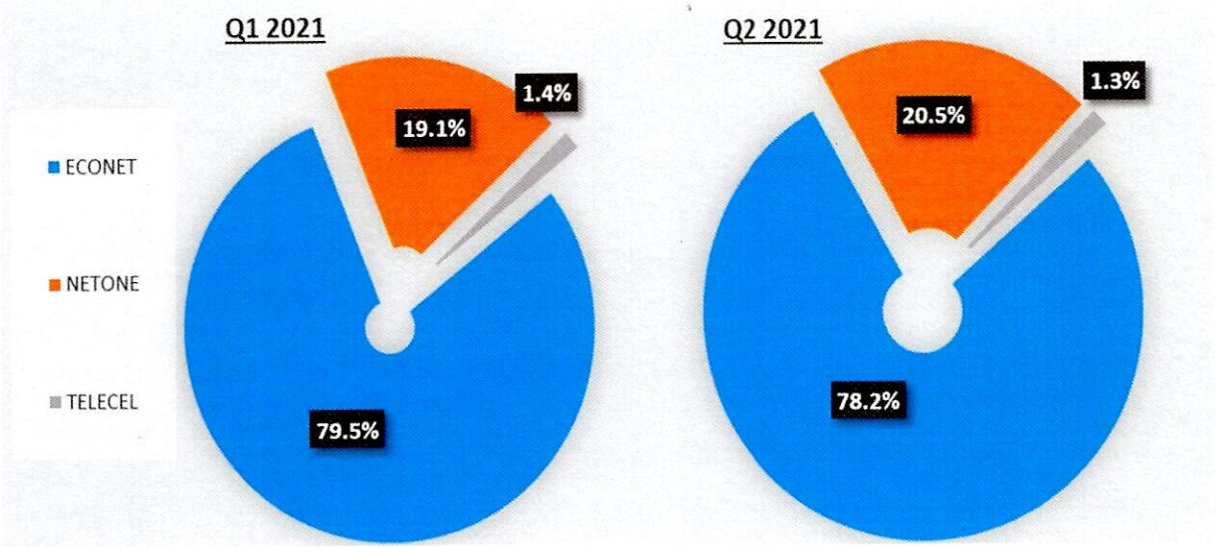
Total mobile voice traffic increased by a considerable 13.4% in the second quarter of 2021 as shown in table 3 below:

Table 3: Mobile Telephone Traffic

Traffic Category	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Net on Net	1,161,831,655	1,297,791,115	11.7%
Mobile to Fixed	3,920,851	4,273,887	9%
Incoming from Fixed	65,350,528	69,642,202	6.6%
Mobile to Other Mobile (by termination)	267,905,778	336,715,415	25.7%
Outgoing to IAPs	2,326,936	1,882,696	-19.1%
Incoming from IAPs	26,578,501	27,213,466	2.4%
TOTAL NATIONAL	1,527,914,249	1,737,484,071	13.7%
International Incoming	27,157,480	26,221,498	-3.4%
International Outgoing	5,595,350	6,192,581	10.7%
Inbound Roaming	525,790	697,970	32.7%
Outbound Roaming	140,287	425,075	203%
Total	1,561,333,156	1,771,025,157	13.4%

Outbound roaming traffic recorded the biggest growth as shown above. This may be attributable to increased cross-boarder travelling following the opening up of borders to the vaccinated population. International incoming traffic recorded a consecutive decline, whereas, international outgoing traffic has been increasing, implying a decline in foreign currency earnings from international voice service. A quarterly comparison of the voice traffic market share is shown in Figure 2 below:

Figure 2: Voice Traffic Market Share

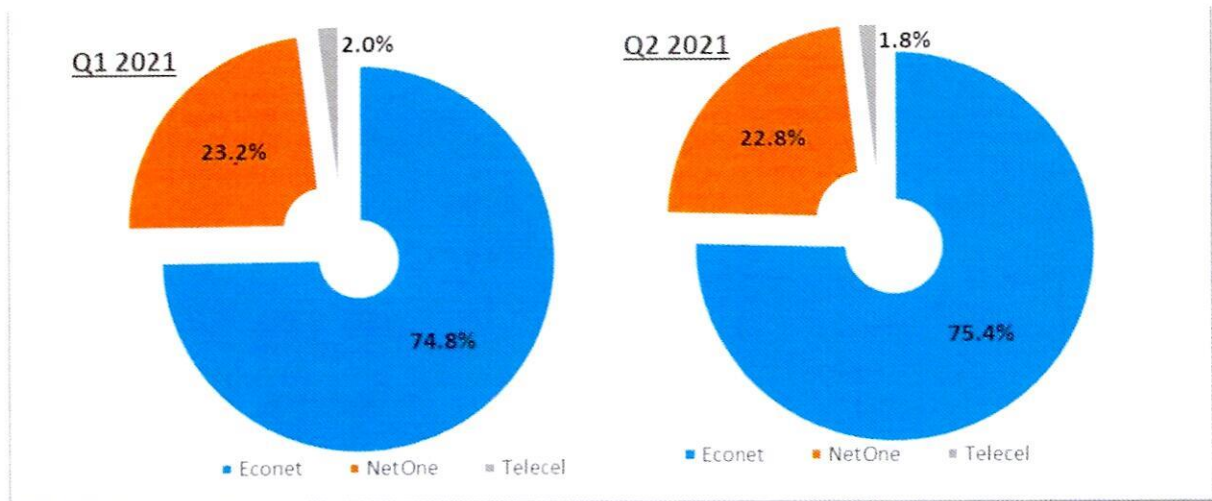


As shown above, Telecel and Econet lost voice traffic market share by 0.1% and 1.3%, respectively, in line with the decline in their subscriber market shares. On the other hand, NetOne gained market share of voice traffic by 1.4%.

1.3 MOBILE INTERNET & DATA

Mobile Internet and data traffic increased by 7.2% to record 23,436 TB in the second quarter of 2021 from 21,865 Terabytes recorded in the first quarter of 2021. Of the total mobile Internet and data traffic, 1,521,111 MB were consumed by inbound roaming subscribers, whereas, 192,403 MB were consumed by outbound roaming subscribers. In-bundle data constituted 97.3% of total mobile Internet and data usage, up from 97.2% recorded in the first quarter of 2021. A quarterly comparison of the market share of mobile Internet and data usage is shown in Figure 3 below:

Figure 3: Market Share of Internet & Data Traffic

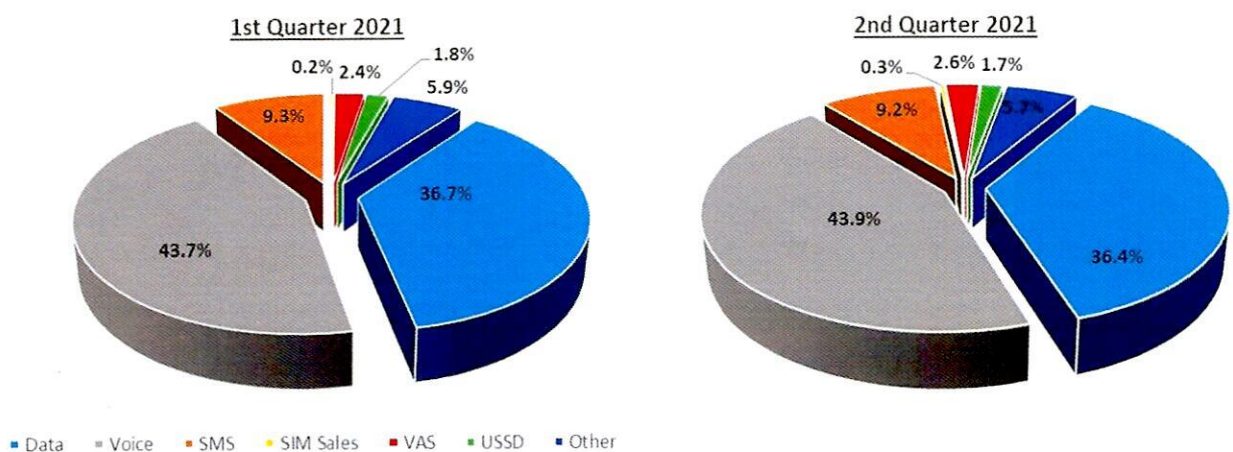


As shown above, Econet gained market share of data by 0.6% whereas NetOne and Telecel lost market share by 0.4% and 0.2%, respectively.

