

DATA

As Ugandans spend more on internet access than traditional calls and SMS, telecom operators are rapidly

The rise of data: Telecom

Connectivity. |

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The telecommunications market ended 2025 with a message no operator can afford to ignore: the customer wallet has moved decisively toward data.

The UCC Market Performance Report for the quarter ended December shows that Ugandans are no longer using telecom networks mainly to call or send text messages.

They are using them to livestream, work, trade, learn, watch, socialize, pay, save, and participate in the digital economy.

In the three months to December 2025, according to UCC, the average telecom consumer was spending Shs16,253 per month, up from Shs15,721 in the quarter to September, a 3.4 percent quarterly rise.

But the bigger story is the direction in which this money was spent. Of the Shs16,253, mobile data alone took Shs11,145, equal to 68.6 percent of average telecom spending.

Voice, SMS, and other traditional services now orbit around data rather than the other way round. The UCC report shows that spending on data is the undisputed leader, followed by on-net voice spend, with average monthly spend rising to Shs4,536, which represents 27.9 percent of the telecom wallet.

Off-net voice accounted for Shs326, or 2 percent, while SMS took only Shs246, equal to 1.5 percent.

The distribution tells operators where value is migrating, with the telecommunications landscape undergoing a hard-line shift.

A call is now only one small part of a wider, connected life. Increasingly, the most valuable customer is not simply the one who buys airtime, but the one who remains constantly connected to applications, platforms, payments, content, and services.

Why data now carries the market

Data has become the centre of telecom spending because the internet is now the centre of everyday life.

In the three months to December 2025, Uganda had 18.5 million mobile internet subscriptions and 20 million smartphones in use.

The country also consumed 332.4 million gigabytes of internet traffic during the quarter.

These numbers show that connectivity has moved beyond convenience. It is now an essential layer of social and economic participation.

Average data usage per person stood at 5.3GB per month, slightly lower than the 5.4GB spent in the third quarter of 2025.

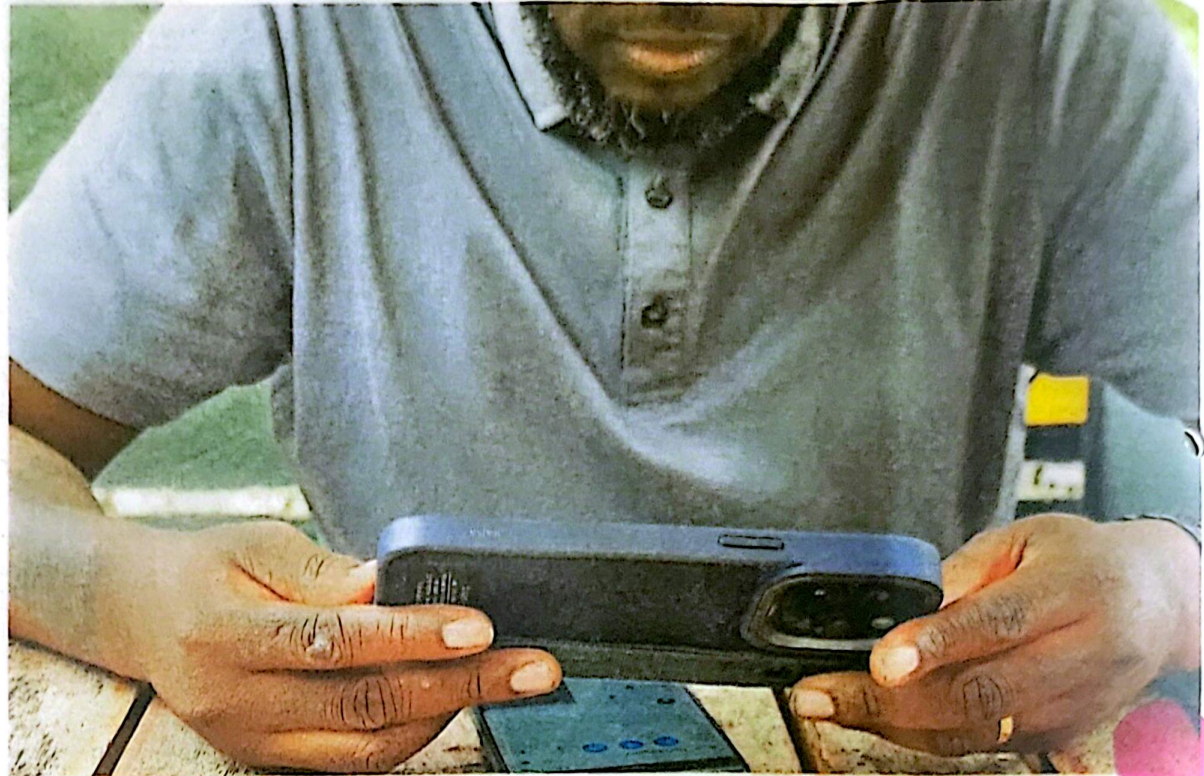
Yet average data spend still increased from Shs10,957 to Shs11,145, which means consumers continued allocating more money to data even when average volume dipped.

