

# ARAB ADVISORS GROUP

A member of the  
Arab Jordan Investment Bank Group

Arab Advisors Group provides reliable research, analysis and forecasts of Arab communications, media and technology markets.

Global Expertise - Regional Focus.



## An Overview of the Broadband Markets, e-commerce and online banking

Mohammed Al Shawwa  
Research Manager

November 2013

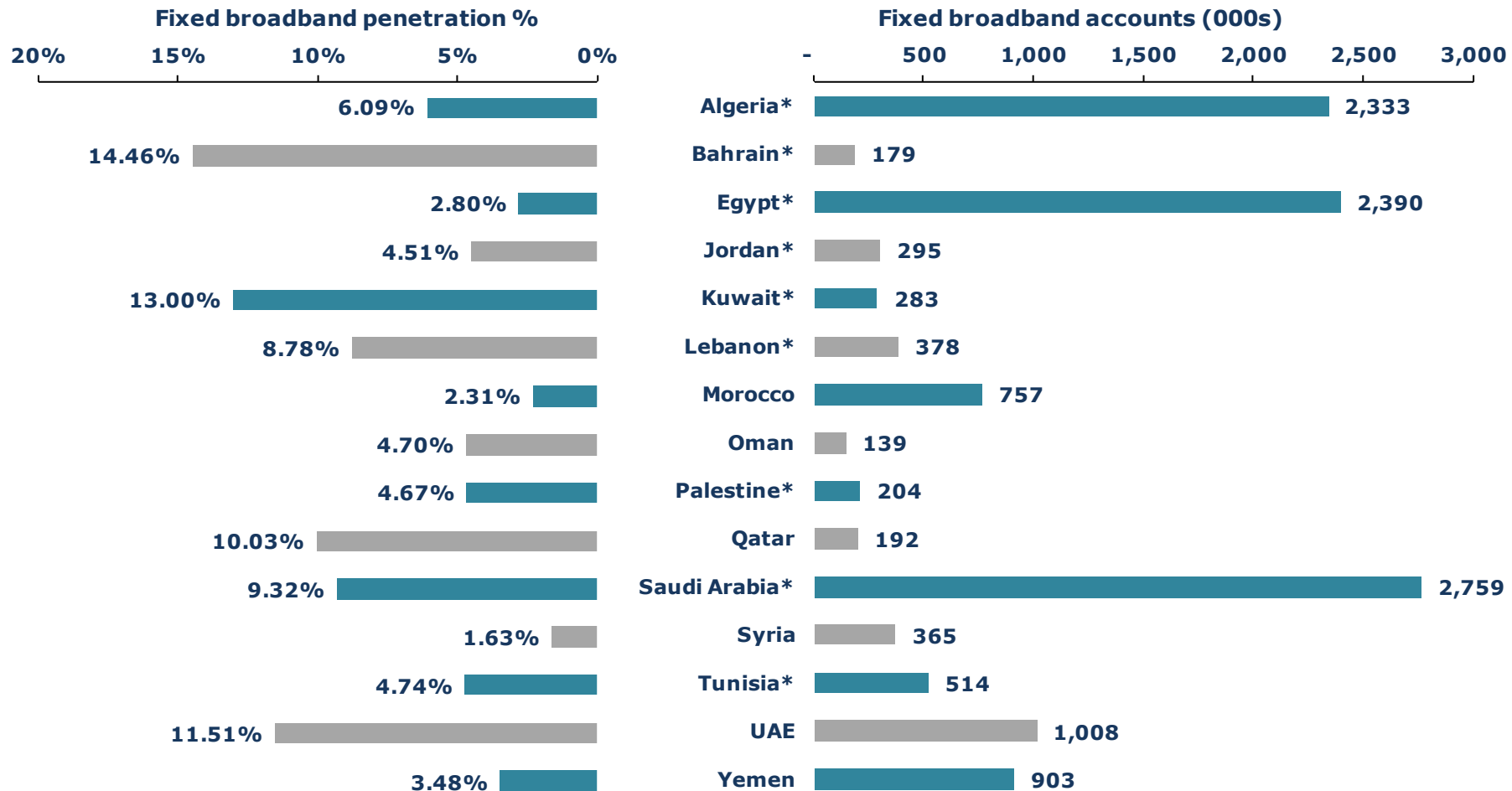
# Outline

---

- The Arab World's Fixed Broadband Markets
- The Arab World's Cellular Markets
- e-commerce
- Online banking



# Fixed broadband accounts in the Arab World by H1 2013



\*Estimated

Source: Operators, regulators, Arab Advisors Group

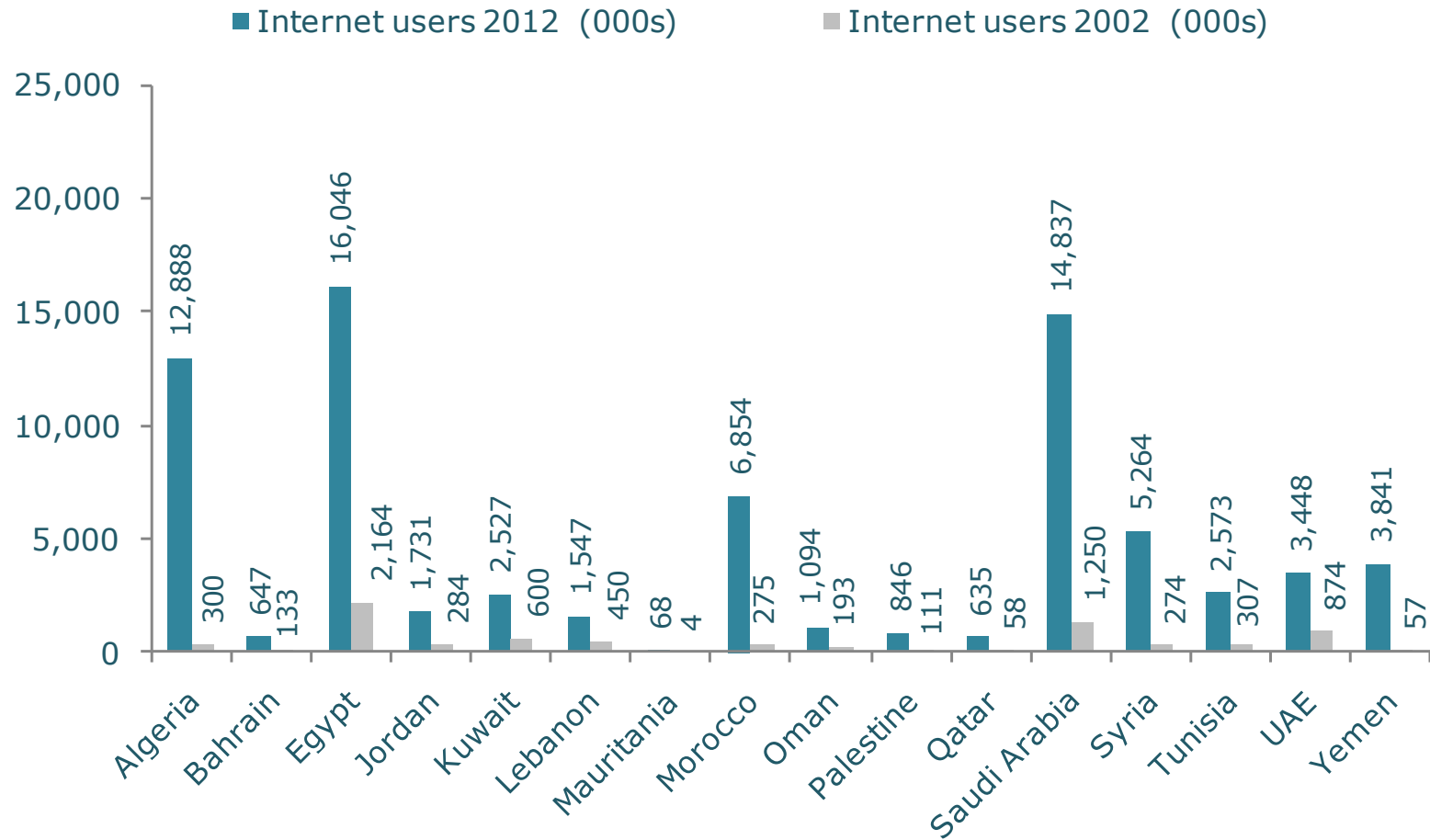


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# The number of Arab Internet users witnessed massive growth between 2002 and 2012



