MENA Mobile Landscape
Key trends and outlook

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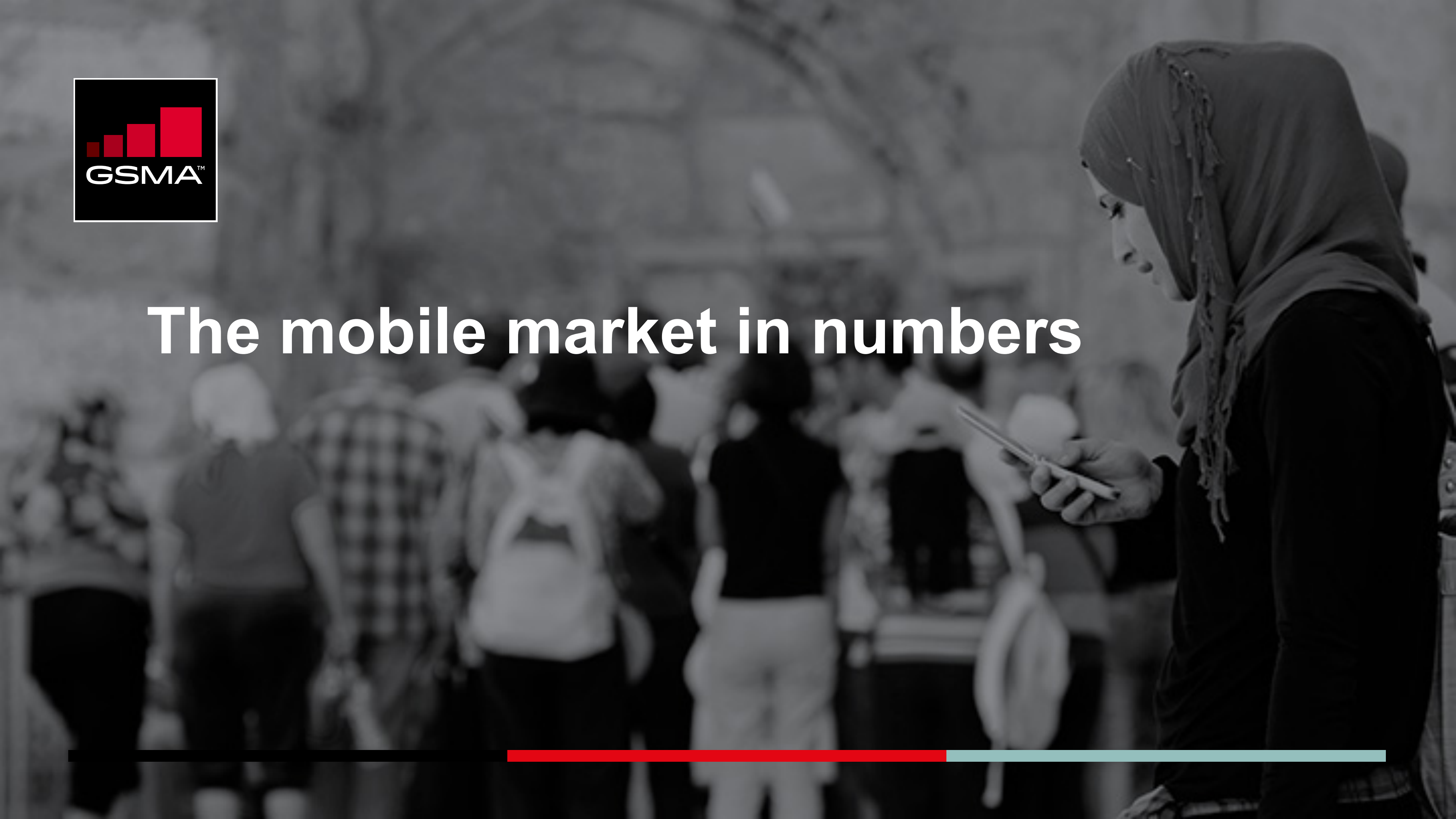
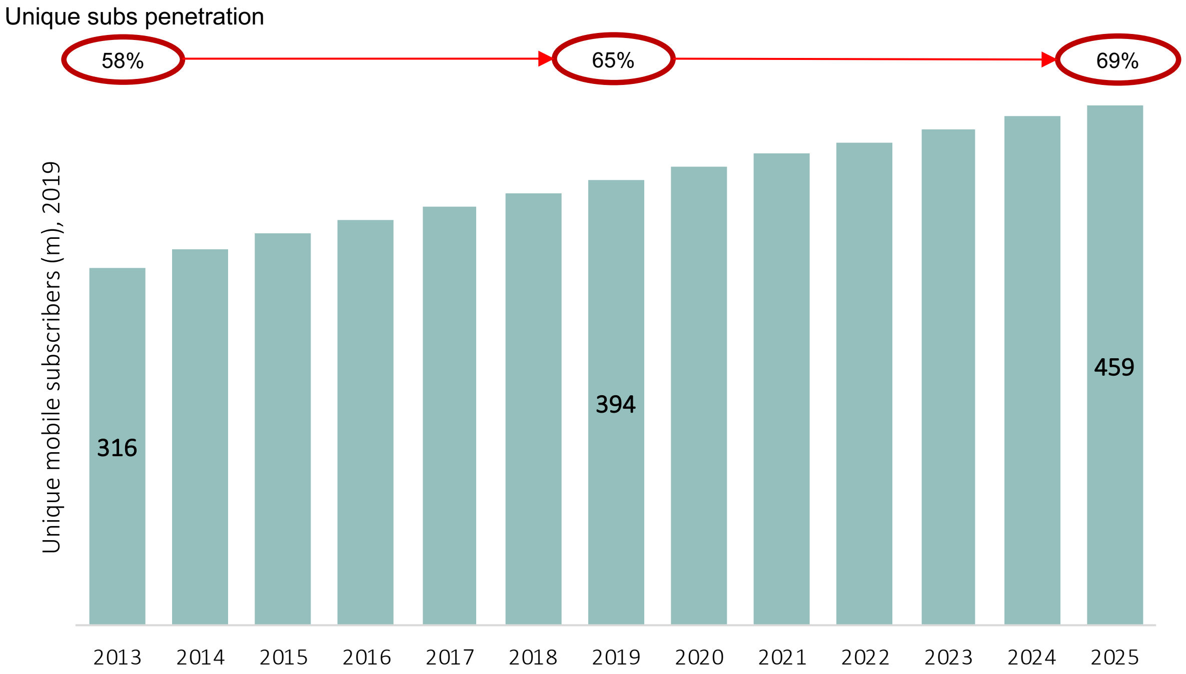


