Mobile 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 the 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 mobile 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 mobile telecoms market in the Middle East and North Africa.

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

Connections

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

Revenue

- Service, retail
- Prepaid, contract
- Handset, mobile broadband, IoT
- Handset voice, messaging, data

ARPU

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

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Worldwide: mobile data will remain the key driver of telecoms mobile retail revenue growth

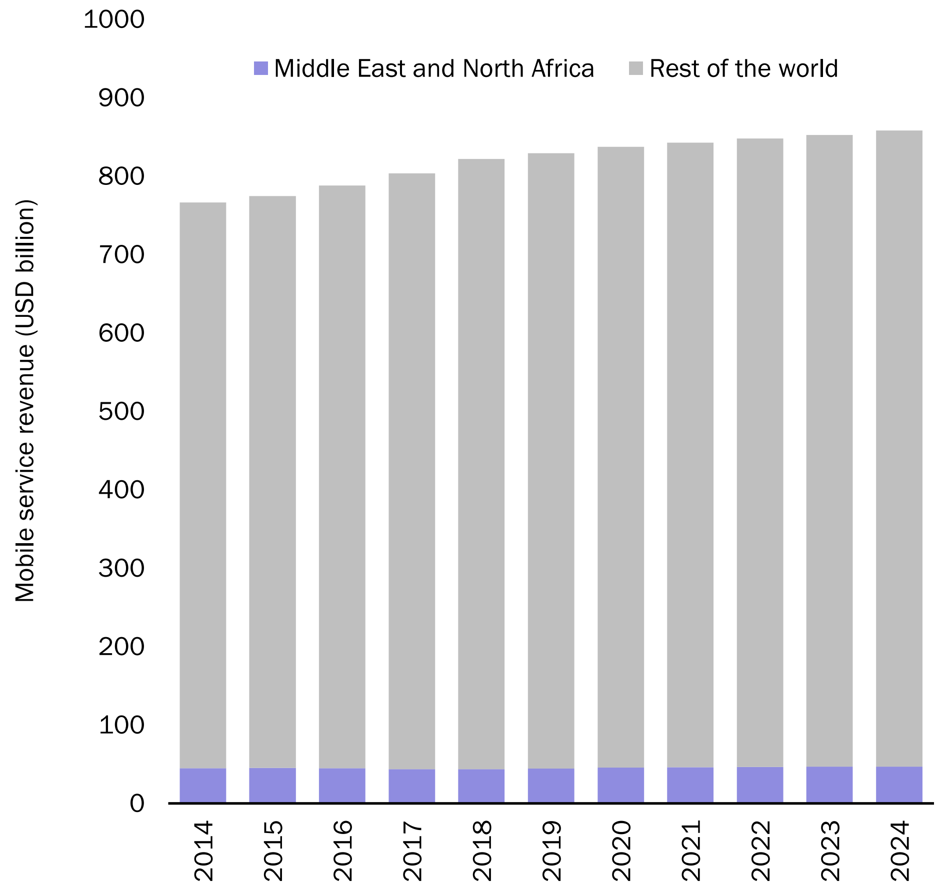
Worldwide telecoms service revenue will increase at a CAGR of 0.7% between 2018 and 2024, driven mainly by data demand.

The fastest mobile revenue growth will be seen in Sub-Saharan Africa (SSA), followed by Central and Eastern Europe (CEE). We expect that revenue in both regions will grow at a CAGR of around 2.4% between 2018 and 2024. This growth will be driven mainly by the high demand for mobile services in SSA and by increasing LTE coverage and data usage in CEE. Developed Asia–Pacific (DVAP) will be the only region in the world with a declining mobile service revenue due to high level of competition and saturating user base. Mobile revenue growth in MENA and Latin America (LATAM) will be positive (with a CAGR exceeding 1% during the forecast period), mainly due to increasing data usage.

MENA's share of worldwide mobile revenue will increase only slightly between 2018 and 2024, from 5.3% to 5.4%.