Source: Arab Advisors Group

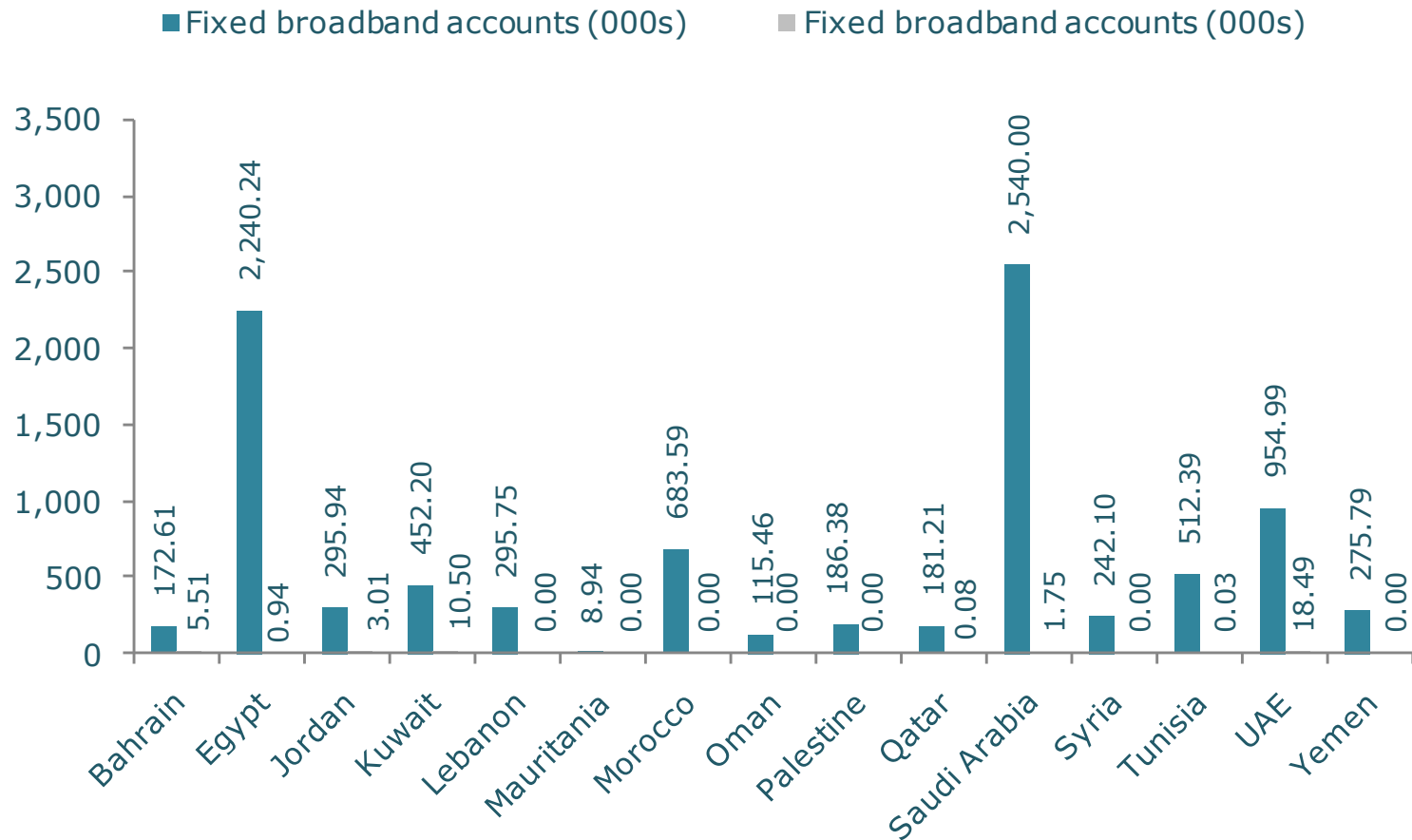


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Most of the countries in the Arab World did not have fixed broadband services in 2002



Source: Arab Advisors Group

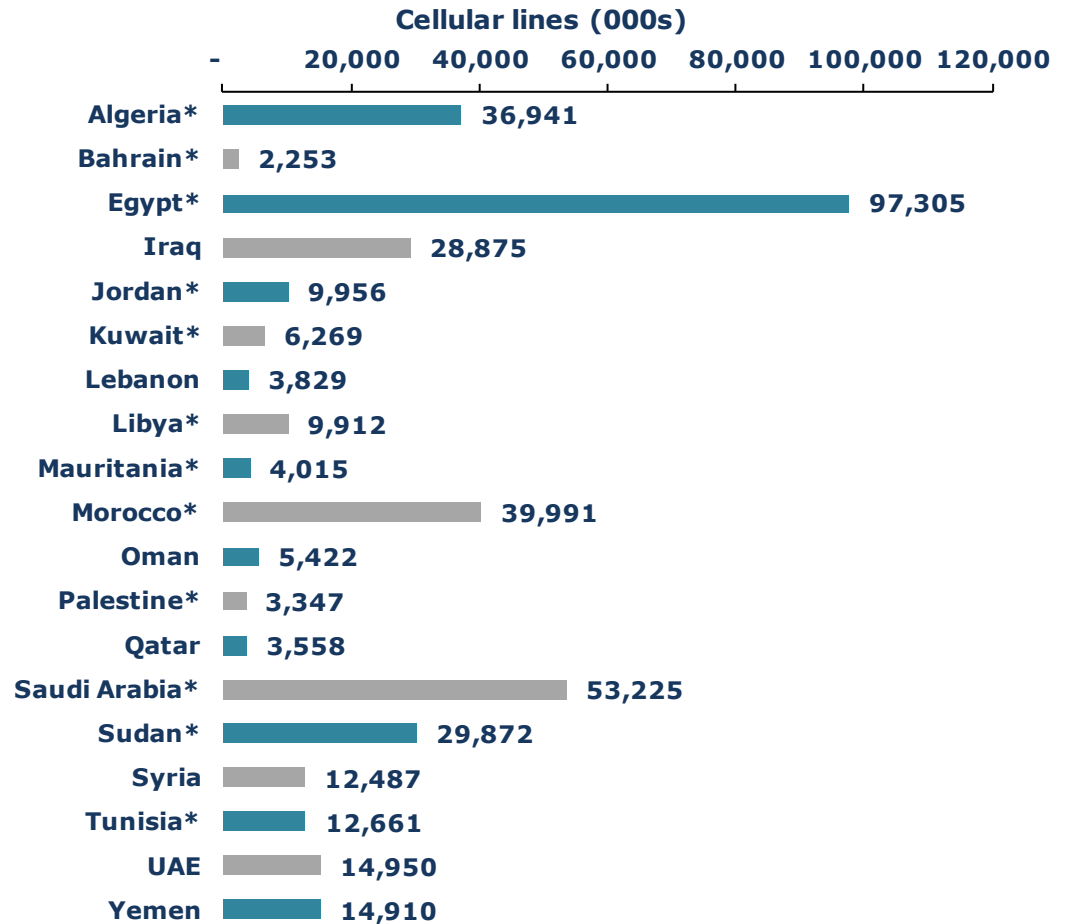
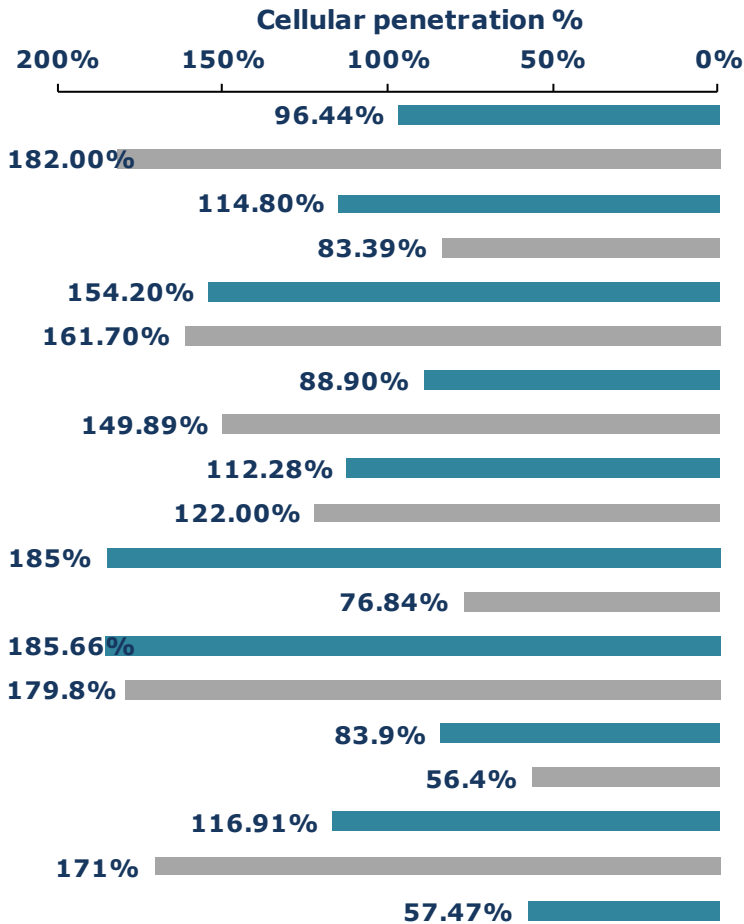


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Arab cellular markets continue their growth in H1 2013