The mobile market in numbers

Unique subscriber growth continues apace

- Over the next five years, the MENA region will see an additional 65 million new mobile subscribers
- This will take the unique subscriber penetration rate to nearly 70%
- Three countries - Egypt, Iran and Sudan - will account for nearly 40% of new subscribers over the next five years

More than two thirds of the population in MENA will subscribe to mobile services by 2025



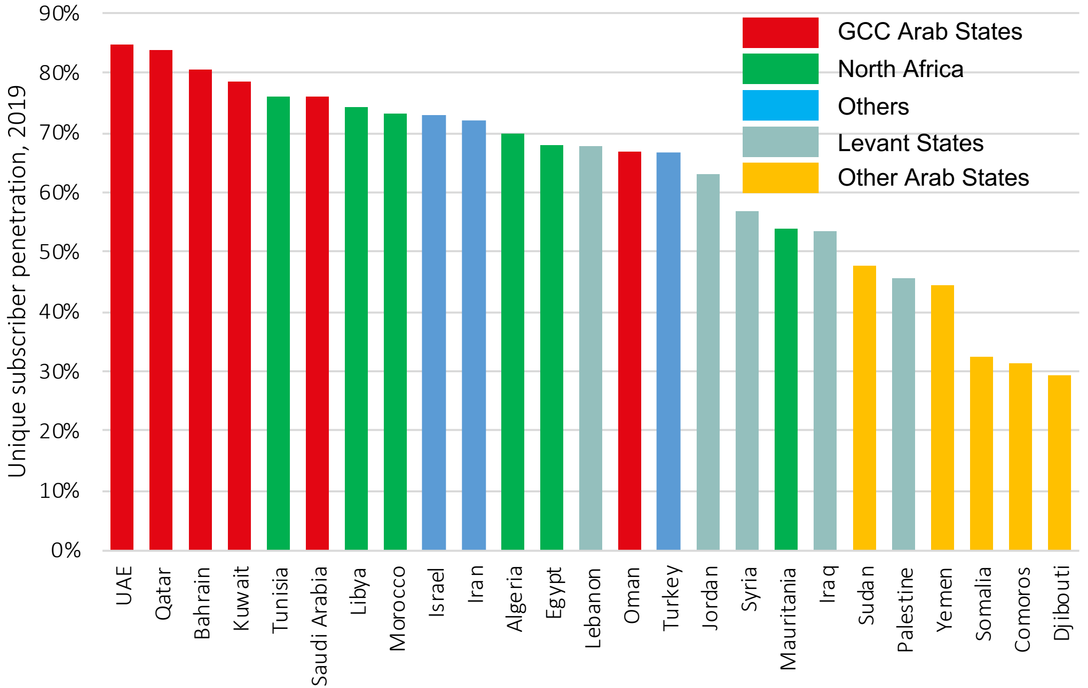
Source: GSMA Intelligence

MENA: a diverse connectivity landscape

- 10 countries in the region now have unique subscriber penetration rates of more than 70%, compared to the global average rate of 66%

- However, there still remains a significant connectivity gap in several countries in the region, six of which have unique subscriber penetration rates of less than 50%

MENA hosts some of the most penetrated and underpenetrated markets in the world

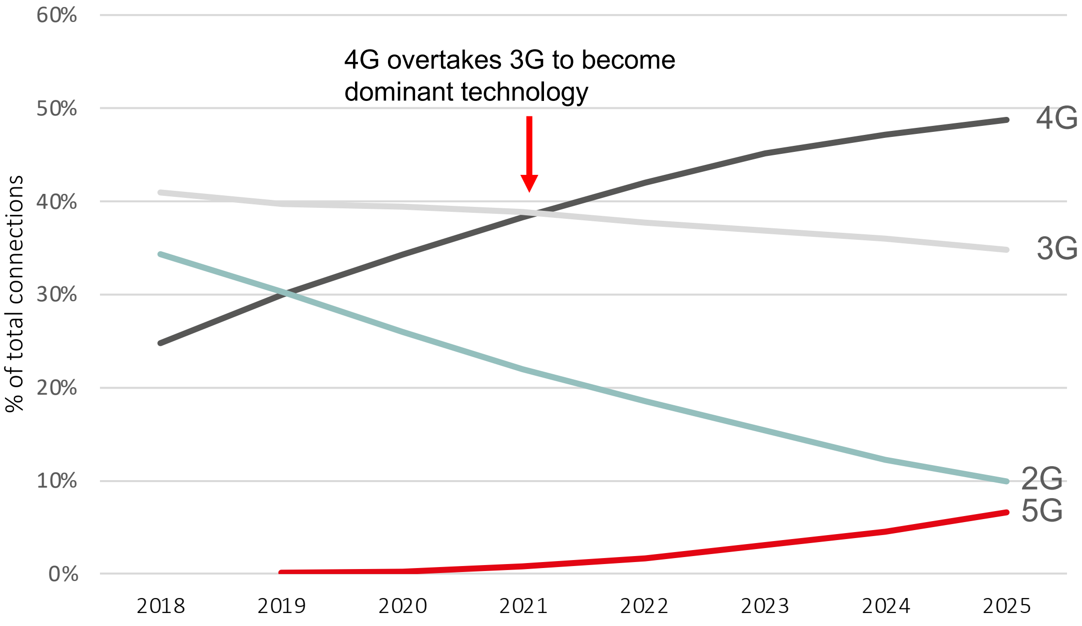


Source: GSMA Intelligence

4G adoption is rising…but the 5G era has begun

- 4G is expected to be the dominant technology across the region by 2022
- 5G is making progress: 12 operators across six markets have launched commercial 5G services
- Transition to 5G will accelerate in the coming years, with 10 more markets expected to see commercial services by 2025

