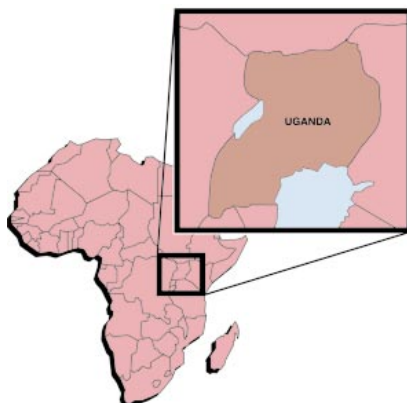


## COUNTRY PROFILE: UGANDA

The Republic of Uganda, covering an area of 235 885 km, is an agricultural country with a population of about 22 million. Over 85 per cent of its citizens live in rural areas; the capital Kampala has almost 900 000 inhabitants but accounts for just 4 per cent of the country's population. Although land-locked, Uganda is in the Great Lakes region of eastern Africa with some 15 per cent of its area consisting of water. A significant portion of Lake Victoria, the largest fresh water lake in Africa and source of the river Nile, is found in Uganda territory.



by mobile cellular and some 40 towns have service. What is remarkable is that the number of mobile subscribers widely exceeds earlier forecasts of a potential mobile market of some 10 000! The planned entry of UTL into the mobile market should further spur growth with some estimates putting the potential mobile client base at half a million.

### REFORMED, PRIVATIZED AND LIBERALIZED

Uganda's Gross Domestic Product (GDP) per capita is less than USD 300, making it a least developed country. It has historically had one of the lowest levels of telephone penetration in the world. However, government initiatives to boost the economy through privatization and foreign investment are starting to pay off. Nowhere is this more evident than the telecommunications sector, which is now one of the most liberal in Africa. Steps taken over the last five years to foster growth in telecommunications include:

- Licensing of a private GSM mobile operator, CelTel, in May 1995
- Creation of a regulator, the Uganda Communication Commission, in 1998
- Introduction of a second national operator, MTN Uganda, in October 1998
- Partial privatization of incumbent telecommunication operator, Uganda Telecom Limited (UTL), in February 2000.

### MOBILE MANIA

The results of these changes have been dramatic. Uganda's overall telephone density tripled between 1995 and 1999 rising from 0.21 telephone subscribers per 100 people to 0.67. This rapid growth is a direct result of MTN's entry into the market. Although MTN full ser-

vice licence allows it to offer all telecommunication services including fixed telephony, it has focused on mobile. One reason is that wireless networks are quick to install. Another is the use of prepaid cards since most Ugandans would not meet the financial criteria for a subscription-based service.

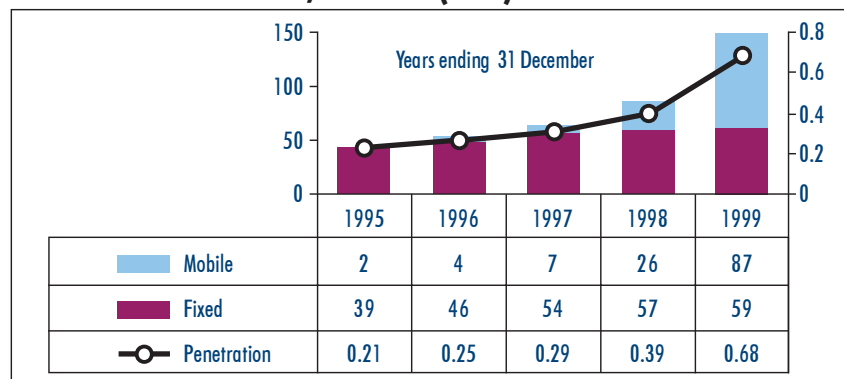
In a little over one year, MTN emerged as the largest network operator in Uganda surpassing not only CelTel but also the incumbent, UTL, in terms of number of clients. In July 1999, Uganda became the first African country and only one of a dozen in the world where there were more mobile than fixed telephone customers. MTN has not rested on its laurels. It has been aggressive in expanding the network into what Ugandans refer to as "up-country", that is the rural part of the nation. Over 50 per cent of the population is now covered

### INTERNET CASE STUDY

The Internet market is also liberalized in Uganda. There is no limit on the number of Internet Service Provider (ISP) licences. Furthermore, ISPs can provide their own national and international infrastructure. Eight ISP licences had been issued as of February 2000. There are some 4000 Internet subscribers and an estimated 25 000 users in the country. Demand is high as evidenced by an explosion of cybercafés in Kampala over the last year. There is considerable scope to expand Internet usage in the country since almost all users are currently in Kampala. Furthermore, ISP charges of USD 50 a month for unlimited access are relatively high compared to income especially considering that telephone usage charges must be added to this.

Uganda is one of the countries participating in the ITU Internet Case Studies through its Ministry of Works, Transport and Communications. For more information on the case studies, please visit the website at [www.itu.int/ti/casestudies](http://www.itu.int/ti/casestudies).

### TELEPHONE SUBSCRIBERS, UGANDA (000s)



Source: ITU, 2000.

For more information or comments on the UPDATE, please contact: ITU/BDT, Telecommunication Data and Statistics, Place des Nations, CH-1211, Geneva 20 (Switzerland). Tel.: +41 22 730 6090. Fax: +41 22 730 6449. E-mail: [indicators@itu.int](mailto:indicators@itu.int)