**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

•Estimated

Note: The cellular lines in Iraq are for national operators only

Source: Operators, regulators, Arab Advisors Group

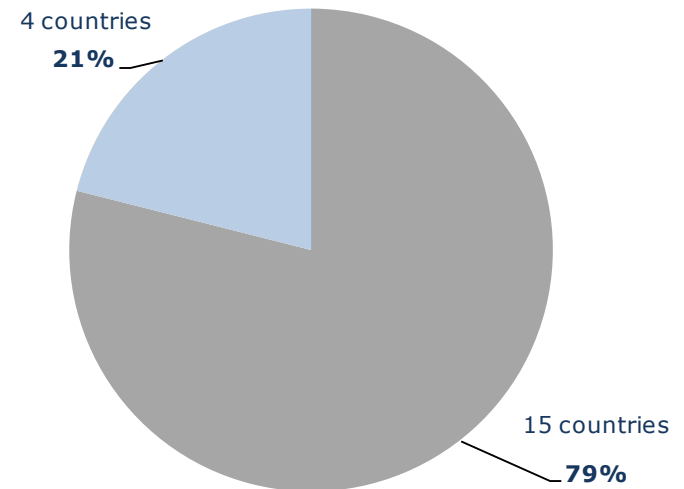
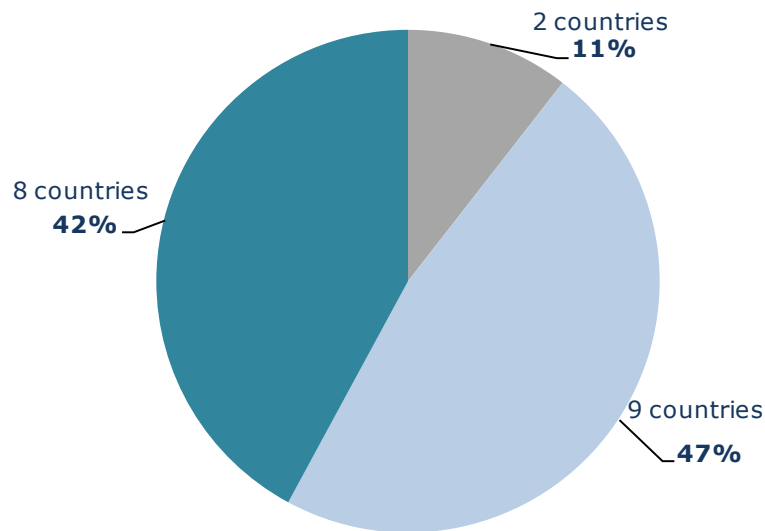
[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Explaining the boom: Monopoly cellular markets disappeared

## Cellular regulatory framework

2002

H1 2013



Competitive



Duopoly



Monopoly



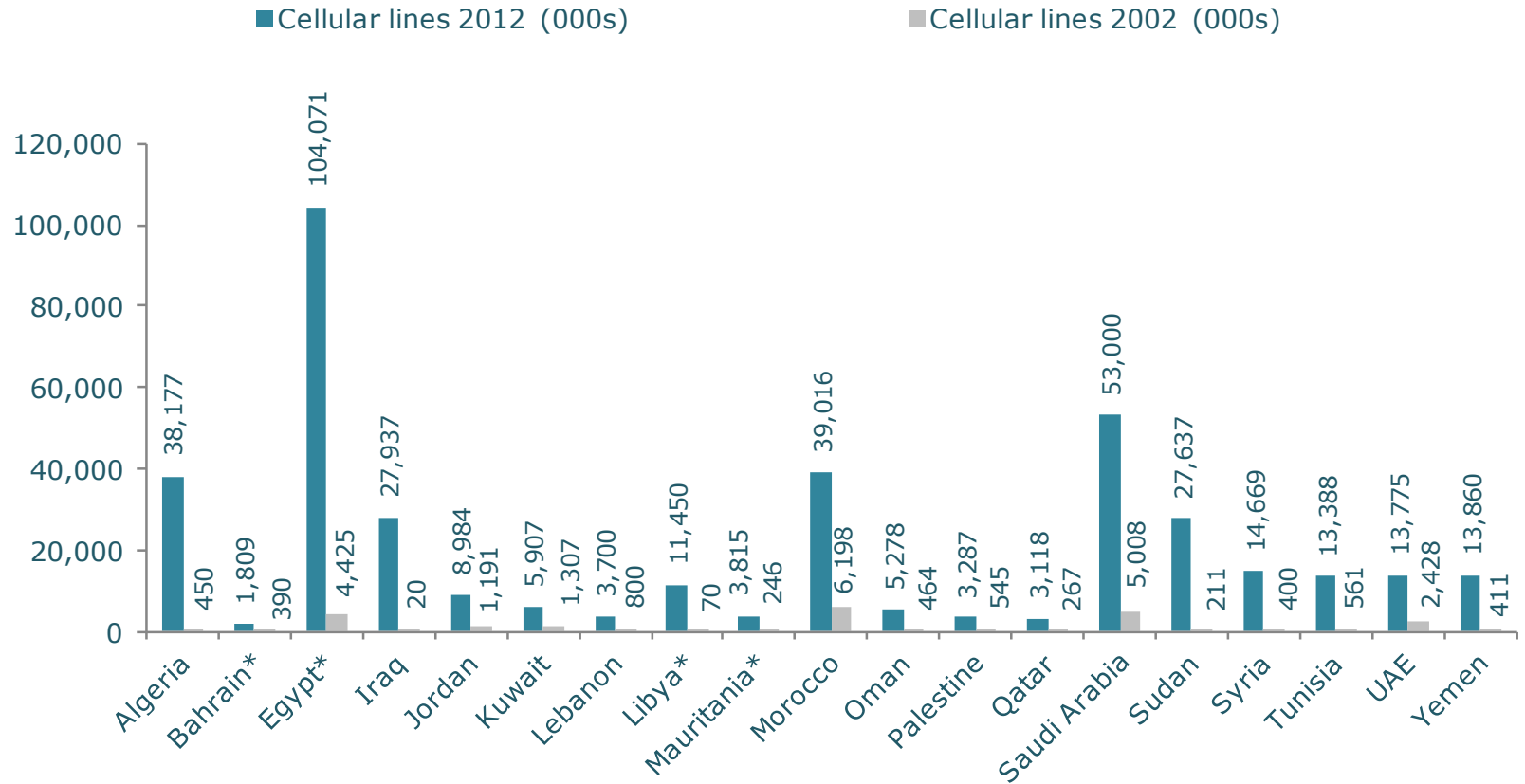
ARAB  
ADVISORS  
GROUP

A member of the Arab Jordan Investment Bank Group

Source: Arab Advisors Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Cellular market boom continues in the Arab World: A comparison between 2002 and 2012



\*Estimated

Note: Iraq's cellular lines in 2012 represent national operators' lines only.

Source: Operators, regulators, Arab Advisors Group



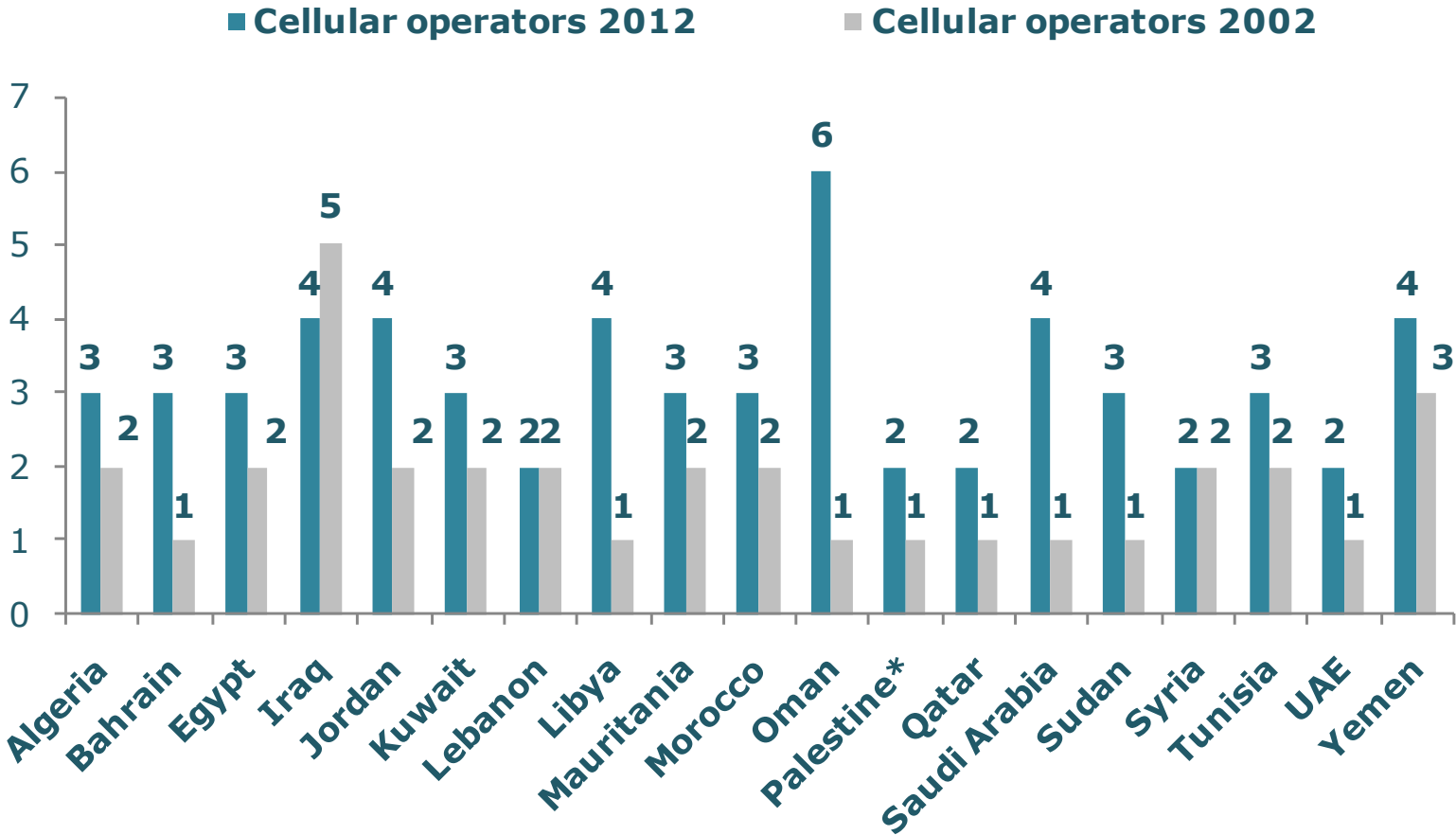
**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

