Middle East and North Africa telecoms market: trends and forecasts 2019–2024

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December 2019, based on data up to 2Q 2019

About this report

This report provides:

- **a 5-year forecast of more than 180 mobile and fixed KPIs for the Middle East and North Africa (MENA)**, as a whole and for 12 key countries
- **an in-depth analysis of the trends, drivers and forecast assumptions** for each type of mobile and fixed service, and for key countries
- **an overview of operator strategies and country-specific topics**, in order to highlight similarities and differences by means of a cross-country comparison
- **a summary of results, key implications and recommendations** for mobile and fixed operators.

Our forecasts are informed by on-the-ground regional market experts from our topic-led research programmes and our consulting division, as well as external interviews. In addition to our robust set of historical data, our forecasts draw on a unique and in-house modelling tool, which applies a rigorous methodology (reconciliation of different sources, standard definitions, top-down and bottom-up modelling).

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.

REPORT COVERAGE

Geographical

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 performance indicators

Connections

Mobile

- Handset, mobile broadband,[1] IoT[2]
- Prepaid, contract
- 2G, 3G, 4G, 5G
- Smartphone, non-smartphone

Fixed

- Voice, broadband, IPTV, dial-up
- Narrowband voice, VoBB
- DSL, FTTP/B, cable, BFWA, 5G, other

Voice traffic

Fixed and mobile

- Outgoing minutes, MoU

Revenue

Mobile

- Service,[3] retail
- Prepaid, contract
- Handset, mobile broadband,[1] IoT[2]
- Handset voice, messaging, data

Fixed

- Service,[3] retail
- Voice, broadband, IPTV, dial-up, specialist business services
- DSL, FTTP/B, cable, BFWA, other

ARPU

Mobile:

- SIMs, handset
- Prepaid, contract
- Handset voice, data

[1] Includes USB modem, and mid- and large-screen, but not handset-based data.
[2] IoT connections and revenue figures include mobile services only.
[3] Service revenue is the sum of retail and wholesale revenue.

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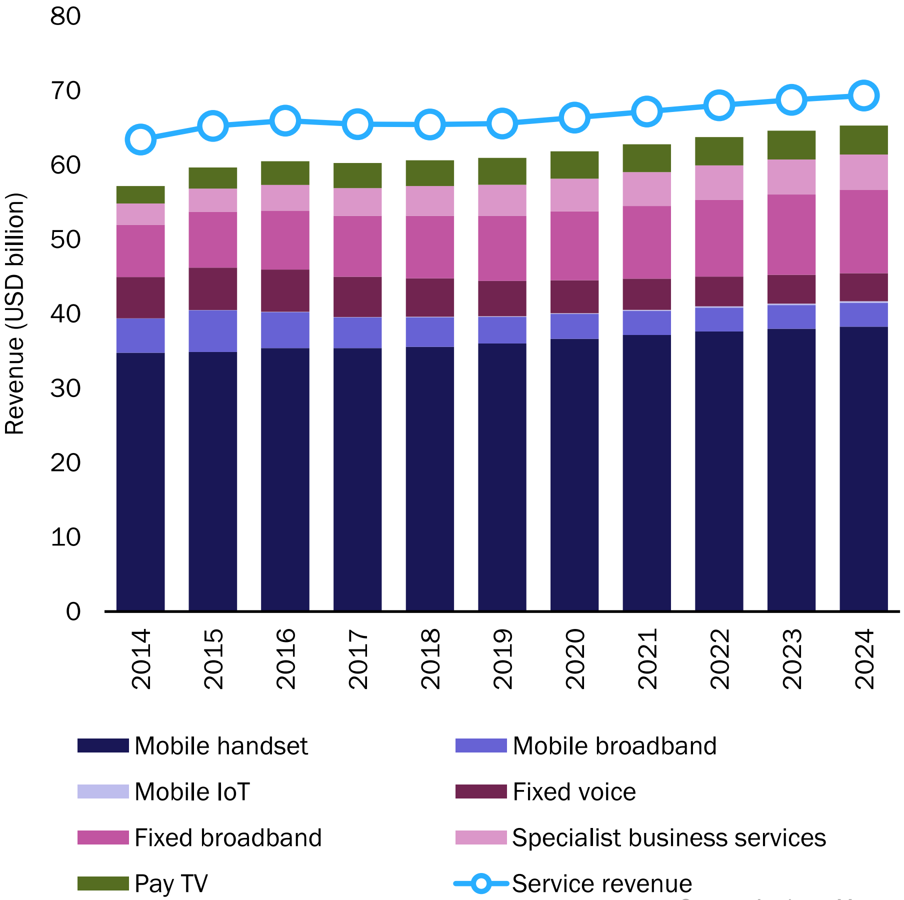
The total telecoms service revenue in MENA will grow at a CAGR of 1% between 2018 and 2024, and will reach USD69.3 billion in 2024