For operators, this is a powerful signal. Data is sticky. Customers may manage usage, but they are not walking away from internet access.

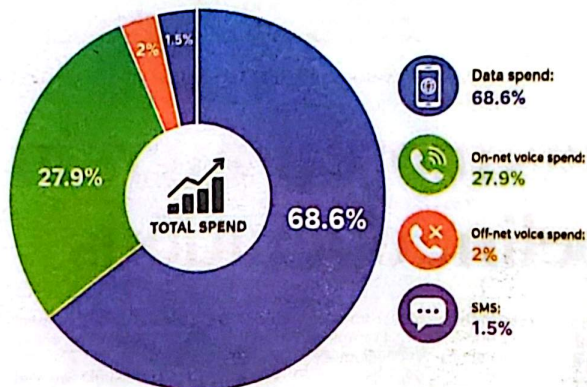
Revenue growth confirms the shift

The strongest evidence that Uganda's telecom market is entering a data-driven era lies in operator earnings.

MTN reported total service revenue



The percentage share of how Ugandans are now spending on telecom services



growth of 13.6 percent to Shs3.6 trillion in 2025, supported by a 28.8 percent rise in data revenue and a 17.3 percent increase in fintech revenue. The telecom said smartphone penetration and wider 4G coverage helped accelerate internet usage and digital adoption.

On the other hand, Airtel recorded strong momentum, with total revenue rising 13.3 percent to Shs2.25 trillion.

Data revenue and value-added services jumped from Shs899.7b to Shs1.1 trillion, while its customer base expanded by 19.2 percent.

The numbers show that telecom growth is no longer being driven primarily by traditional voice services.

Key Insights

- Data has become the centre of telecom spending because the internet is now the centre of everyday life.
- The strongest evidence that Uganda's telecom market is entering a data-driven era lies in operator earnings.
- Social media is one of the biggest reasons why data has become so central, with WhatsApp, TikTok and YouTube being the biggest drivers.
- The UCC report shows that the telecom sector generated Shs1.66 trillion in gross revenue in the three months to December 2025. The future of that revenue will increasingly depend on how well operators convert connectivity into ecosystem value.

Data is no longer a telecom product; it is the foundation powering communication, commerce, entertainment, and digital economic participation. PHOTO/FILE

Instead, operators are increasingly monetising internet access, mobile financial services, digital content, and always-on connectivity.

The drive behind data

Social media is one of the biggest reasons data has become so central. The UCC report shows 11.4 million WhatsApp subscriptions, 11.3 million TikTok subscriptions, and 7.2 million YouTube subscriptions by December 2025. These platforms have turned mobile data into the fuel of daily interaction.

WhatsApp supports family communication, business coordination, customer care, group selling, school communication, and community mobilization.

TikTok and YouTube drive heavy video consumption, entertainment, advertising, content creation, and youth culture. Every scroll, stream, upload, call, and share strengthen the business case for better data networks.

This is why telecom operators must think beyond selling bundles. They must build ecosystems that make customers want to stay online longer and do more while connected.

Voice still matters, but differently

Voice remains important, but its role has changed. On-net voice usage rose from 147.5 minutes in the three months to September to 156.9 minutes, while spend increased from Shs4,204 to Shs4,536.

This shows that traditional calling still has a strong place in Uganda, especially

among informal businesses, rural communities, basic-phone users, traders, transporters, farmers, and households that need instant communication.

Off-net voice usage rose from an average of 11.3 minutes to 12.5 minutes, while spend rose from Shs296 to Shs326. Although off-net calling remains small in wallet share, its growth suggests that Ugandans are communicating more freely across networks.

However, voice is no longer the main growth frontier. Its future importance lies in supporting inclusion, reliability, emergency communication, and mass-market reach.

Data, by contrast, is where operators can build deeper engagement and broader revenue opportunities.

SMS has become a utility layer

SMS shows how quickly consumer behaviour is changing. Average SMS volume rose sharply from 9 messages in the third quarter to 14 messages in the fourth quarter to December, a 55.6 percent increase.