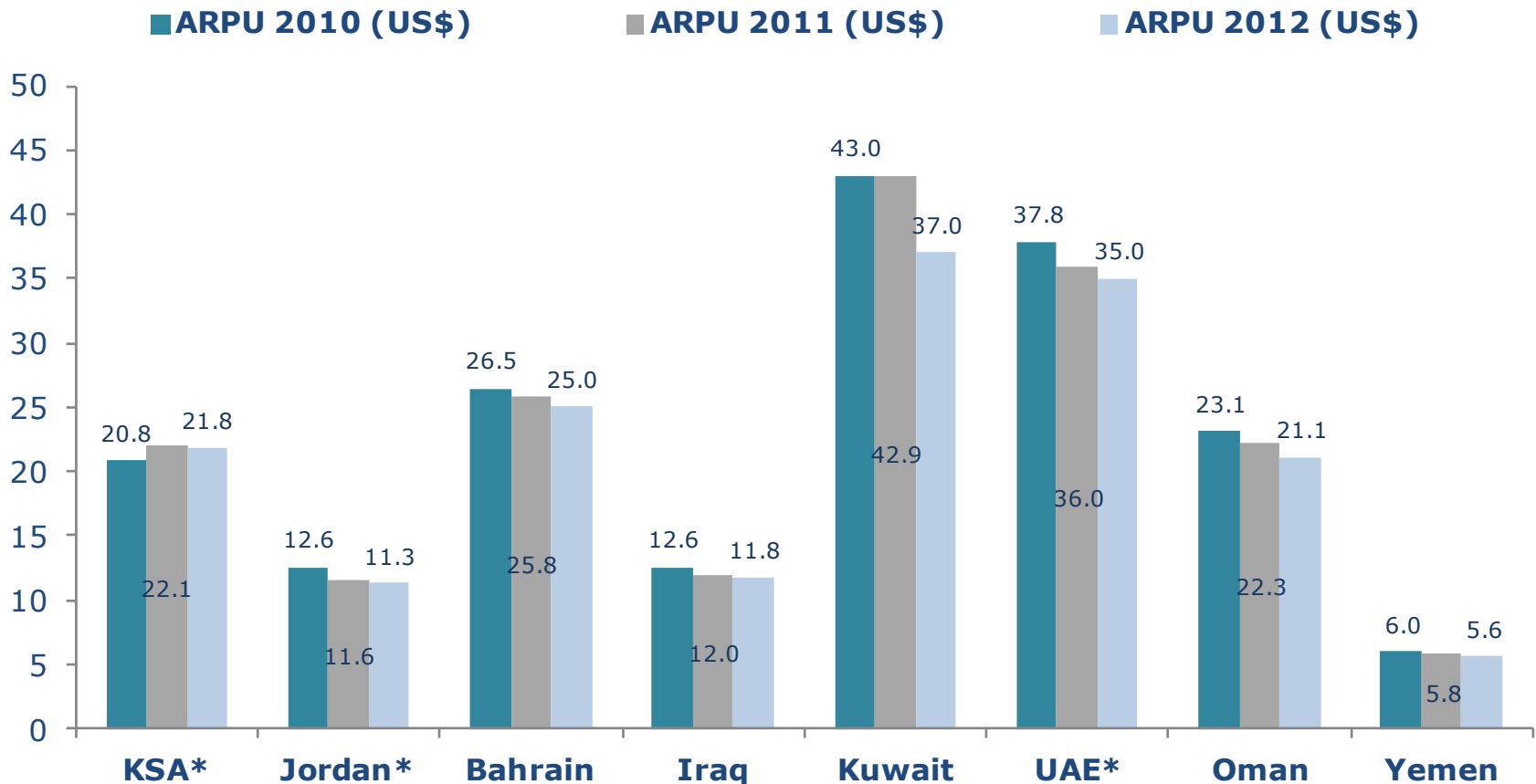


# From two competitive markets to fifteen in ten years



\*Palestine's two operators face competition from Israeli operators  
 •Note: Oman, Jordan and Libya's operators in 2012 include MVNOs  
 Source: Operators, regulators, Arab Advisors Group

# Cellular ARPU trend: Cellular data use easing the downward pressure



\*Estimated

Source: Operators, Regulators, Arab Advisors Group



**ARAB  
ADVISORS  
GROUP**

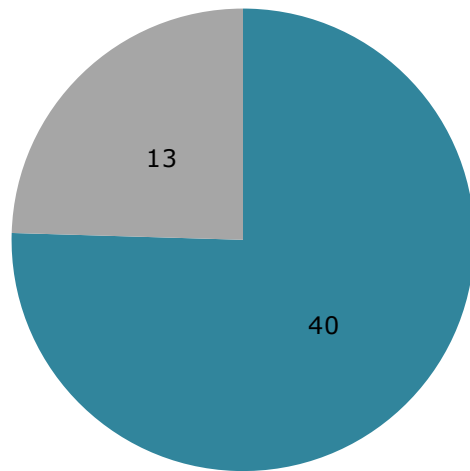
A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# 40 operators offered 3G/3.5G services in the Arab World by October 2013

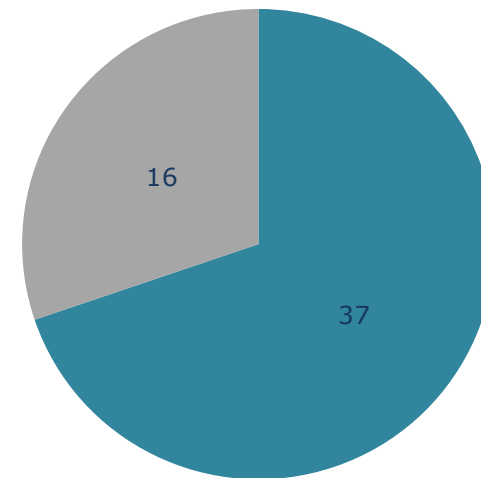
October 2013

- Number of operators offering 3G/3.5G
- Number of operators that do not offer 3G/3.5G



November 2011

- Number of operators offering 3G/3.5G
- Number of operators that do not offer 3G/3.5G



Source: Arab Advisors Group



**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# By October 2013, there were LTE services in 5 countries in the Arab World

■ Commercially launched      ■ Not commercially launched yet



Source: Arab Advisors Group

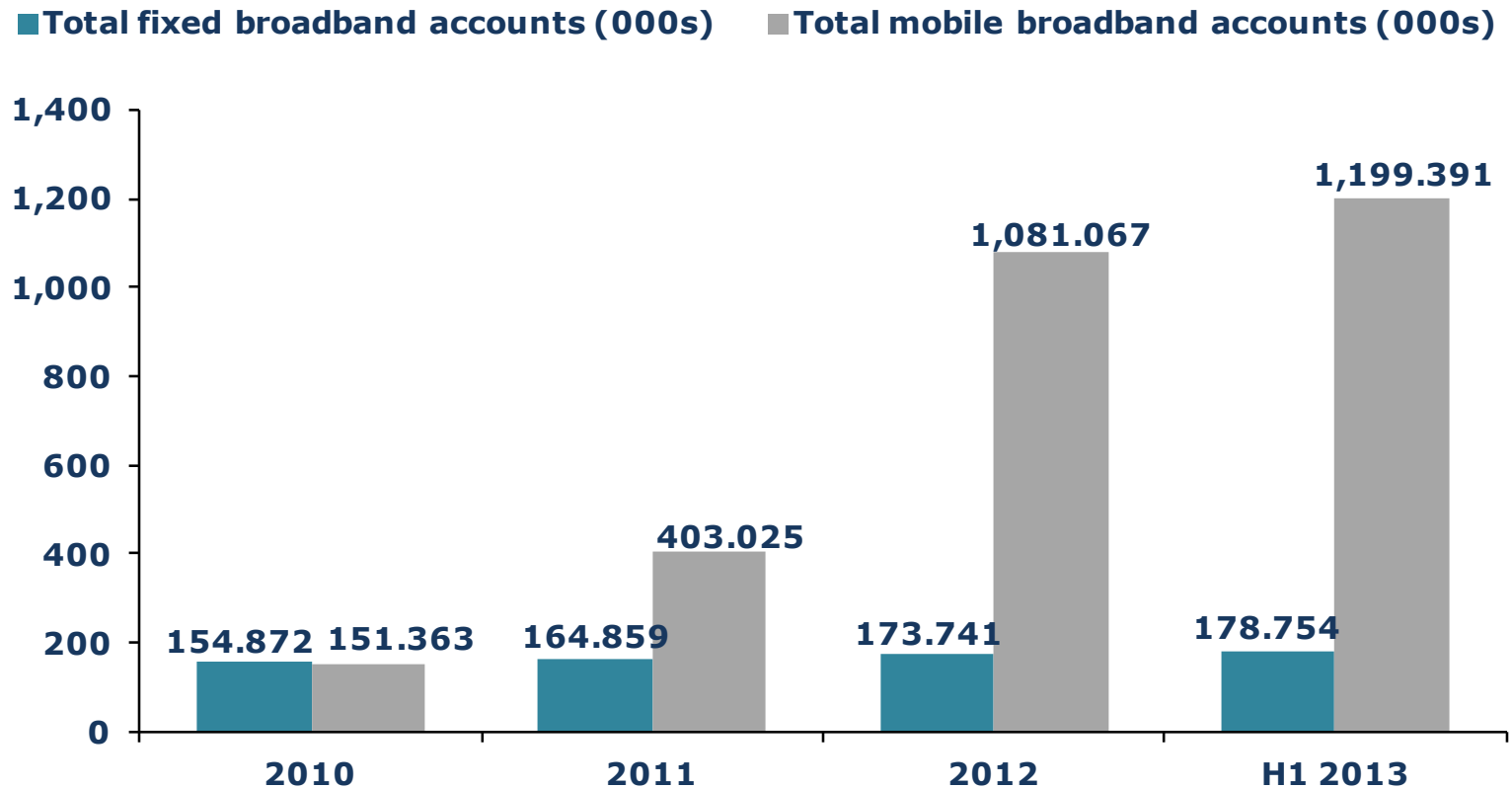


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Mobile Broadband Outruns Fixed Broadband: Bahrain as an Example