Mobile handset revenue remains the key driver of mobile revenue growth in MENA. Improving 4G coverage and the introduction of 5G services will help to address data demand. Data services take-up will be supported by increasing access to smartphones and improved affordability and flexibility of data plans. The increasing data usage will help to offset declining voice revenue due to OTT service substitution. In countries with high GDP per capita, operators will focus on prepaid-to-contract migration by offering large data allowances and bundles with video content, gaming and social media services to more-demanding users.

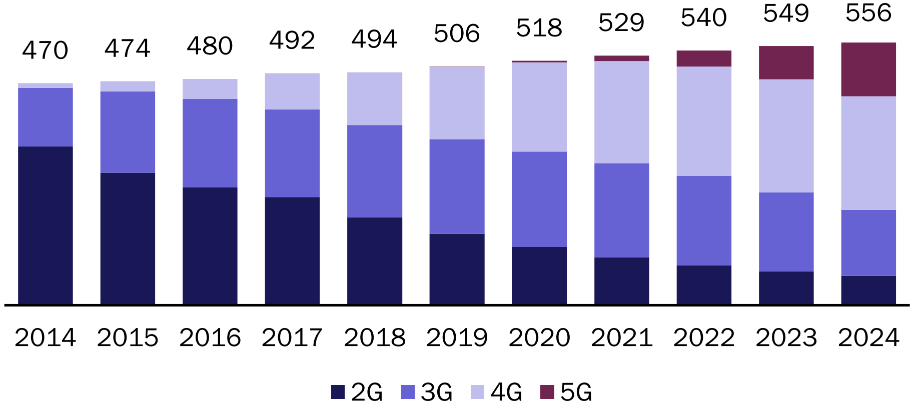
Figure 2: Mobile service revenue by location, Middle East and North Africa and worldwide, 2014–2024



Source: Analysys Mason

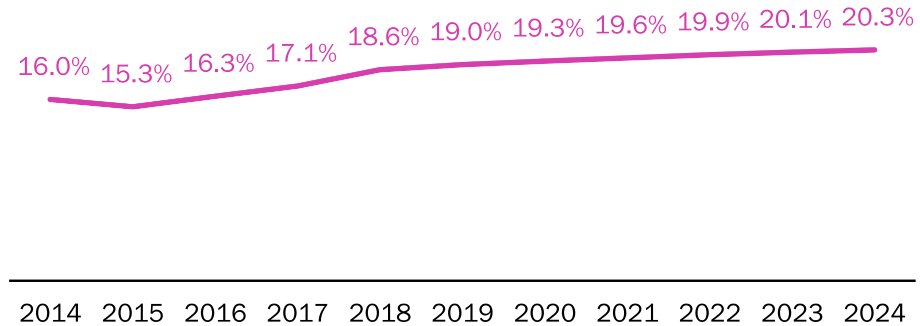
Mobile services will account for most of the telecoms revenue in the region, driven by the growing demand for data and the fast migration from 3G to 4G

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



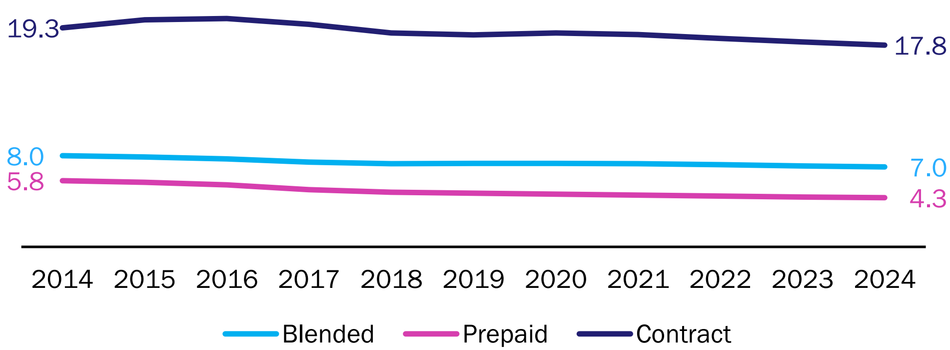
Source: Analysys Mason

Figure 8: Contract share of mobile connections (excluding IoT), Middle East and North Africa, 2014–2024



