Fixed services in the Middle East and North Africa: trends and forecasts 2019–2024

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RESEARCH

About this report

This report provides commentary and trend analysis to support our 5-year forecast for the Middle East and North Africa (MENA). It includes worldwide context and commentary on six key countries: Egypt, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (UAE).

Our forecasts are based on our robust set of historical data and draw on a unique and in-house modelling tool that applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).

For the complete data set for the region, please see Analysys Mason's DataHub at www.analysysmason.com/DataHub.

WHO SHOULD READ THIS REPORT

- Market intelligence, strategy and project managers at fixed operators in the Middle East and North Africa.
- Regulatory bodies in the Middle East and North Africa.
- Financial institutions that directly invest in the telecoms sector in the region, or advise others that do so.
- Press and media bodies that need a foundation of knowledge of the Middle East and North Africa fixed telecoms market.

DataHub

Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason DataHub to view the latest data associated with this report.

GEOGRAPHICAL COVERAGE

Regions modelled

- Middle East and North Africa (MENA)

Countries modelled individually

- Algeria
- Egypt
- Iran
- Iraq
- Israel
- Kuwait
- Morocco
- Oman
- Qatar
- Saudi Arabia
- Tunisia
- United Arab Emirates (UAE)

KEY METRICS

Fixed connections

- Voice, broadband, IPTV, dial-up
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, BFWA, other

Fixed revenue

- Service,[1] retail
- Voice, broadband, IPTV, dial-up, BNS
- DSL, FTTP/B, cable, BFWA, other

Fixed voice traffic

- Outgoing minutes, MoU

[1] Service revenue is the sum of retail and wholesale revenue.

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Worldwide: monetising high-speed internet will be needed to achieve telecoms retail revenue growth

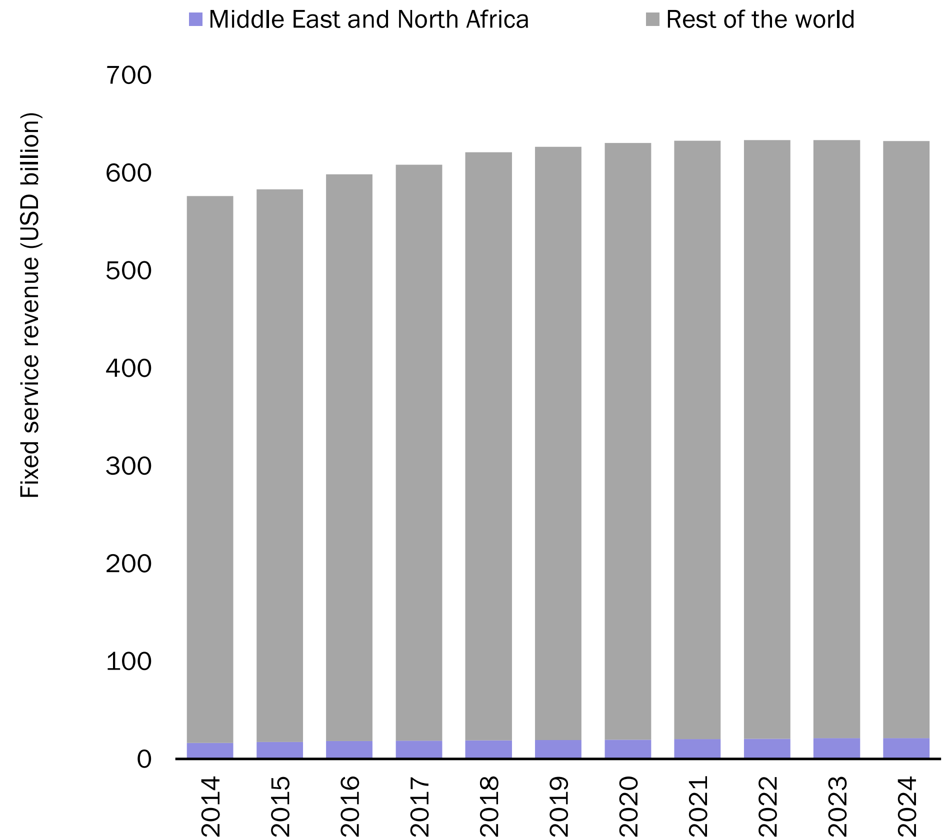
Fixed service revenue will increase worldwide, driven mainly by rapid service take-up in developing regions.

We expect fixed service revenue to grow most quickly in Sub-Saharan Africa region, at a CAGR of 3.4% between 2018 and 2024. Emerging Asia–Pacific will account for the second-highest fixed service revenue growth, at a CAGR of 2.5%. The growth potential in the two regions is determined by substantial service demand for fast broadband services. More-developed regions such as Western Europe, North America and developed Asia–Pacific (DVAP) will be the only regions worldwide where fixed service revenue will decline, but this decline will not exceed a CAGR of -0.4% in any of these three regions. Service saturation and increased competition explain this decline in fixed service revenue. In DVAP, additionally rapid 5G roll-out and service adoption will contribute to the fixed revenue decline.