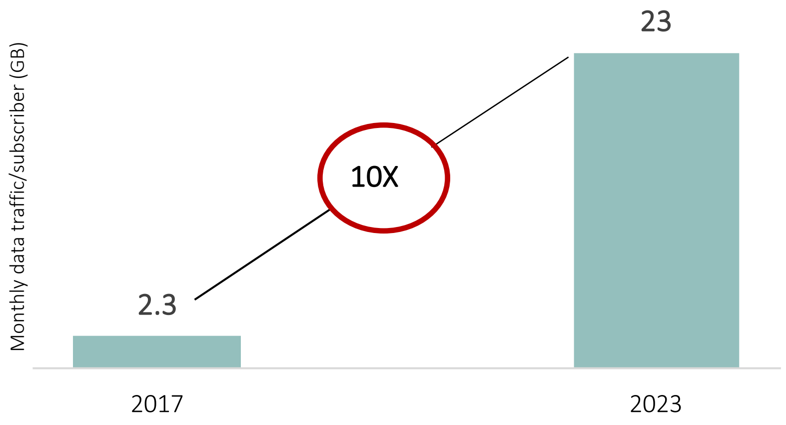
Nearly 50 million 5G connections by 2025, equivalent to 7% of total connections



Source: GSMA Intelligence

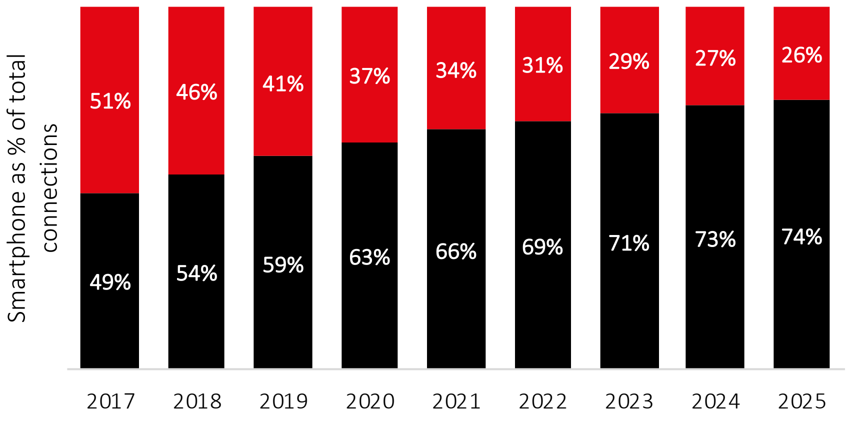
Smartphone uptake driving mobile data traffic growth