Source: TRA Bahrain

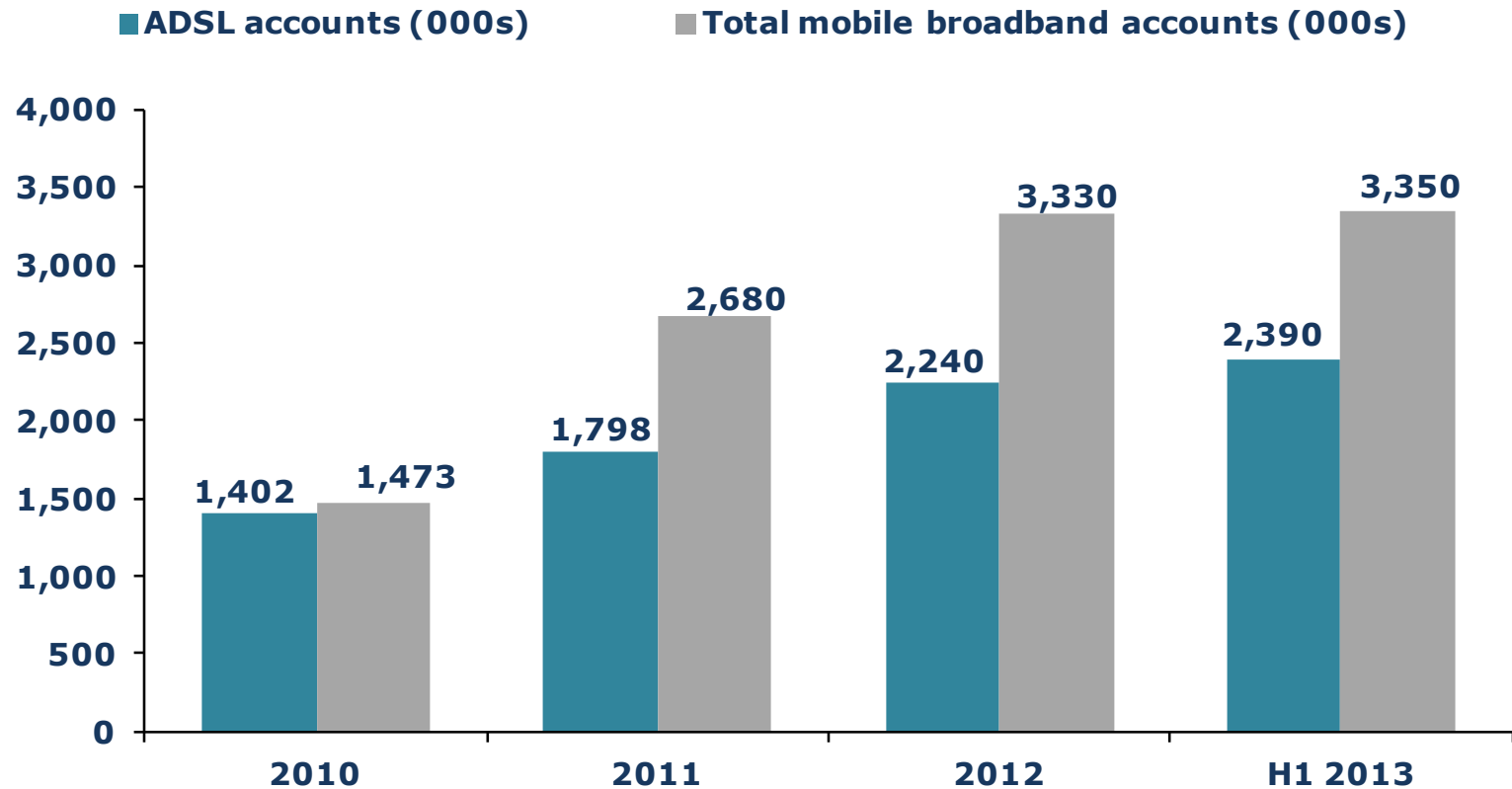


ARAB  
ADVISORS  
GROUP

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Mobile Broadband Accounts Outgrew ADSL Accounts in Egypt



Source: Telecom Egypt, MCIT

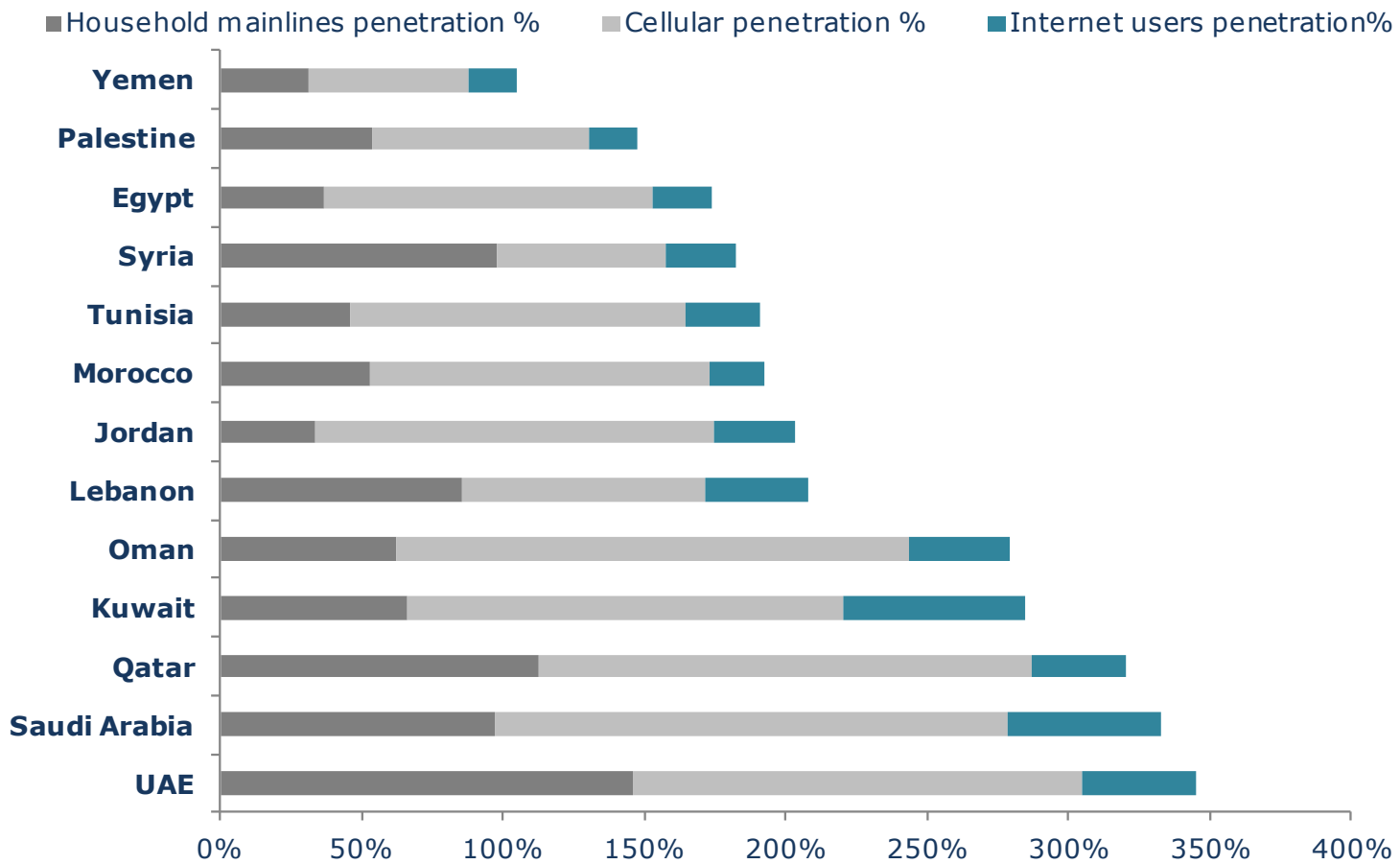


ARAB  
ADVISORS  
GROUP

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Arab Advisors Group's Total Country Connectivity Measure 2012: The UAE Leads the Way



Source: Arab Advisors Group.