MENA's share of worldwide fixed revenue will increase slowly, from 3% in 2018 to 3.4% in 2024.

Strong demand for fixed broadband services in MENA creates opportunities for operators to increase their revenue and subscriber bases. Broadband penetration is expected to grow in all modelled countries in MENA, supported by national broadband plans and competition, which will make fixed broadband services more accessible. Some fixed broadband operators will be also challenged by mobile broadband/BFWA competition, especially by LTE-BFWA and later, 5G BFWA services offered by MNOs. This will be seen mostly in countries with unsatisfactory wholesale offers.

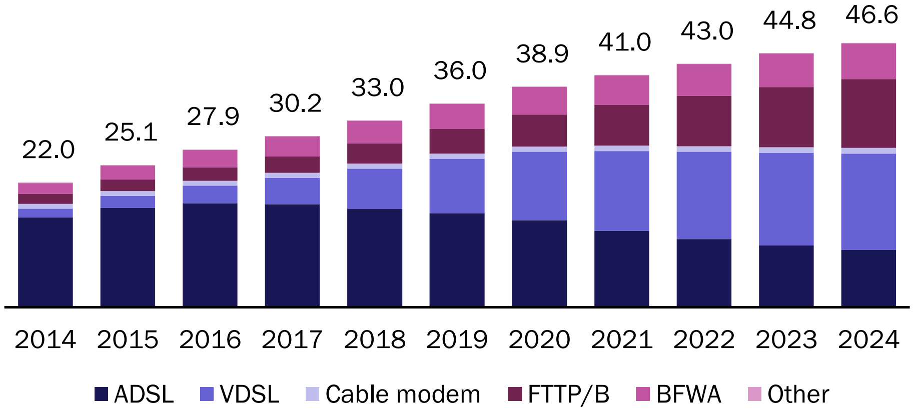
Figure 2: Fixed service revenue by location, Middle East and North Africa and worldwide, 2014–2024



Source: Analysys Mason

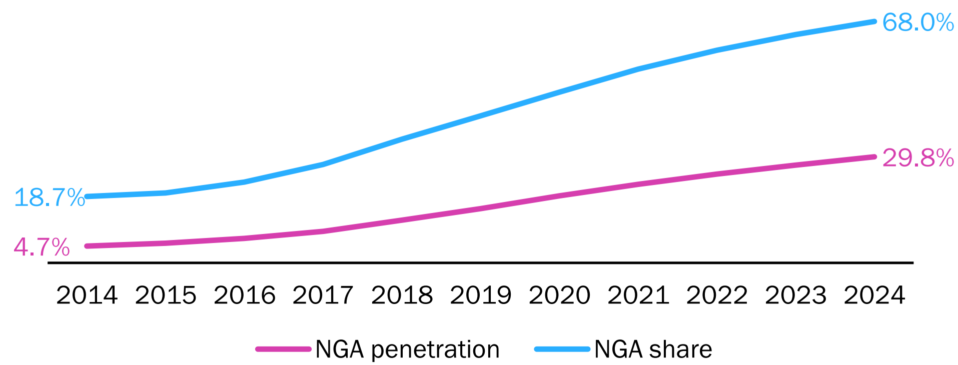
The increase in household broadband penetration will be boosted by NGA network roll-outs and a growing demand for fixed data connectivity

Figure 6: Broadband connections by technology, Middle East and North Africa (million), 2014–2024



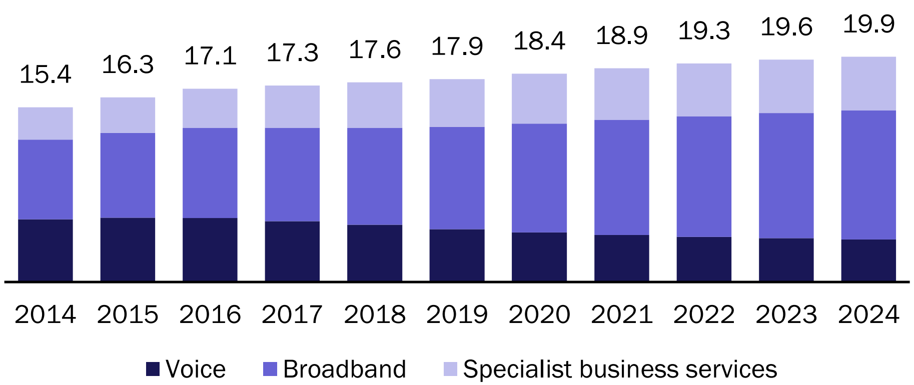
Source: Analysys Mason

Figure 8: NGA broadband household penetration and NGA share of broadband connections, Middle East and North Africa, 2014–2024