Tenfold increase in data traffic over the five years to 2023



Source: GSMA Intelligence

Smartphones to account for nearly three-quarters of total connections by 2025



Source: GSMA Intelligence

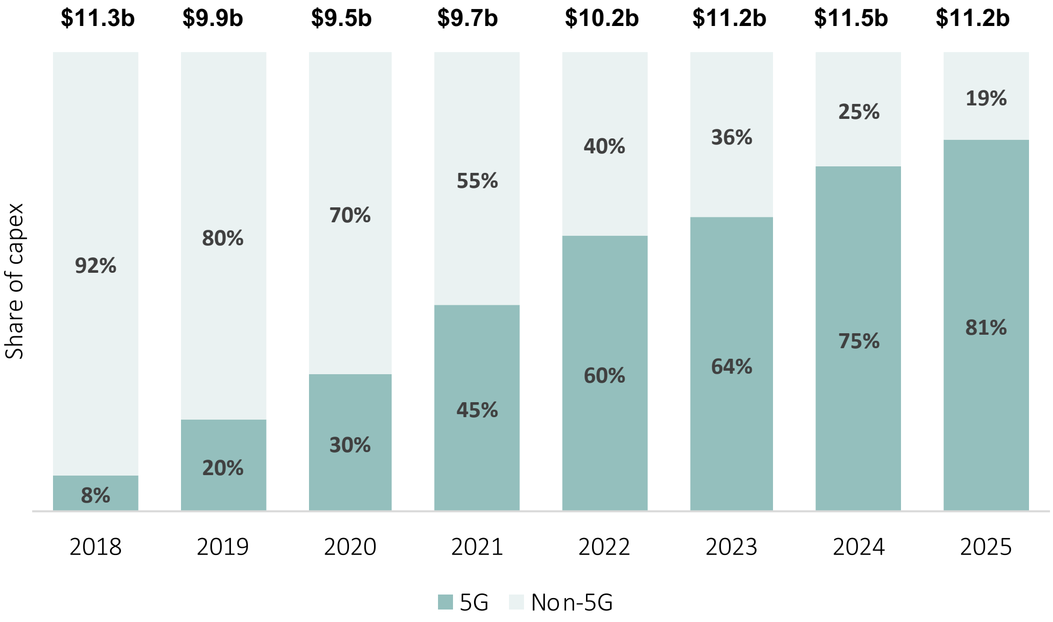
According to Statista, monthly mobile data traffic per subscriber in the MENA region will reach 23 GB in 2023, compared to just 2.3 GB in 2017

Smartphones will account for nearly three quarters of the 714 million mobile connections by 2025

Capex trends: 5G investments to grow rapidly

- 5G accounts for a growing share of total mobile capex in MENA. Over the next five years, the share of 5G capex will grow fivefold to 81%
- Non-5G capex will mostly go towards the expansion of 4G networks as operators increasingly wind down 2G and, in some cases, 3G services
- STC, Batelco and Etisalat are among operators that have announced plans to rationalise earlier network generations to focus on 4G and 5G deployment.

5G share of total capex to reach 80% by 2025



Source: GSMA Intelligence

Covid-19 impacts on the digital ecosystem

Covid-19 impacts: connectivity takes centre stage

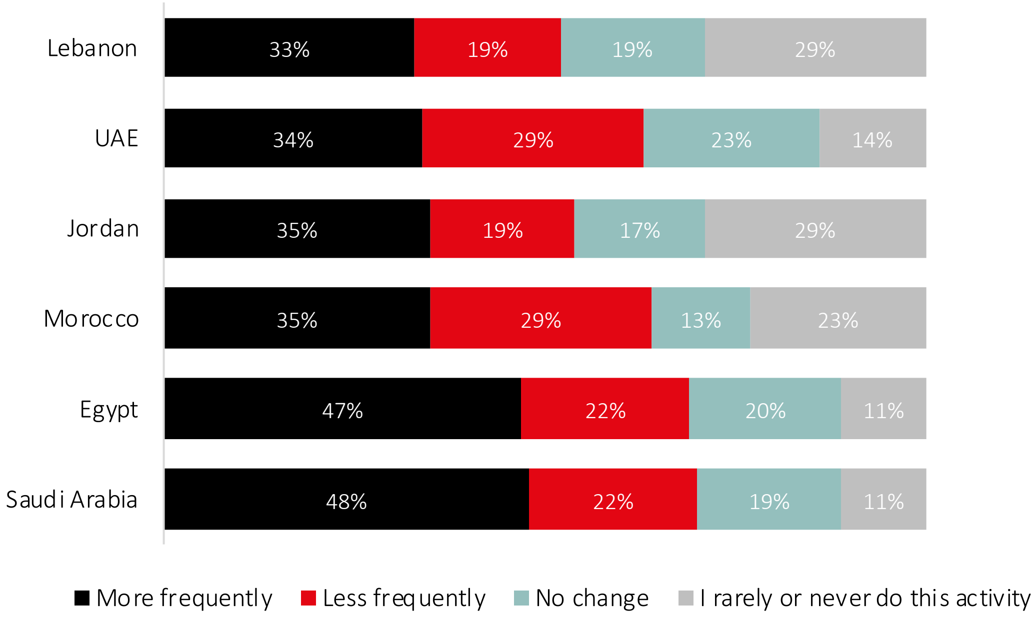
- Social distancing measures to tackle the spread of the covid-19 pandemic have highlighted the importance of digital connectivity as a vital tool to sustain social and economic activities across society
- Connectivity has become a lifeline for many essential services during the pandemic, including; education, health, public services, retail, and entertainment
- Governments have also relied on connectivity to disseminate essential information in real-time, thus enhancing efforts to fight the disease