Figure 1: Telecoms and pay-TV retail revenue by type and total service revenue, Middle East and North Africa, 2014–2024



Source: Analysys Mason

[1] The GCC countries are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

The adoption of next-generation access (NGA) services and the growing demand for mobile data services will be the main drivers of revenue growth in the Middle East and North Africa during the forecast period.

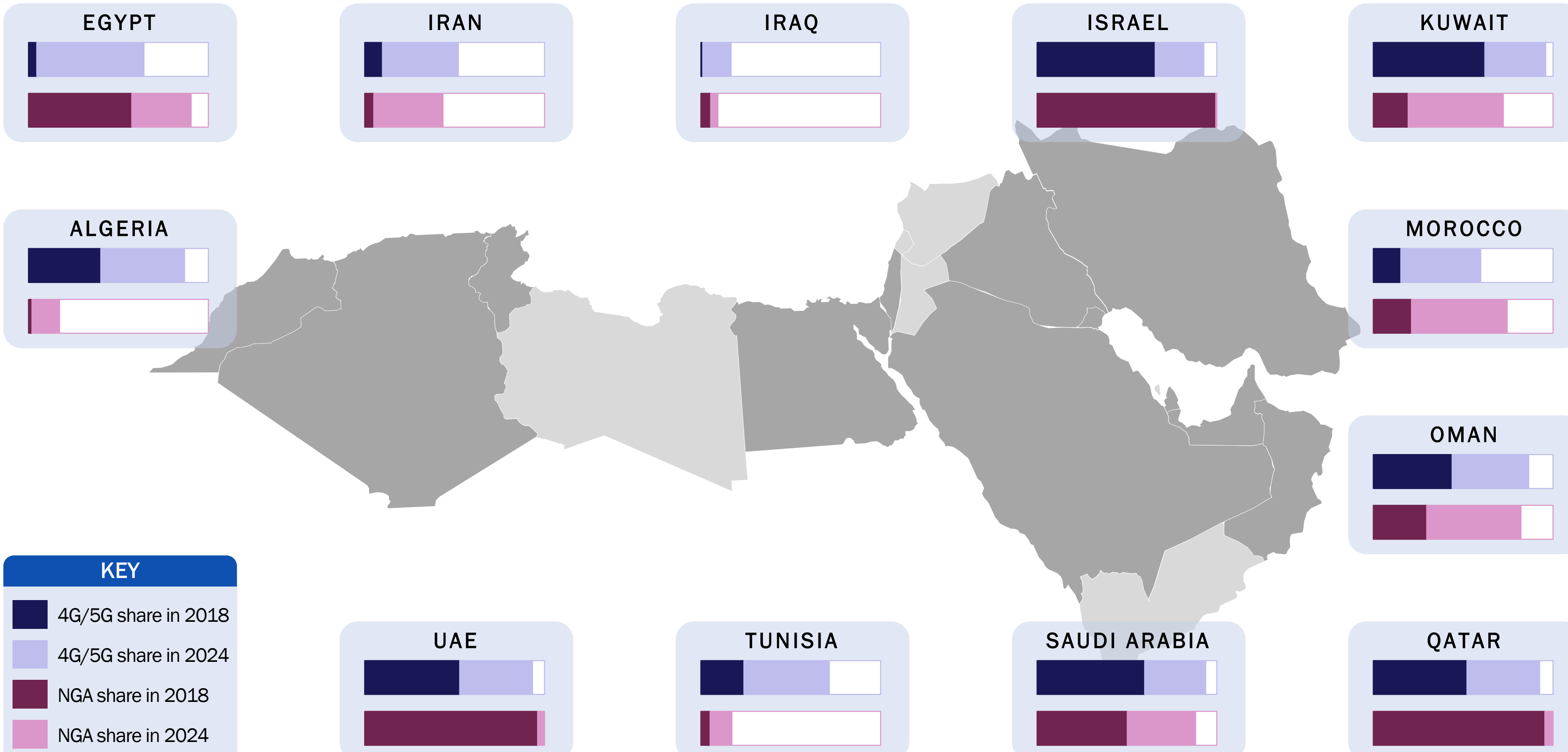
MENA is a very diverse region. Some countries have some of the highest standards of living in the world (for example, Qatar had a GDP per capita of over USD60 000 in 2019), while others, such as Yemen and Iraq, are politically very unstable and have low standards of living.