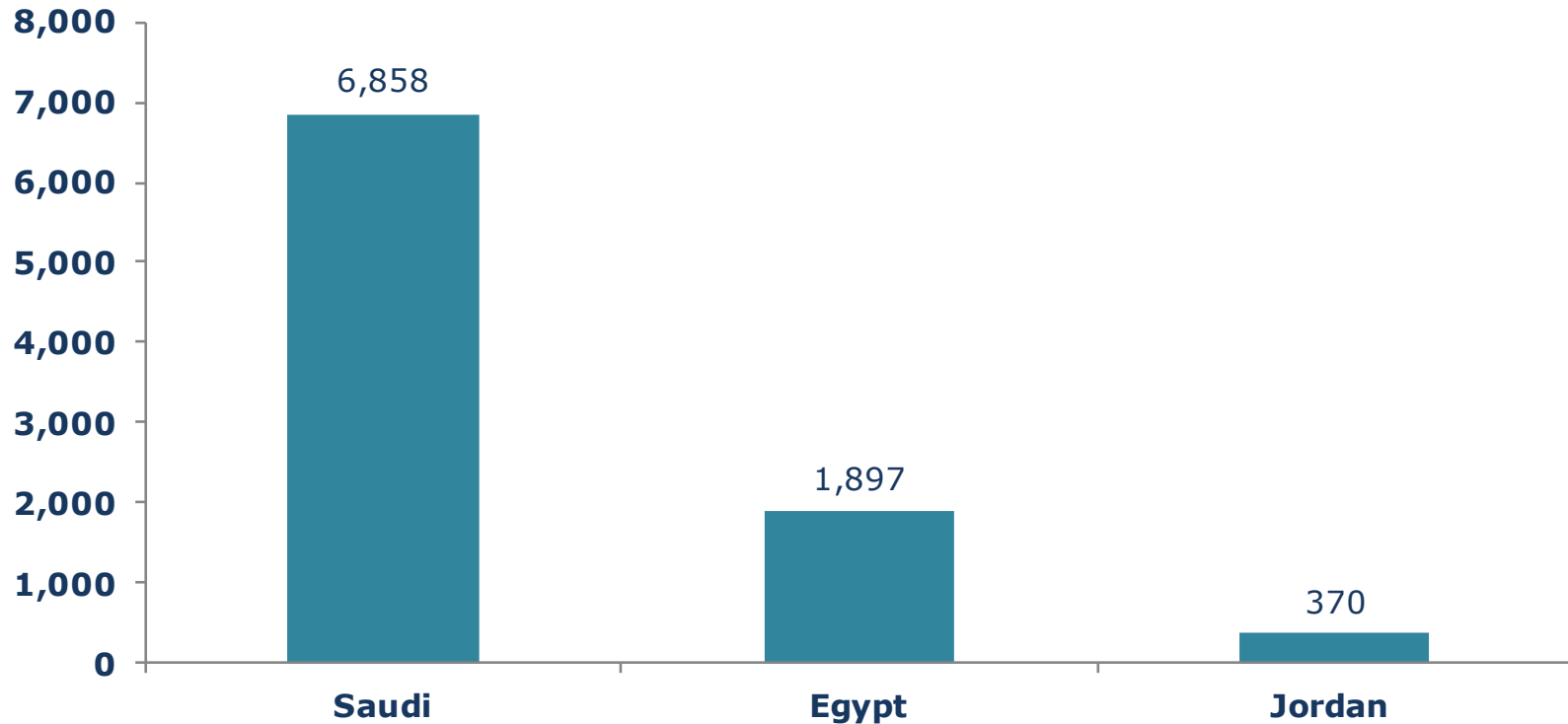
**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Saudi Arabia's annual e-commerce expenditure amounted to US\$ 6.9 million in 2010

e-commerce expenditure (US\$ million)



Source: Arab Advisors Group's Saudi Internet users and e-commerce survey 2012, Egypt Internet users and Jordan Internet users and e-commerce survey 2012



ARAB  
ADVISORS  
GROUP

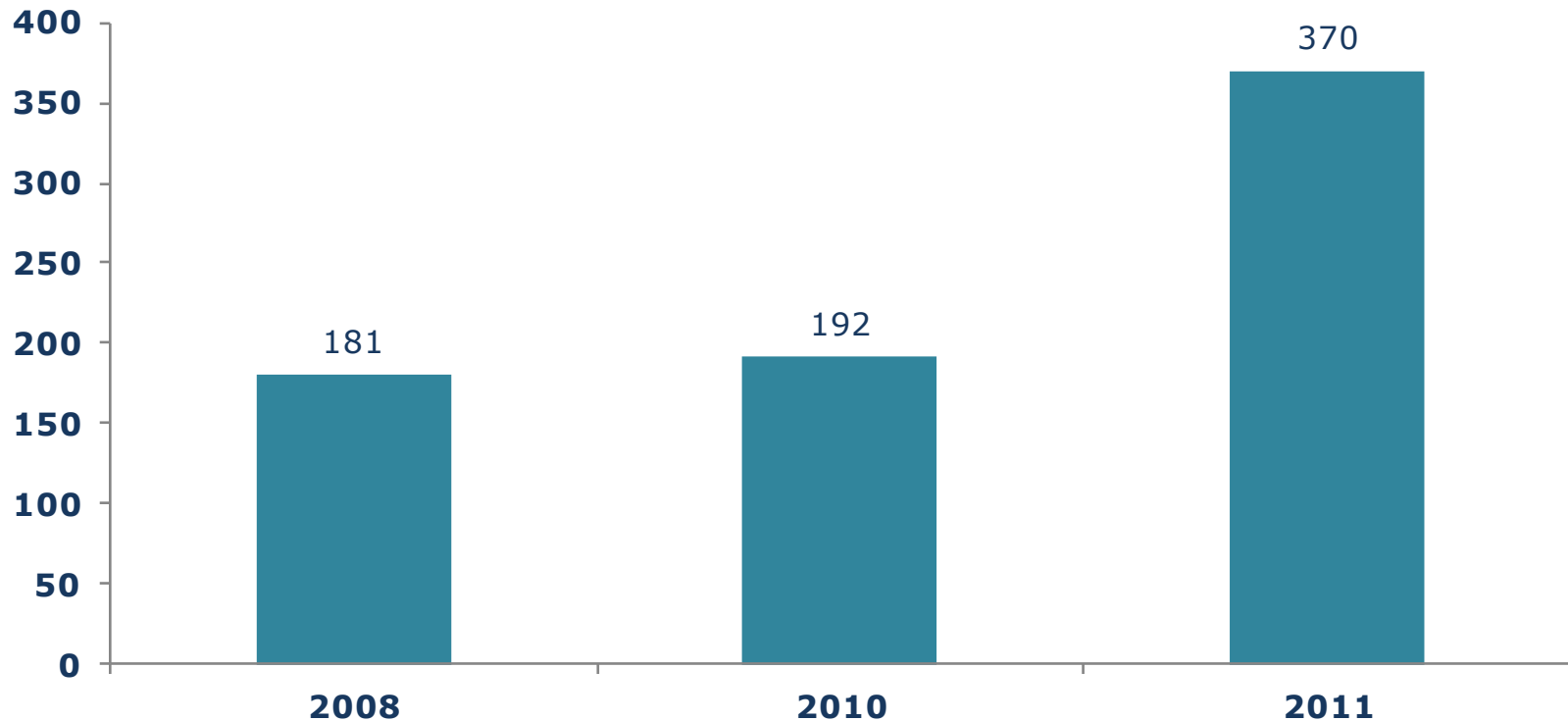
A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus



# E-commerce expenditure is growing rapidly in Jordan

e-commerce expenditure in Jordan (US\$ million)



Source: Arab Advisors Group's Jordan Internet users and e-commerce survey 2008, Jordan Internet users and e-commerce survey 2010, Jordan Internet users and e-commerce survey 2012



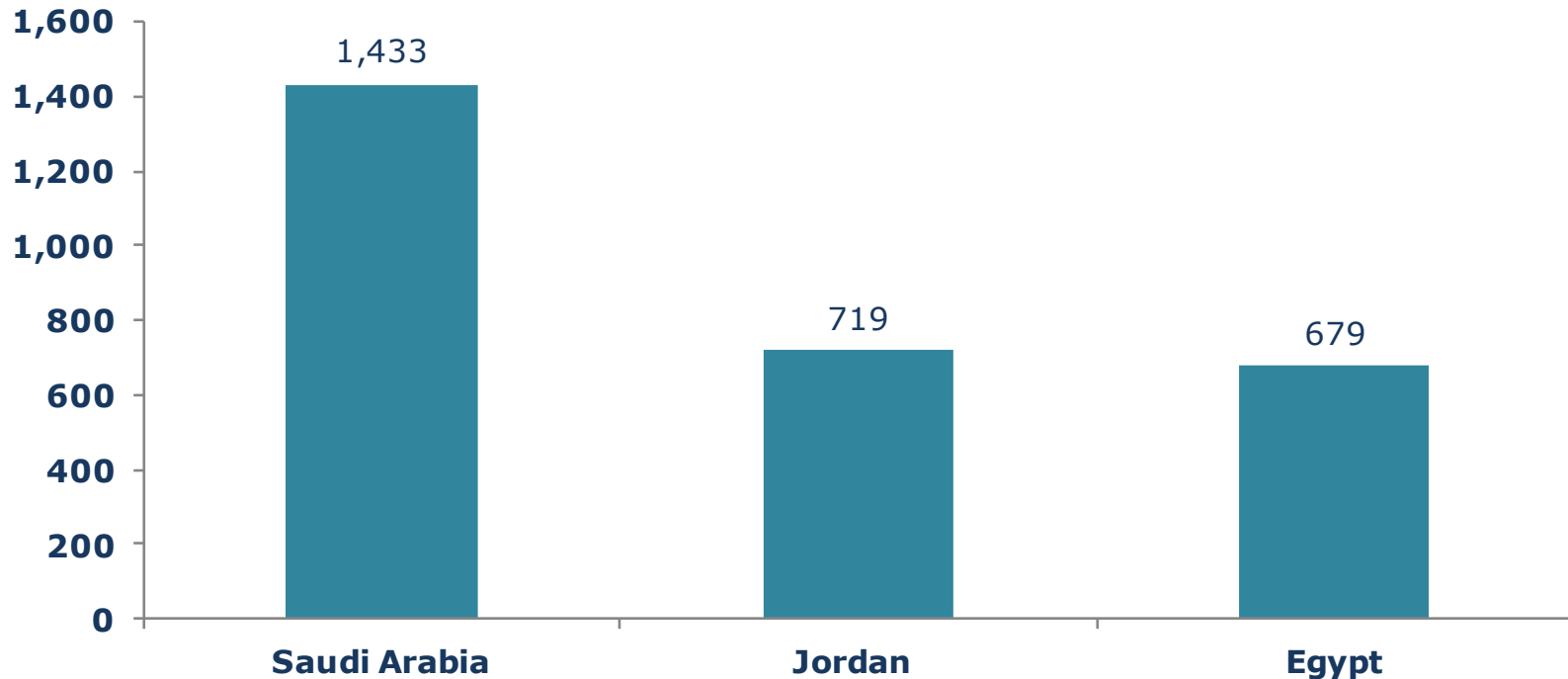
**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Annual e-commerce expenditure per user in Saudi Arabia, Jordan and Egypt