1.4 MOBILE REVENUES, COSTS & INVESTMENT

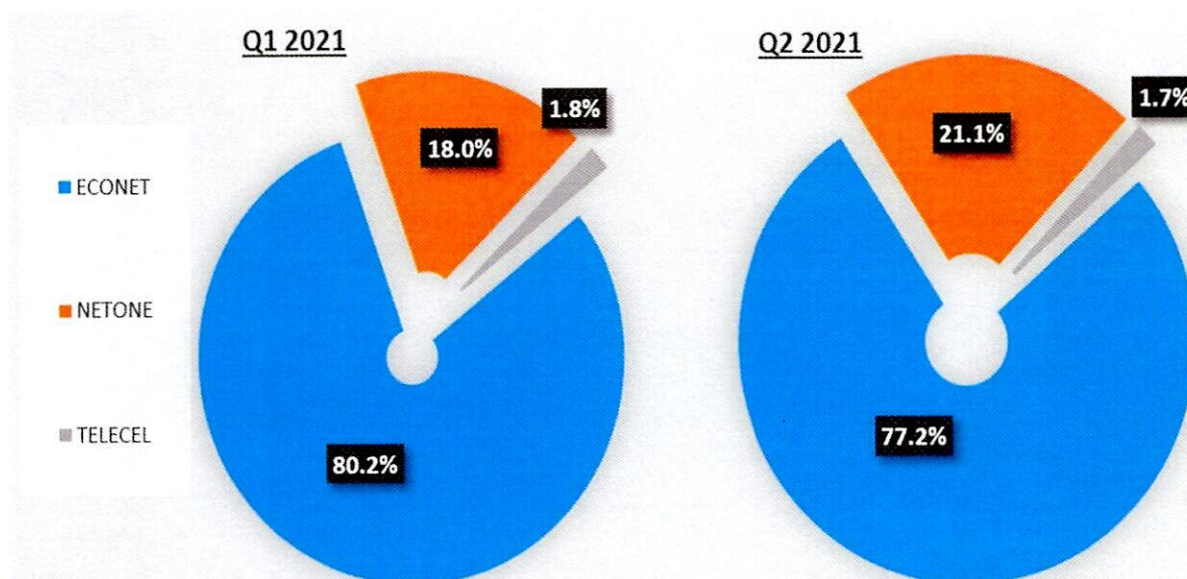
A 22.2% growth in mobile operator revenues was recorded in the second quarter of 2021 with revenues totalling ZWL16.9 billion from ZWL13.8 billion recorded in the first quarter of 2021. The growth in revenue is attributable to the growth in voice as well as Internet and data traffic. A quarterly comparison of the revenue contribution per service is shown in Figure 4 below:

Figure 4: Mobile Revenue Contribution per Service



There was no major change in the revenue contribution per service as shown above. The quarterly variation in the market share of mobile revenue is shown in Figure 5 below:

Figure 5: Market Share of Mobile Revenue



As shown above, Telecel and Econet lost revenue market share by 3% and 0.1%, respectively, whereas, NetOne gained revenue market share by 3.1%.

Operating costs grew by 15.8% to record ZWL8.8 billion in the second quarter of 2021 from ZWL7.6 billion recorded in the first quarter of 2021. Operating costs per mobile operator are shown in Table 4 below:

Table 4: Mobile Network Operating Costs

Operator	Operating costs (ZWL)		
	1 st Quarter 2021	2 nd Quarter 2021	Variance
Econet	5,655,507,436	6,571,847,385	16.2%
NetOne	1,718,868,113	1,893,676,144	10.2%
Telecel	287,031,929	407,810,333	42.1%
Total	7,661,407,478	8,873,333,862	15.8%

The growth in operating costs is attributable to the inflationary pressures in the economy. Staff costs, depreciation and bandwidth costs continued to constitute the bulk of mobile network operating costs.

1.5 MOBILE TELEPHONY INFRASTRUCTURE

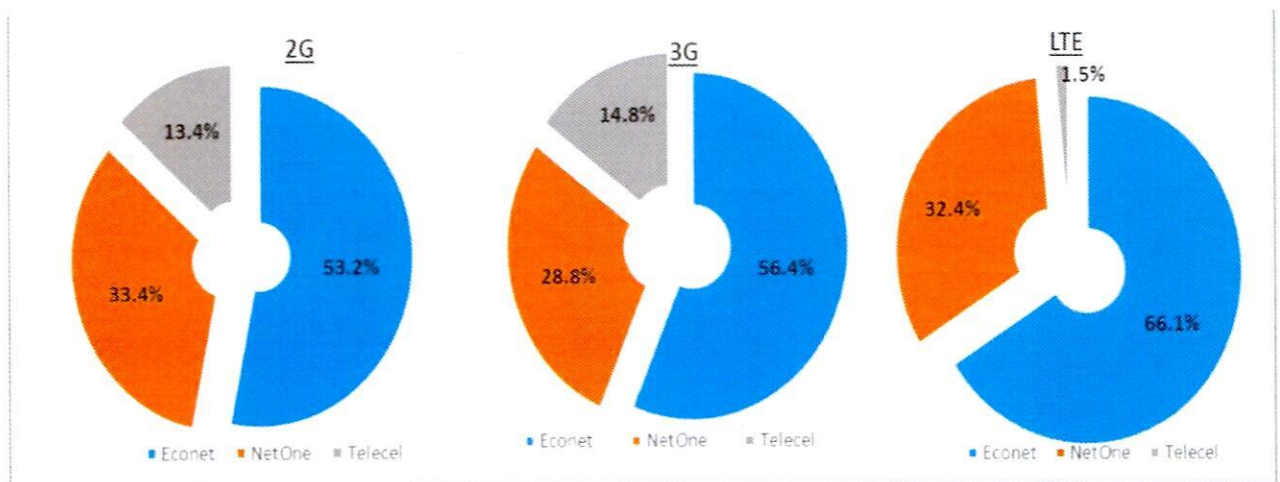
The total number of base stations in the country reached 9,048 in the second quarter of 2021, up from 8,996 recorded in the first quarter, following the deployment of 52 additional base stations. The growth in base stations is shown in Table 5 below:

Table 5: Mobile Base Stations

Operator	2G			3G			LTE		
	Q1 2021	Q2 2021	Net Addition	Q1 2021	Q2 2021	Net Addition	Q1 2021	Q2 2021	Net Addition
Econet	2,640	2,654	14	1,653	1,667	14	726	726	-
Telecel	664	671	7	437	437	-	17	17	-
NetOne	1,667	1,667	-	845	853	8	347	356	9
Total	4,971	4,992	21	2,935	2,957	22	1,090	1,099	9

As shown above, all the mobile operators deployed additional base stations in the second quarter of 2021. The market share of mobile base stations was as follows:

Figure 6: Market Share of Mobile Base Station Infrastructure



The changes in the mobile network population coverage, owing to the new deployments, is shown in table 6 below:

Table 6: Mobile Network Population Coverage

		1 st Quarter 2021	2 nd Quarter 2021	Variance
2G	Rural	74.71%	74.76%	0.05%
	Urban	99.87%	99.87	-
	Total	93.45%	93.47%	0.02%
3G	Rural	67.19%	67.22%	0.03%
	Urban	99.90%	99.91%	0.01%
	Total	83.95%	83.97%	0.02%
4G	Rural	1.83%	1.84%	0.01%
	Urban	91.99%	91.99%	-
	Total	34.98%	34.99%	0.01%

2. FIXED TELEPHONE SERVICE

2.1 SUBSCRIPTIONS

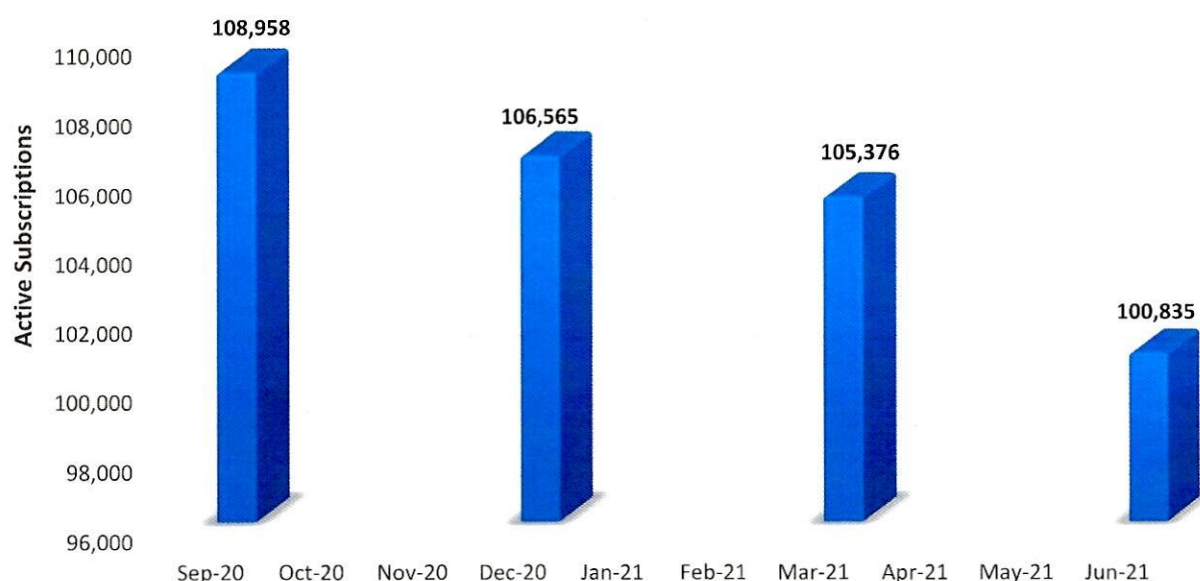
The total number of active fixed telephone lines as at 30 June 2021 was 245,322. This represents a 1.7% decline from 249,486 recorded in the first quarter of 2021. The decline emanated from the decline in corporate subscriptions as shown in table 7 below:

Table 7: Fixed Telephone Subscriptions

Subscriber category	1 st Quarter 2021	2 nd Quarter 2021	% Growth
Residential	144,110	144,487	0.3%
Corporate	105,376	100,835	-4.3%
Total Active	249,486	245,322	-1.7%

The fixed tele density remained at 1.7%. The fixed network continues to face competition from emerging technologies such as Voice over Internet Protocol (VoIP), hence the decline in active subscriptions over the years. Corporate subscriptions have declined in the last three consecutive quarters as shown in figure 7 below:

Figure 7: Corporate Fixed Telephone Subscriptions



2.2 FIXED NETWORK TRAFFIC

Fixed telephone voice traffic increased by 3.3% to record 88.2 million minutes in the second quarter of 2021, from 85.5 million minutes recorded in the first quarter of 2021. The growth in fixed voice traffic per category is shown in table 8 below:

Table 8: Fixed Voice Traffic

Traffic category	1 st Quarter 2021	2 nd Quarter 2021	Variance
Net on Net	10,553,116	8,584,630	-18.7%
Outgoing to Mobile	65,363,017	69,642,202	6.5%
Incoming from Mobile	3,973,603	4,273,887	7.6%
Incoming from IAPs	615,697	761,240	23.6%
Outgoing to IAPs	644,214	768,589	19.3%
Total National Voice Traffic	81,149,647	84,030,548	3.6%
International Incoming	3,068,483	3,096,910	0.9%
International Outgoing	1,233,283	1,101,327	-10.7%

Total traffic	85,451,413	88,228,785	3.3%
----------------------	-------------------	-------------------	-------------

As shown above, net-on-net and international outgoing traffic were the only two fixed voice traffic categories to record negative growth in the second quarter of 2021. Fixed net-on-net traffic for the greater part of 2020 and 2021 has generally been fluctuating and much lower than in previous years. The bulk of fixed on-net is generated by corporates, hence the decline may be attributable to closure of some corporate offices as well as the shift to shorter business hours as part of COVID-19 prevention measures.

2.3 FIXED TELEPHONE REVENUES, INVESTMENT & COSTS

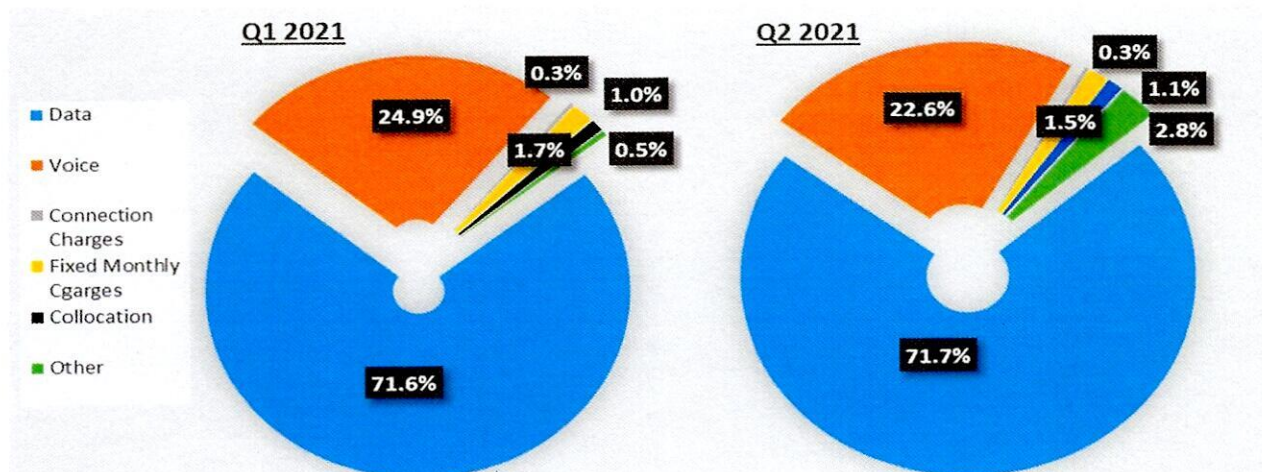
Fixed network revenue, operating costs and capital expenditure for the second quarter of 2021, are indicated in table 9 below:

Table 9: Fixed Voice Revenue, Investment & Costs

	1st Quarter 2021	2nd Quarter 2021	Variance (%)
	(ZWL)	(ZWL)	
Revenue	1,565,430,696	1,854,758,311	18.5%
ARPU per month	2,085	2,522	21.0%
Operating Costs	1,651,557,614	1,844,998,819	11.7%
ACPU per month	2,199	2,508	14.1%
Investment	99,759,985	141,472,848	41.8%

As shown above, growth in revenues, operating costs and capital expenditure was recorded in the second quarter of 2021. The growth in revenue is attributable to an increase in usage traffic, whilst the increase in operating costs and is attributable to inflationary pressures. The revenue contribution per fixed network service is shown in Figure 8 below:

Figure 8: Contribution to Revenue by Service



The contribution of data grew marginally (0.1%), whereas the contribution of voice declined by 2.3%. Data has become the main revenue contributor for the fixed network as demand for Internet and data continues to be on an upward trajectory.