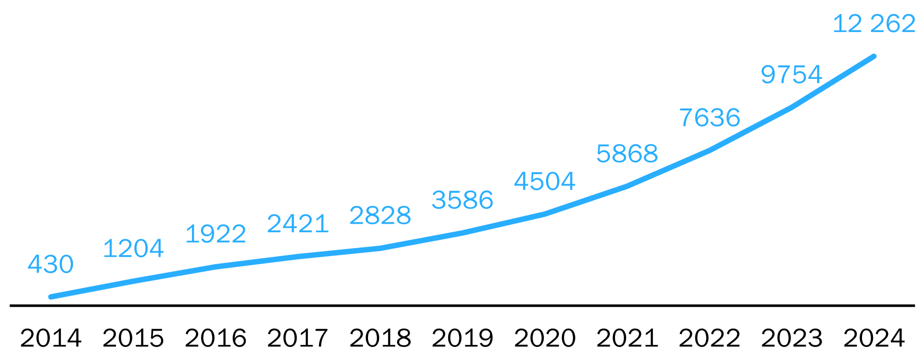
Source: Analysys Mason

Figure 7: Mobile ARPU by type, Middle East and North Africa (USD per month), 2014–2024



Source: Analysys Mason

Figure 9: Mobile data traffic per connection, Middle East and North Africa (MB per month), 2014–2024



Source: Analysys Mason

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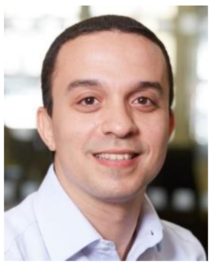
About the authors

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.

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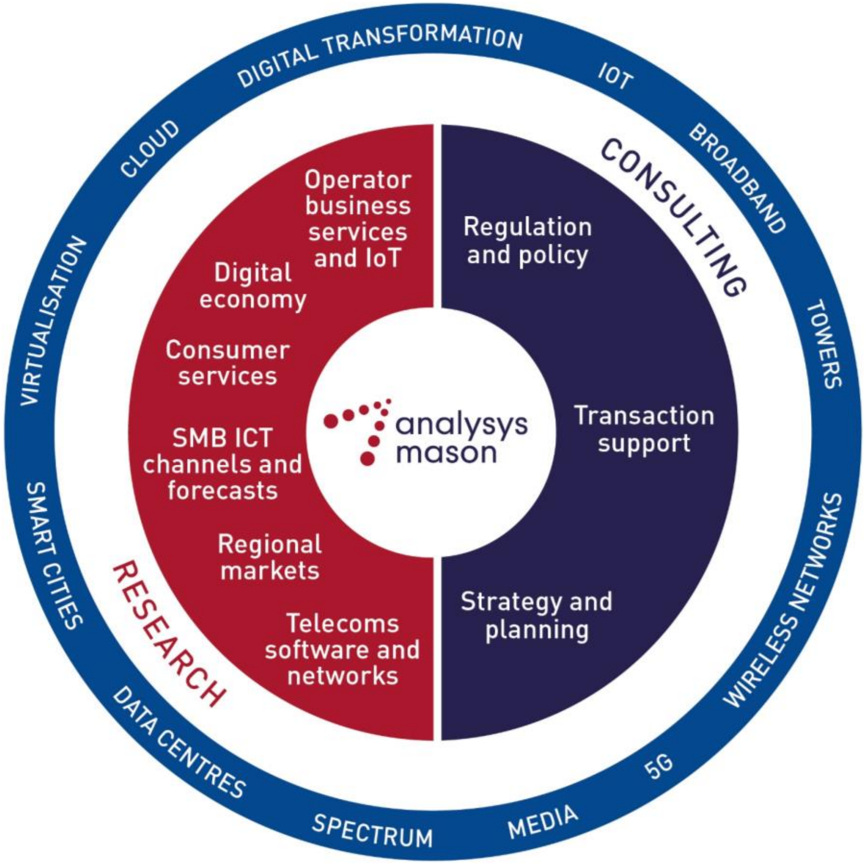

CONSULTING

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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