
FOR IMMEDIATE RELEASE**March 06, 2023****SUSTAINED GROWTH AND POSITIVE DEVELOPMENTS OBSERVED IN THE ICT
SECTOR IN 2022**

The Zambia Information and Communications Technology Authority (ZICTA) has released the 2022 Annual Market Performance Report for the Information and Communication Technologies (ICT) Sector which highlights increased utilisation of ICT services in the country over the period January to December of 2022. Below are some of the key highlights:

1) LOCAL DEVELOPMENTS IN THE ICT SECTOR

By the end of December 2022, there were a total of eighty-four (84) valid licenses in the ICT sector compared to seventy-three (73) valid licenses that had been issued by the Authority at the end of December 2021. In the postal sector, there were a total of seventy one (71) valid licenses at the end of December, 2022 compared to forty nine (49) valid licenses that had been issued at the end of December, 2021 reflecting a growth rate of 45 percent.

The total number of active mobile money subscriptions in the country increased from 9.8 million in 2021 to 11.2 million subscribers in 2022 representing a growth rate of 13.98 percent. Further, the value of mobile money transactions increased significantly from ZMW 169.4 billion recorded at the end of 2021 to ZMW 295.8 billion at the end of 2022 reflecting an increase of 74.63 percent. Similarly, the volume of mobile money transactions increased from 834 million transactions at the end of 2021 to 1,581 million transactions at the end of 2022 reflecting an improvement of 89.60 percent. This performance represents extensive adoption of digital financial services and presents important opportunities for increased financial inclusion in the country.

In order to curb the increase in digital financial crimes in the country, the Authority in collaboration with the Mobile Network Operators introduced the *707# short code for reporting, detecting, verifying, and deactivating SIM cards used in perpetuating digital frauds and scams. Further, ZICTA in collaboration with GSMA Zambia successfully expanded its initiatives related to Green ICTs through the launch of an initiative for the Phasing out of airtime scratch cards. In the 2023 National Budget statement issued by the Minister of Finance and National Planning, the postal and courier license fees charged by the Authority were reduced from ZMW 15,000 to ZMW 10,000 for Domestic License whereas the fees for the local license were reduced from ZMW 10,000 to ZMW 5,000. There were also a number of tax reforms related to Value Added Tax, Corporate Income Tax and Value Added Tax that were introduced in the ICT sector.

2) PERFORMANCE OF THE ICT SECTOR

The total number of active mobile cellular subscriptions reduced from 20.2 million subscriptions reported at the end of 2021 to 19.8 million subscriptions at the end of 2022 representing an annual decline of 2 percent. Correspondingly, the mobile cellular penetration rate, defined as the ratio of the total number of active mobile cellular subscribers to the total population, declined from 110 percent reported at the end of 2021 to 101.2 percent at the end of 2022. The overall decline in the number of mobile cellular subscriptions as well as mobile cellular penetration rate was mainly attributed to the significant number of sim cards that were deactivated relative to the new activations during the review period in a bid to increase compliance to the sim registration guidelines issued by the Authority as well as efforts to curb the surge in fraudulent activities carried out on mobile cellular platforms.

The volume of domestic outgoing traffic increased from 24.4 billion minutes in 2021 to 28.5 billion minutes in 2022 reflecting a growth rate of 17 percent. The increase in domestic outgoing traffic was mainly attributed to the continued favourable pricing arising from discounted minutes offered through bundled packages by operators who continued to increase the number of minutes in bundled packages as a strategy for customer acquisition and gaining a competitive edge on the market. The volume of both the outgoing and incoming international traffic continued on a downward trajectory in 2022. Notably, the volume of international outgoing traffic reduced from 17.4 million minutes recorded in 2021 to 14.9 million minutes in 2022 reflecting a reduction of 15 percent. The continued decline in international outgoing traffic was mainly attributed to the increasing use of close substitutes to traditional calling platforms which included Voice over Internet Protocol (VOIP) enabled applications like WhatsApp among others.

The total number of active internet subscriptions in the country increased from 10.4 million subscriptions reported at the end of 2021 to 11.1 million recorded at the end of 2022 representing a growth of 6.73 percent. Consequently, the increase in the total number of active internet subscriptions reflected a marginal increase in the internet penetration rate from 56.7 per 100 inhabitants reported in 2021 to 56.8 per 100 inhabitants attained in 2022. This increase was partly attributed to the increased investment in 3G/4G networks as well as other emerging technologies. The Lit/equipped capacity among the mobile network operators reduced from 181,740 Megabits per second (Mbps) reported in 2021 to 155,487 Mbps in 2022 representing a decline of 14.4 percent. However, the capacity usage increased from 89,280 Mbps in 2021 to 126,199.82 Mbps in 2022 reflecting a growth rate of 41.4 percent reflecting increased utilisation of data services among users.

The total number of telecommunication sites that were operational in the country increased from 11,478 sites at the end of 2021 to 11,987 sites at the end of 2022 representing a growth rate of 4 percent. The total number of telecommunication towers in the country increased from 3,417 reported at the end of the 2021 to 3,506 at the end of the 2022, representing an overall increase of 2.6 percent. These improvements had a positive impact on both quality of service and coverage in the country.

The mobile telephone subsector reported an 18 percent increase in revenue performance at the end of December 2022 compared to the same period in 2021. Specifically, revenues in the subsector grew to ZMW 7.8 billion at the end of 2022 from ZMW 6.6 billion at the end of 2021. Airtime remained the largest contributor to Mobile Network Operator (MNO) revenues accounting for 45.2 percent of the total revenues in the

subsector. The contribution of data services to total revenues increased from 30.5 percent at the end of 2021 to 36.9 percent at the end of 2022 making it the fastest growing revenue source.

The Authority forecasts a positive outlook in the general uptake and use of ICT services in the subsequent review period. The number of active mobile network subscriptions is expected to increase from 19.8 million reported at the end of 2022 to 20.4 million subscriptions at the end of 2023 and subsequently 21.3 million in 2024. In addition, the volume of domestic outgoing mobile voice call minutes is forecasted to increase from 28.5 billion minutes estimated at the end of 2022 to 32.1 billion projected for the year 2023 and could reach 34.5 billion minutes in 2024. These anticipated improvements in uptake and usage of ICT services are on the backdrop of increased investments by operators in the capacity and coverage of their networks, competitive pricing outcomes on the market as well as general improvement in demand for ICT services among other attributes. However, there are risks mainly with international voice traffic which has exhibited a sustained decline.

NOTE: The detailed Annual Market Report is available on www.zicta.zm.

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