3. DATA & INTERNET SERVICES

3.1 SUBSCRIPTIONS

A 1.9% growth in active Internet and data subscriptions was recorded in the second quarter of 2021. The growth in active data and Internet subscriptions by technology is shown in table 10 below:

Table 10: Active Internet Subscriptions

Technology	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
3G/HSDPA/LTE	8,847,103	9,020,133	2.0%
Leased Lines	1,135	1,194	5.2%
DSL	111,057	110,996	-0.1%
WiMAX	1,547	1,552	0.3%
CDMA	12,824	12,366	-3.6%
VSAT	2,013	1,989	-1.2%
Active Fibre Subscriptions	53,965	55,549	2.9%
Total	9,029,644	9,203,779	1.9%

As shown above, VSAT, CDMA and DSL were the categories that recorded a decline in active subscriptions. Whilst other internet and data technologies have been fluctuating over the past quarters, Fibre and mobile Internet data have generally been on the increase. The total number of subscribers who used LTE in the second quarter of 2021 was 1,061,576. This represents a 9.9% increase from 966,320 subscriptions recorded in the first quarter of 2021. The growth in fibre subscriptions, broken down by subscription type, is shown in table 11 below:

Table 11: Active Fibre Subscriptions

	1st Quarter 2021	2nd Quarter 2021	Variance
Corporate	6,668	6,748	1.2%
Residential	47,297	48,801	3.2%
Total	53,965	55,549	2.9%

As shown above, both residential and corporate fibre subscriptions increased in the second quarter of 2021.

3.2 INTERNATIONAL INTERNET CONNECTIVITY

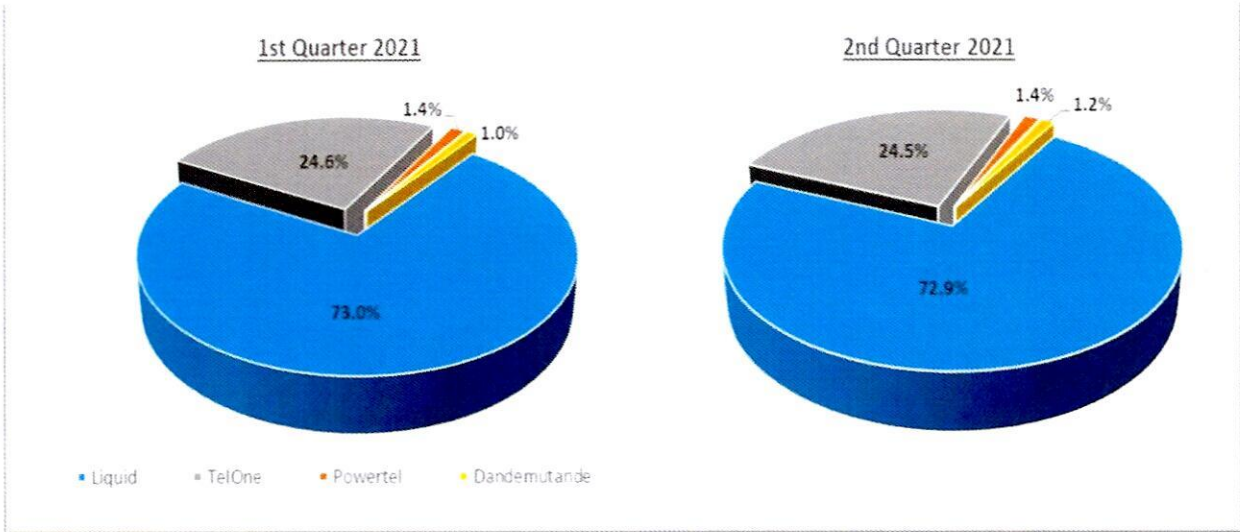
Dandemutande was the only Internet Access Provider (IAP) to expand its international Internet bandwidth capacity as shown in table 12 below:

Table 12: Equipped International Internet Bandwidth Capacity (Mbps)

	1st Quarter 2021	2nd Quarter 2021	Variance (%)
Liquid	260,000	260,000	-
TelOne	87,500	87,500	-
Powertel	5,000	5,000	-
Dandemutande	3,416	4,161	21.8%
Total	355,916	356,661	0.2%

There was a slight movement in the market share of equipped international Internet bandwidth capacity as shown in figure 9 below, due to the expansion by Dandemutande.

Figure 9: Market Share of Equipped International Internet Bandwidth Capacity



There was an increase in used international incoming bandwidth capacity as shown in table 13 below:

Table 13: Used International Internet Bandwidth Capacity

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
Incoming	174,645	181,308	3.8%
Outgoing	46,787	49,753	6.3%

Used international Internet bandwidth will continue to grow as the uptake of Internet and data increases. The growth in outgoing international internet bandwidth capacity implies an increase in local online content accessed outside our borders in the quarter under review.