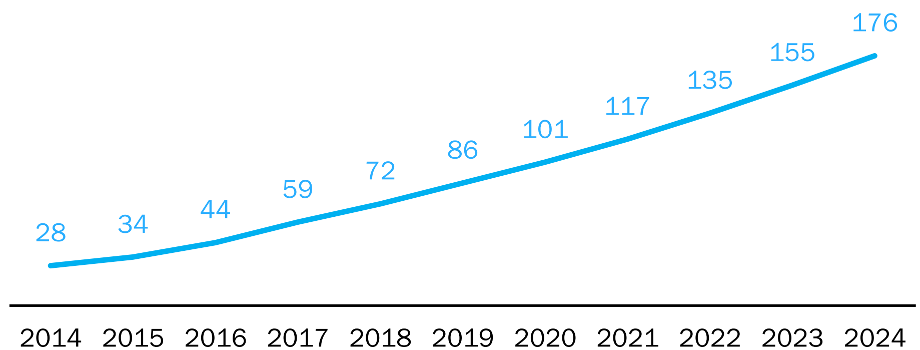
Source: Analysys Mason

Figure 7: Fixed retail revenue by service, Middle East and North Africa (USD billion), 2014–2024



Source: Analysys Mason

Figure 9: Fixed Internet traffic per broadband connection, Middle East and North Africa (GB per month), 2014–2024



Source: Analysys Mason

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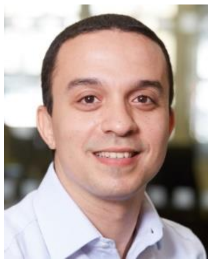
About the authors

Julia Martusewicz-Kulinska (Senior Analyst) is a member of the regional markets research team, contributing mainly to the *European Core Forecasts*, *Telecoms Market Matrix* and *European Country Reports* programmes. She has more than 16 years of research and telecoms industry regulations experience. Prior to joining Analysys Mason, she worked for the Qatar national regulatory authority as a Competition Analysis section manager and for Polish national regulatory authority as the head of the Research Division, where she was responsible for telecoms market research, and as the leader of the Telecommunications Market Analysis Department, which was accountable for co-operation between the regulatory authority and the Information Society and Media DG of the European Commission.



Karim Yaici (Senior Analyst) leads Analysys Mason's *The Middle East and Africa* regional research programme. His primary areas of specialisation include operators' digital strategies, new telecoms opportunities and challenges, and consumer trends in growth markets. Prior to joining Analysys Mason, Karim was an associate analyst at Ovum, where he authored reports on mobile accessories and mobile applications. Prior to that, he worked as a research engineer at the Institute for Communication Systems and Vodafone. Karim holds an MSc in Information Systems Management from the University of Southampton and a PhD in human–computer interaction from the University of Surrey.

Analysys Mason's consulting and research are uniquely positioned

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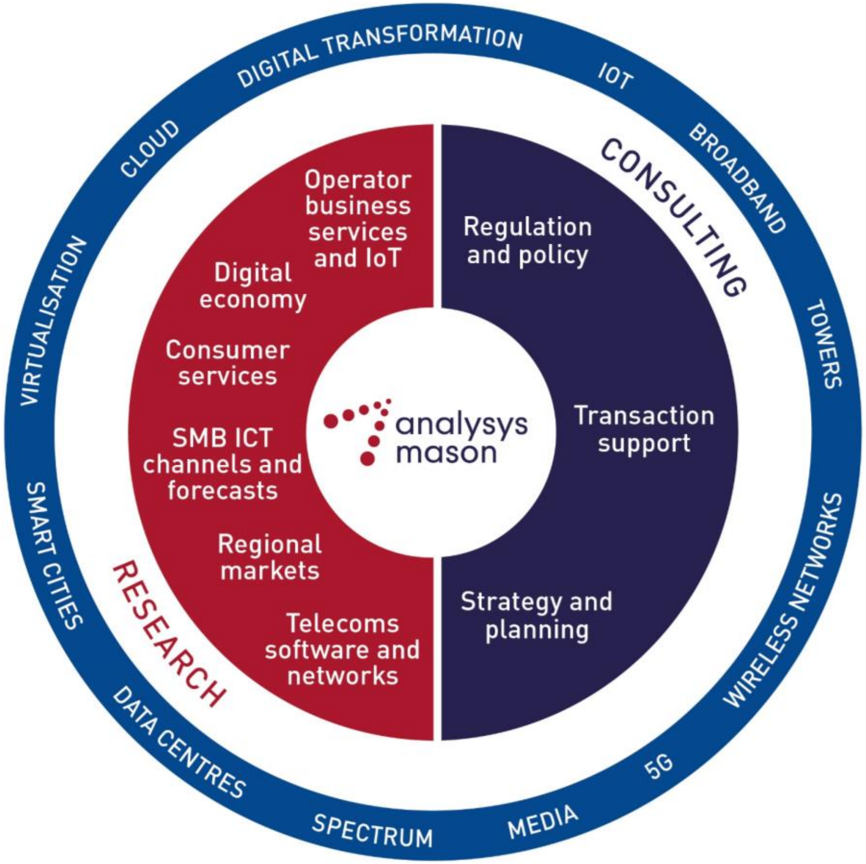

CONSULTING

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters, and service and content providers.

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

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Digital Economy Strategies
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- Postal sector

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- Joint-venture structuring
- Mid-market financial sponsors

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- Technology optimisation
- New digital frontiers

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