The telecoms market in MENA is mobile-centric. Mobile services accounted for 66% of the total telecoms service revenue (including that from pay TV) in 2018. This is expected to decline slightly to 64% by 2024, despite the increase in mobile ASPU due to the launch of 5G. This decline will mainly be attributable to the strong growth in fixed broadband revenue due to operators' large investments in VDSL and FTTP/B roll-outs. Mobile data services will grow in popularity, leading to strong growth in mobile data consumption and revenue, which in turn will lead to a decline in mobile voice revenue. As such, the data share of mobile revenue will grow from 40% to 54% between 2018 and 2024.

Declining oil prices and the emigration of many expatriates have had a negative impact on telecoms revenue in the countries in the Gulf Co-operation Council (GCC).[1] However, the situation is expected to improve as economies stabilise, and consequently, telecoms revenue will return to steady growth from 2020.

Geographical coverage: 4G/5G and NGA penetration will vary widely by country; Israel and countries in the GCC will have the highest levels of penetration

Figure 3: 4G/5G share of mobile connections and NGA share of fixed broadband connections by country, Middle East and North Africa, 2018 and 2024[1]



[1] For a full list of countries modelled as part of the Middle East and North Africa region, please see the accompanying data annex. Mobile connections exclude IoT connections. NGA share of fixed broadband connections is calculated as cable, VDSL and FTTP/B connections (that provide access speeds of 30Mbit/s or more) divided by the total number of fixed broadband connections.

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Rémy Giraud (Analyst) is the lead analyst for Analysys Mason's *Americas* research programme, and contributes mainly to the *Telecoms Market Matrix, Video Strategies, European Core Forecasts* and *Global Telecoms Data* research programmes. Rémy holds a BSc in economics from the London School of Economics (LSE), and holds an MSc in Risk and Finance from EDHEC Business School.

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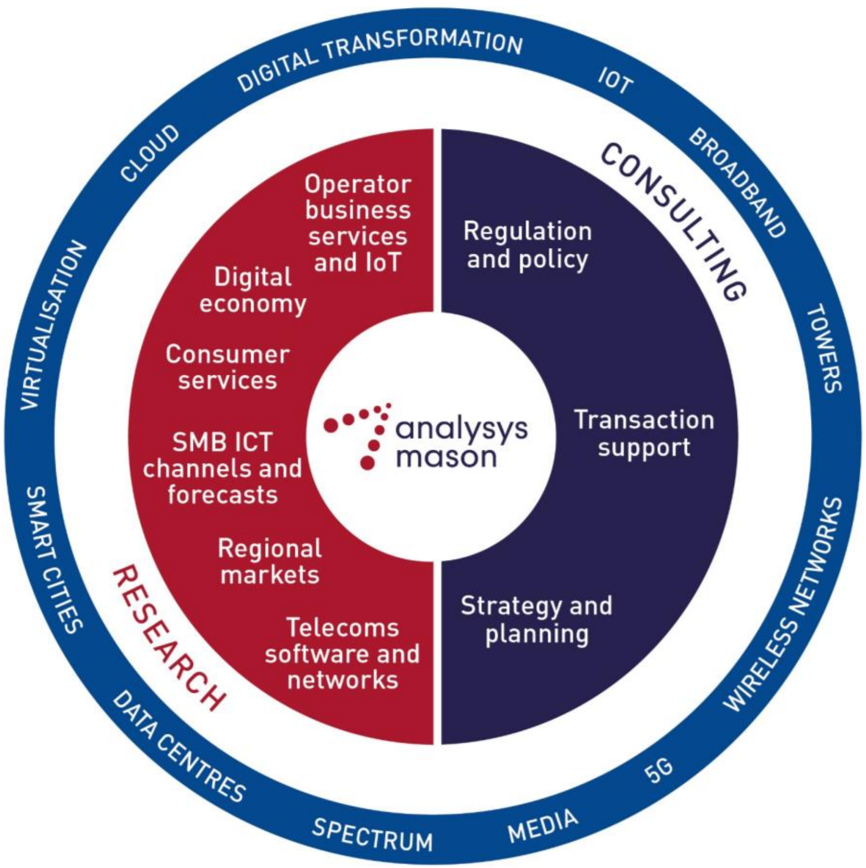

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