Increase in data traffic during lockdown:		
Egypt **87%** on fixed & mobile	Jordan **31%** over 4G networks	Saudi Arabia **33%** on fixed & mobile

Covid-19 impacts: E-commerce gains momentum

- Nearly half of respondents in Saudi Arabia and Egypt used e-commerce services more often during the pandemic
- In Saudi Arabia, another survey showed that 55% of the population purchased grocery online in April, compared to just 6% before the outbreak
- Amazon MENA increased its workforce by 30% to meet the surge in e-commerce demand at the peak of the pandemic

Usage of online shopping during the covid-19 pandemic in MENA



Jordan; Lebanon; Morocco; Saudi Arabia; United Arab Emirates; Egypt; MENA; Ipsos; March 20 to 23, 2020; 4,500 respondents. Source: Statista

Covid-19 impacts: spotlight on digitalization

- In recent years, governments across the region have stepped up efforts to grow the digital economy
- Bahrain, Egypt, Jordan, Qatar, Saudi Arabia and UAE are among countries in the region that are implementing smart city and digital transformation agendas
- Covid-19 has increased the urgency for digitalization across the region, with public and private institutions increasingly leveraging digital platforms to engage with citizens and other stakeholders

Public services

Retail

Education

Financial services

Transport & logistics

Healthcare

Operators at the forefront in the fight against covid-19

Examples of initiatives by service providers to help fight the impact of covid-19

Lebanon – OGERO doubled the ceiling of Internet consumption and speed for the unlimited packages free of charge

Morocco - Inwi allows students free and unlimited access to training sites deployed by the Ministry of National Education

Sudan – Zain sent 60mn SMS and 200,000 automated messages to spread awareness on preventative tips and communicate advice provided by the Ministry of Health

UAE - Etisalat enabled at least 1 million students to get free access to distance learning websites and partnered the Ministry of Education and Telecommunications Regulatory Authority (TRA) to provide free mobile data to over 12,000 students who do not have Internet at home

Qatar – Ooredoo supported a wide range of organisations across the country – from SOHOs and SMEs to large enterprises, across the public and private sectors – to develop remote working capabilities, unified communications and collaboration

Looking ahead…

- The impact of covid-19 on the mobile ecosystem and the wider society is still evolving. The coming months and years will provide a clearer picture
- In recognition of the role of mobile networks in providing connectivity, some governments in the region have offered temporary spectrum to operators. Beyond short-term measures, there is a need for positive long-term spectrum frameworks to support timely and efficient deployment of mobile broadband networks
- Broadband networks largely remained resilient at the peak of the lockdown in many markets, despite increased usage. However, the growing pressure on existing networks will see service providers ramp up investments in network capacity and coverage to cope with demand
- There will be a renewed effort to migrate customers onto high speed broadband networks. Our current forecast expects 4G to overtake 3G by 2022, but the growing demand for enhanced connectivity services could accelerate the transition. This will, however, require efforts to address barriers to adoption, including handset availability and lack of access to adequate 4G spectrum in some markets

Thank you