Annual e-commerce expenditure per e-commerce user (US\$)



Source: Arab Advisors Group

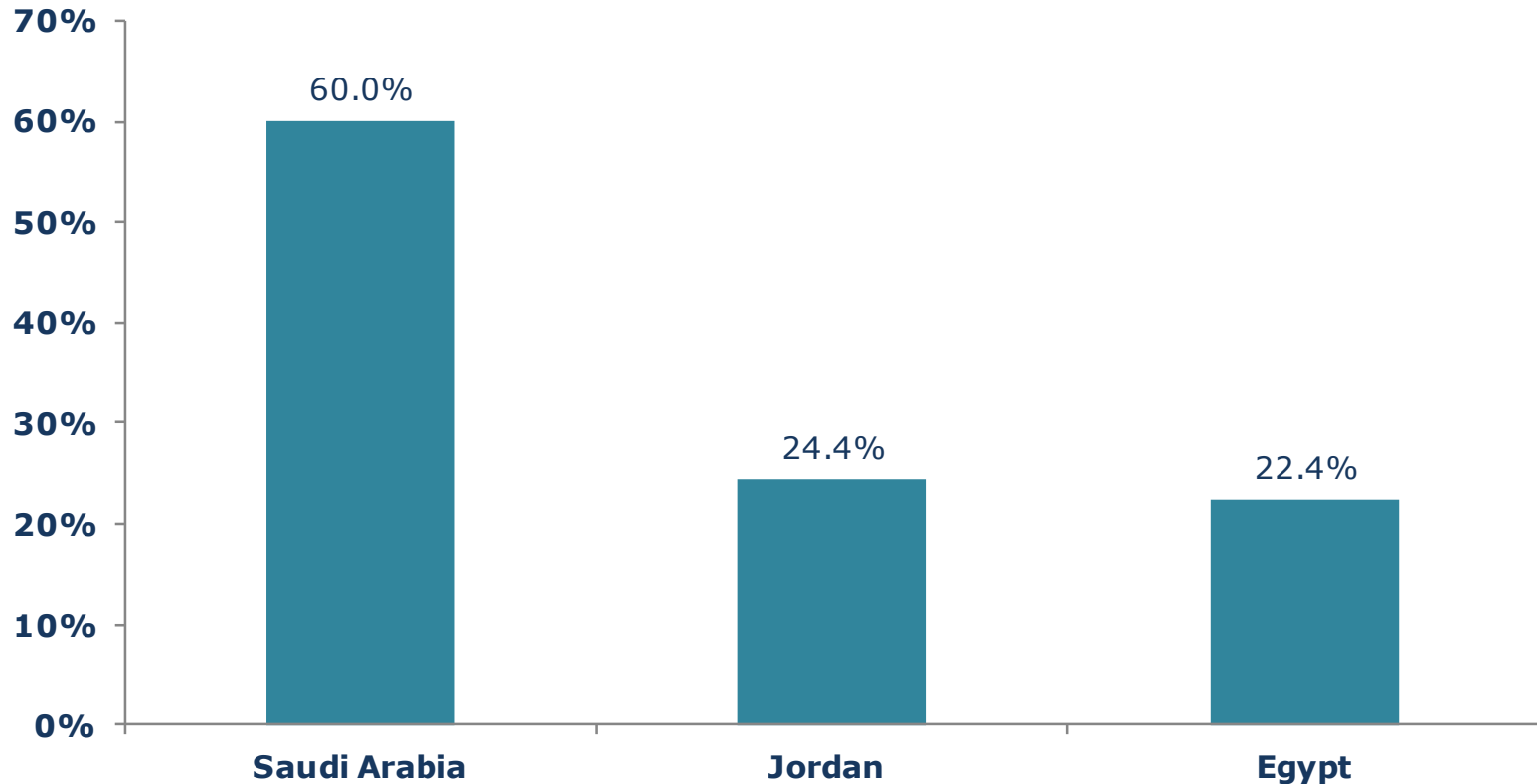


ARAB  
ADVISORS  
GROUP

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# 60% of Adult Internet Users in Saudi Arabia Use e-commerce



*Note: Percentages are calculated from total sample size (Internet users)*

*Source: Arab Advisors Group's Saudi Arabia Internet users and e-commerce survey 2011, Egypt Internet users and e-commerce survey 2012, Jordan Internet users and e-commerce survey 2012*

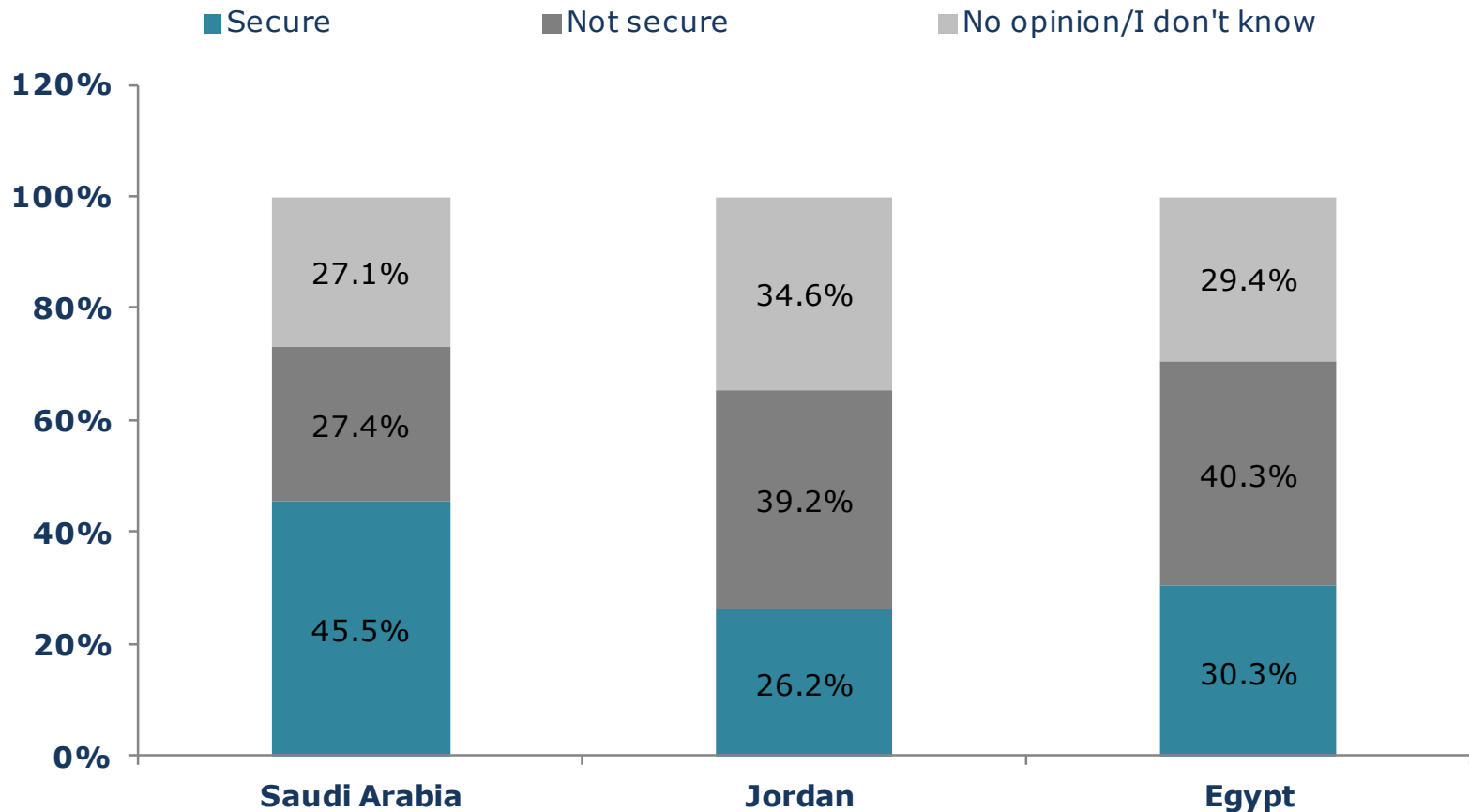


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Over 40% of Egyptian Internet Users Perceive e-commerce as "Not Secure"