3.3 IAP REVENUES, OPERATING COSTS & INVESTMENT

Total revenue by Internet Access Providers recorded a 10.2% growth, operating costs grew by 4%, whilst capital expenditure also increased by 3.1% as shown in table 14 below:

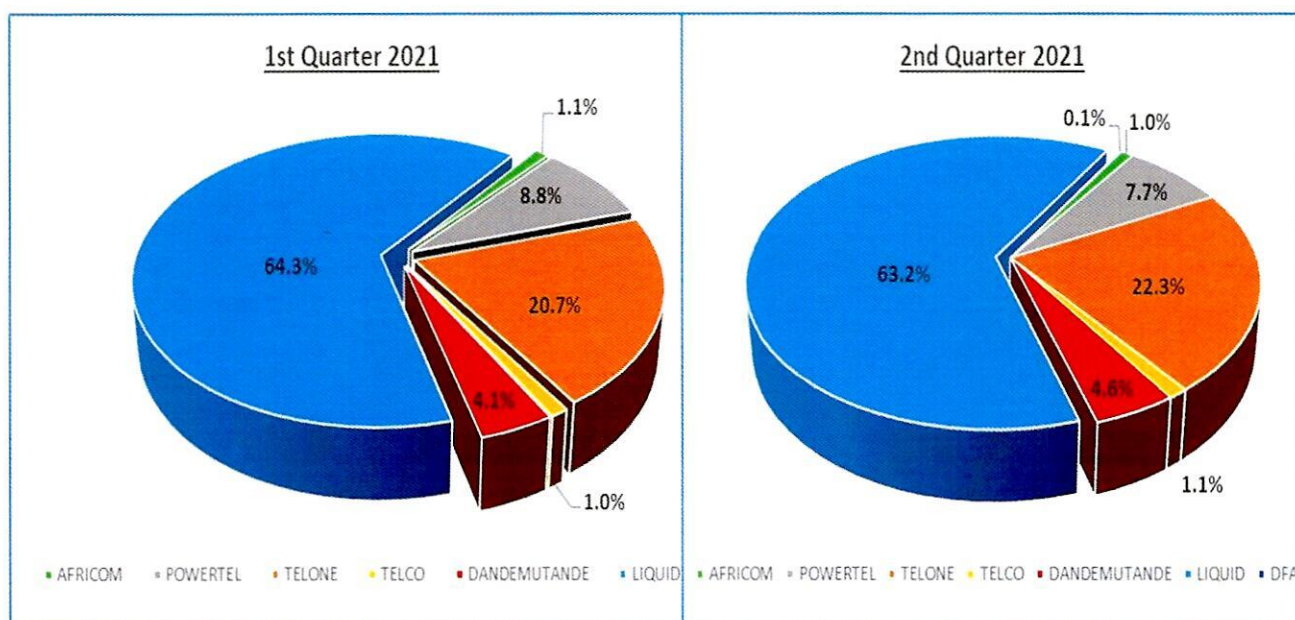
Table 14: IAP Revenues, Operating Costs (ZWL)

	1 st Quarter 2021	2 nd Quarter 2021	Variance (%)
--	------------------------------	------------------------------	--------------

Revenue	5,418,880,996 ¹	5,970,777,750	10.2%
Operating Costs	3,198,113,147	3,325,428,267	4.0%
Capital Expenditure	268,891,409	277,282,169	3.1%

IAP revenues have been consistently growing due to the growing demand for Internet and data. A quarterly comparison of the IAP revenue market share is shown in Figure 10 below:

Figure 10: Market Share of IAP Revenue



As shown above, Liquid continued to dominate the market. However, in the second quarter of 2021, their revenue market share declined by 1.1%. Powertel and Africom's market shares also declined by 1.1% and 0.1% respectively. On the other hand, TelOne, Dandemutande and Telco's market shares grew by 1.6%, 0.5% and 0.1%, respectively. DFA a recently licensed IAP had 0.1%. in relation to the other Internet Access Providers owing to a 62.3% growth in their revenue. Africom also recorded a 0.2% growth in the revenue market share.

4. POSTAL & COURIER

4.1 POSTAL & COURIER VOLUMES

The trend of growing postal and courier volumes continued into the quarter under review. Total postal and courier volumes increased by 20.3% to record 581,450 items in the second quarter