Yet average SMS spend dropped from Shs264 to Shs246, which means that, whereas more messages are moving, less money is being made from them at the consumer level.

This suggests that SMS is becoming less of a person-to-person communication tool and more of a utility service. It now supports bank alerts, verification codes, transaction confirmations, promotions, service notifications, and authentication.

Messaging apps have taken over the social role once played by SMS.

transforming into digital ecosystem providers built around data, streaming and always-on connectivity.

industry enters a new era

VOICE

Need for a strong data ecosystem

A strong data ecosystem means more than coverage. It means fast and reliable networks, affordable devices, relevant bundles, trusted payment channels, content partnerships, app partnerships, merchant tools, digital customer support, cloud capability, cybersecurity, analytics, and platforms that connect consumers and businesses.

The operators that win will be those that understand the customer journey from connectivity to utility.

A student buying data for learning may also need mobile money, content access, cloud storage, and affordable devices. A trader using WhatsApp for orders may also need merchant payments, delivery partnerships, digital advertising, and business records.

A young content creator using TikTok may need larger bundles, creator tools, streaming partnerships, and monetization channels. Data becomes most valuable when it unlocks more services.

The next competitive battleground

will, therefore, be fought around experience. Customers will reward networks that load videos smoothly, keep mobile money services available, support small businesses online, and offer bundles that match real behaviour rather than generic usage assumptions.

Operators must also invest in rural data

quality, because the next wave of growth will come from users who are moving from basic connectivity into richer digital services. A strong data ecosystem also gives telecoms better intelligence. Usage patterns can help operators design smarter products, reduce churn, detect fraud, support merchants, and personalize offers responsibly.

When combined with secure mobile money platforms, this intelligence can support lending, insurance, savings, advertising, and enterprise services.

Data capability will determine market strength, innovation capacity, and long-term sector resilience across Uganda.

This is why data should be treated as infrastructure, not inventory. A bundle is consumed and forgotten.

A trusted ecosystem becomes part of a daily routine. In Uganda's case, the numbers show that routine is already forming, and the operators that move fastest will define the market.

Key data

18.5m

In 2024, in the three months to December 2025, Uganda had 18.5 million mobile internet subscriptions and 20 million smartphones in use.

The revenue future

The UCC report shows that the telecom sector generated Shs1.66 trillion in gross revenue in the three months to December 2025.

The future of that revenue will increasingly depend on how well operators convert connectivity into ecosystem value.

A telecom that only sells data bundles risks competing mainly on price. A telecom that builds a data ecosystem competes on relevance, convenience, trust, and daily usefulness.

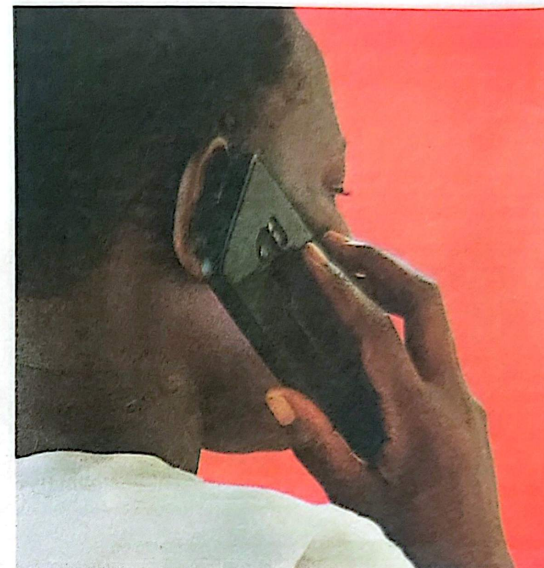
This distinction is critical. Price promotions can attract customers temporarily, but ecosystems keep them engaged.

Once customers depend on an operator for data, money transfer, entertainment, merchant payments, learning, cloud storage, and digital identity, switching becomes harder and lifetime value rises.

The UCC report indicates that Ugandans are spending most of their telecom money on data because data now supports the activities that define modern life.

Voice remains important for inclusion and immediacy, but it is fading and being swallowed up in the mix.

For every telecom, therefore, priority will be to build a strong data ecosystem, a foundation for future revenue, customer retention, digital financial services, content distribution, enterprise growth, and national digital transformation.



Voice remains important in Uganda's telecom market, especially for instant communication, inclusion, rural connectivity, and everyday business interactions nationwide, but the shift to data is moving so fast. PHOTO / EDGAR R BATTE

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