*Note: Percentages are calculated from the total respondents (Internet users)*

*Source: Arab Advisors Group's Egypt Internet users and e-commerce survey 2012, Jordan Internet users and e-commerce survey 2012, Saudi Arabia Internet users and e-commerce survey 2011*

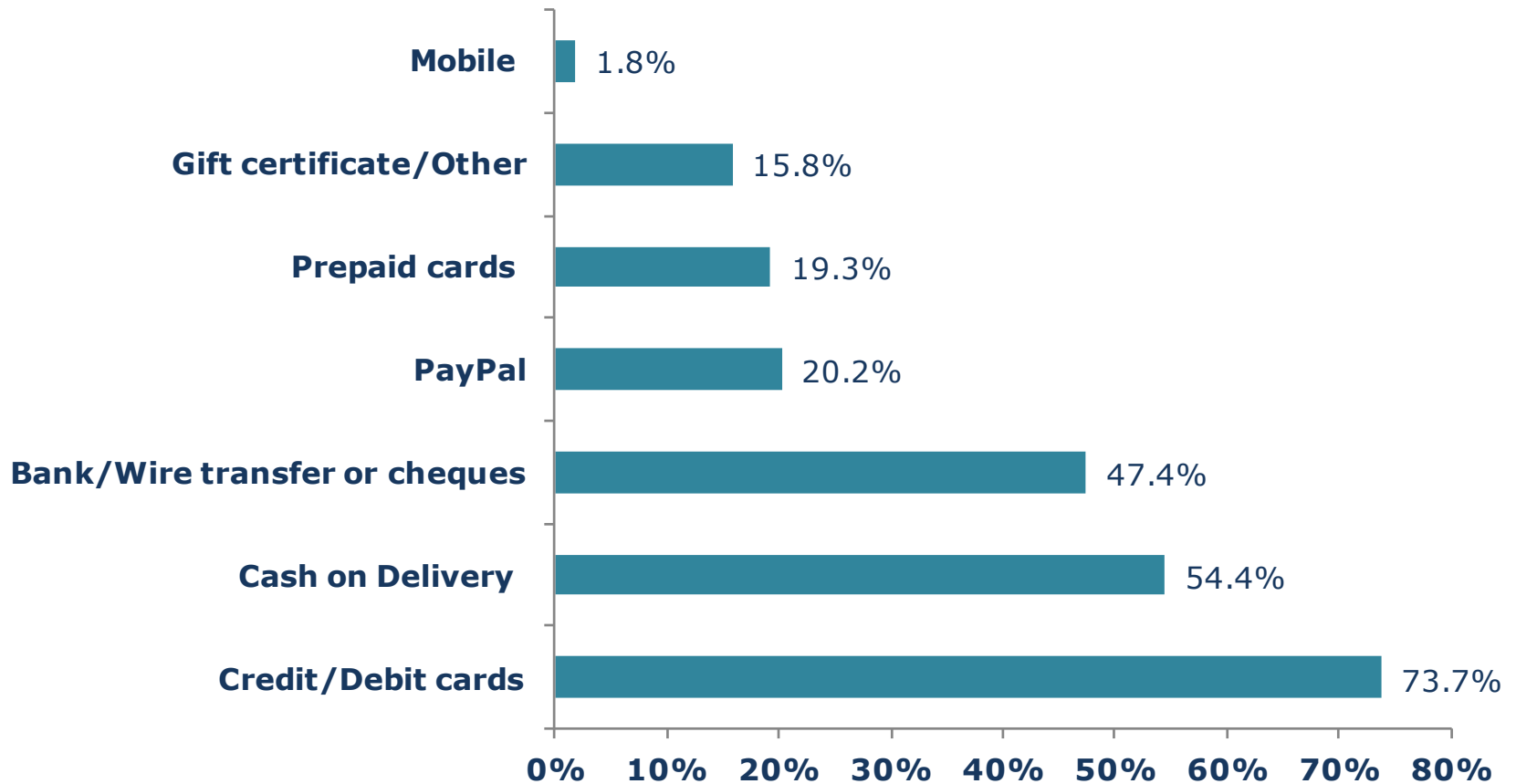


**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Payment Methods Used by a Selection of e-commerce Portals in the Arab World



Source: Arab Advisors Group E-commerce Portals in the Arab World 2012



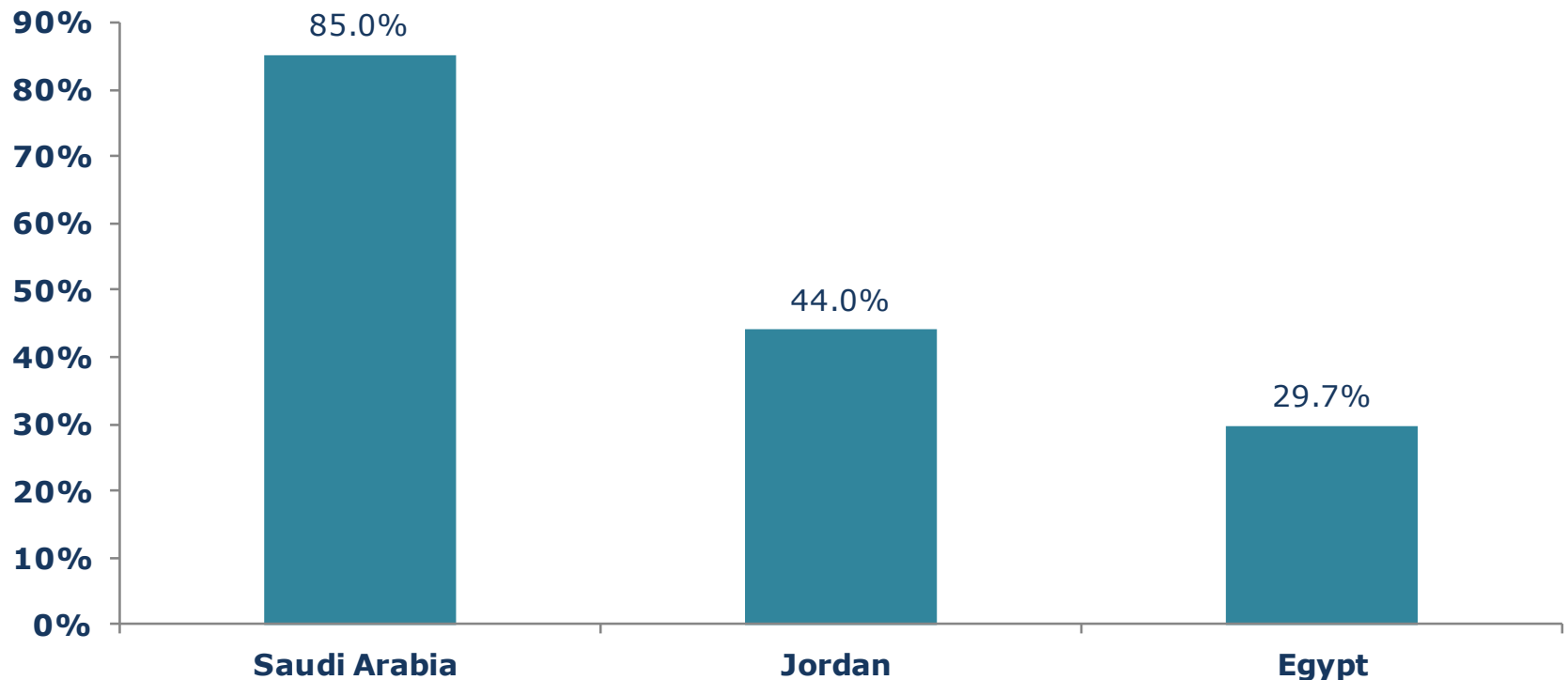
**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Saudi Arabia has a high uptake of online banking services

Percentage of individuals with bank accounts that use e-banking services



*Note: Percentages are calculated from respondents who have a bank account*

*Source: Arab Advisors Group's Saudi Arabia Internet users and e-commerce survey 2011, Egypt Internet users and e-commerce survey 2012, Jordan Internet users and e-commerce survey 2012*



**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

[www.arabadvisors.com](http://www.arabadvisors.com)  
Global Expertise - Regional Focus

# Arab Advisors Group

---

Arab Advisors Group provides reliable research, analysis and forecasts of Arab communications, media, technology and financial markets. **[www.arabadvisors.com](http://www.arabadvisors.com)**

For a copy of the presentation, email  
**[arabadvisors@arabadvisors.com](mailto:arabadvisors@arabadvisors.com)**



**[@ArabAdvisors](https://twitter.com/ArabAdvisors)**



**[www.facebook.com/Arab.Advisors.Group](http://www.facebook.com/Arab.Advisors.Group)**



**[www.youtube.com/ArabAdvisors](http://www.youtube.com/ArabAdvisors)**



**ARAB  
ADVISORS  
GROUP**

A member of the Arab Jordan Investment Bank Group

**[www.arabadvisors.com](http://www.arabadvisors.com)**  
Global Expertise - Regional Focus