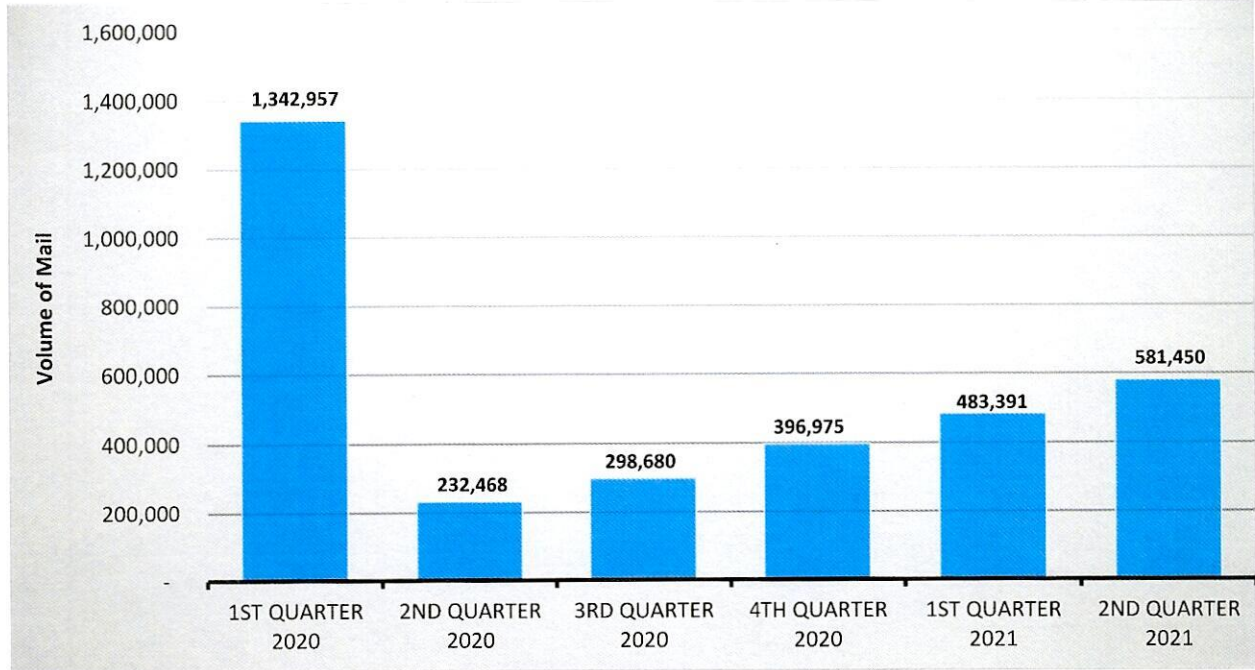
of 2021 from 483,391 items recorded in the first quarter of 2021. The growth in total volumes emanates from a surge in international incoming courier as shown in table 15 below:

Table 15: Postal and Courier Volumes

	1 st Quarter 2021	2 nd Quarter 2021	% Growth
Domestic postal letters	238,038	274,634	15.4%
Domestic courier	123,791	103,372	-16.5%
International incoming courier	96,671	182,663	89.0%
International outgoing courier	24,891	20,781	-16.5%
Total Postal & Courier	483,391	581,450	20.3%

After suffering setbacks from the global COVID-19 pandemic, postal and courier volumes have been steadily rising over the past four quarters as shown in figure 11 below:

Figure 11: Postal & Courier Volumes



Postal and courier volumes are expected to pick up as the ease of channelling courier items to and from several destinations improves post-lockdown. The application of COVID-19

restrictions affected the channelling of mail and caused a huge dip in mail volumes globally. Despite the growth recorded in the quarter under review, postal and courier volumes are still way below the quarterly average of over 1 million prior to the COVID-19 era.

4.2 POSTAL & COURIER REVENUES, COSTS & INVESTMENT

Total revenue generated by the postal and courier sector increased by 28.3% to record ZWL344.9 million in the second quarter of 2021 from ZWL267.8 million recorded in the first quarter of 2021. This is largely attributed to increased mail volumes. Operating costs and capital expenditure grew by 18.4% and 22.6% respectively as shown in table 16 below:

Table 16: Postal & Courier Revenues, Costs & Investment

	1 st Quarter 2021	2 nd Quarter 2021	Variance
REVENUES	268,757,592	344,856,896	28.3%
OPERATING COSTS	285,180,736	337,765,699	18.4%
INVESTMENT	5,640,142	6,914,374	22.6%

The capital expenditure was mainly in delivery vehicles. Administration costs, line haul costs and transit charges formed the bulk of postal and courier operating costs.

5. OUTLOOK

The sector continues to be critical in keeping the economy running in the midst of the COVID-19 pandemic by providing business-critical connectivity and resilience, facilitating work-from-home arrangements, e-banking, e-commerce, as well as keeping individuals and societies connected and informed during mandated social isolation periods. This has, however, resulted in an unparalleled surge in the use of the Internet in providing e-services, such as e-learning, e-shopping, e-worshipping and e-health, amongst others. Indeed, the pandemic has shone light on the urgent need for accelerating digital transformation. Never before in our lifetime have circumstances changed so fast, and has there been a greater need to adapt. This calls for concerted efforts in the consolidation of strategies that deliberately focus on ICT development,

executing smart policies and effective processes that embolden investments in ICTs and digital skills, and embracing emerging technologies that are crucial to the digital economy.

The shift to the auction based foreign currency market system seemingly eased inflationary pressures, but did not eliminate them completely as prices for goods and services, including fuel and energy, continued to be adjusted in line with the dynamics of the new exchange rate regime. Notwithstanding the above, foreign currency shortages continued to bedevil the economy at large, with implications on network expansion, upgrade and maintenance, taking a toll on quality of service as demand for data surged for operators.

The COVID-19 pandemic will not go away so soon but its spread will decrease owing to ongoing vaccinations across the globe and at national level. The anticipated increase in economic activity will bring about a further surge in demand for communication services, in particular data and courier volumes as consumers adapt to the new normal. Hence, the need to scale up digitalisation.