



19th January 2017

REGULATORY NOTE ON FIRST QUARTER ICT SECTOR STATISTICS REPORT FOR THE 2016/17 FINANCIAL YEAR

The Authority is pleased to release the first quarter ICT Sector Statistics for the 2016/17 financial year. The ICT sector in Kenya has continued to record high growth over the years. Broadband penetration in particular, recorded a 3.5 per cent growth in the first quarter of the year, indicating the increased uptake of high speed connection in the country. The broadband subscriptions increased by 10.2 per cent to reach 11.9 million up from 10.8 million. International bandwidth available in the country equally recorded a substantial growth of 17.2 per cent to stand at 2.02 million Mbps up from 1.73 million Mbps in the last quarter.

During the period under review, the number of mobile subscriptions recorded was 38.5 million subscriptions as compared 39.7 million subscriptions reported during the previous quarter, representing a drop of 3.0 per cent. A similar decline was recorded on the total number of data/internet subscriptions that was 25.6 million down from 26.8 million posted in the last quarter, representing a drop of 4.5 per cent .

The decline in the two key performance indicators are attributed to the alignment of the reporting by one of the operators, to the regulatory requirement which defines subscribers as those who have used a revenue generating service within the preceding 90-day period. The alignment was specifically made by Telkom Kenya in the quarter under review, in compliance with the said requirement.

To ensure compliance with regulatory requirements, the Authority undertakes compliance monitoring from time to time. The Authority has directed caution to all operators, and shall subsequently embark on a compliance audit on the systems and procedures used by the mobile network operators in submission of quarterly compliance reports, with an aim to determine their validity. This is to ensure that statistics shared with the public are authentic and reliable.

All operators are reminded to fully comply with regulatory requirements on compliance reporting in tandem with international best reporting practice.

Issued on 19th January 2017 by:

A handwritten signature in black ink, appearing to read 'Francis W. Wangusi', written in a cursive style.

**FRANCIS W. WANGUSI, MBS
DIRECTOR GENERAL**