

ROYAUME DU MAROC
LE PREMIER MINISTRE



INTERNET MARKET IN MOROCCO

Quarterly Observatory* **December 2008**

- This document is to be considered for information purposes only.

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Introduction

I. Various types of Internet access

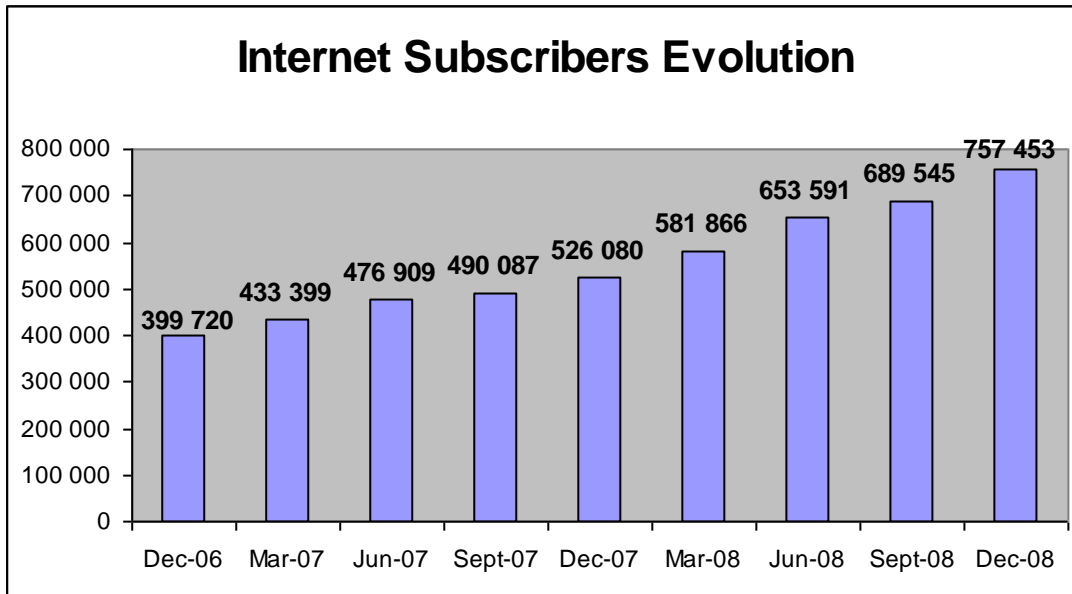
A various offers of Internet access offers are subscribed by the end-user according to his needs and according to the required comfort of connection. Thus, the main Internet offers include the Dial Up access with and without subscription and, "Flat rate" access, "Internet Leased Lines", 'ADSL' access and 3G Internet access.

The principle of these various offers can be specified as follows:

- **The Traditional Dial Up Access to the Internet** : it allows any user having a telephone line and a computer equipped with a modem to connect to the Internet by contracting as a preliminary a monthly subscription within an Internet Service Provider. This offer allows the subscriber to access to the Internet according to his specific needs and to pay the time of connection according to telephone tariff into force.
- **Dial Up Internet Access without subscription** : it allows any user having a telephone line and a computer equipped with a modem to connect to the Internet without a contractual engagement nor subscription charges. This offer allows the subscriber to access to the Internet according to his specific needs and to pay only the time of connection according to a special Internet tariff.
- **The "Flat rate" offers:** They include the payment of a monthly fixed amount which includes "the Internet subscription and the communications". The durations included in the "Flat rate" vary following the Internet Service Provider. This offer makes it possible to the subscribers to control their Internet use.
- **Broadband access via ADSL:** it allows the end-user to make a high speed connection (128, 153, 256, 512, 1024 kbit/s, 2 Mbit/s, 4 Mbit/s, 8 Mbit/s, 20 Mbit/s), without worrying nor about the time of connection nor about the volume of exchanged data.
- **The Internet access via Leased Lines:** It is an offer of Internet access with a fixed speed according to different levels $n \times 64 \text{ kbit/s}$.
- **3G Internet access:** it allows the user to connect to the Internet through 3G network without wired connection.

II. State of the global market at December 2008

At the end of December 2008, the data transmitted by the ISP's (Internet Service Providers) give the following evolutions of the number of the Internet subscribers.



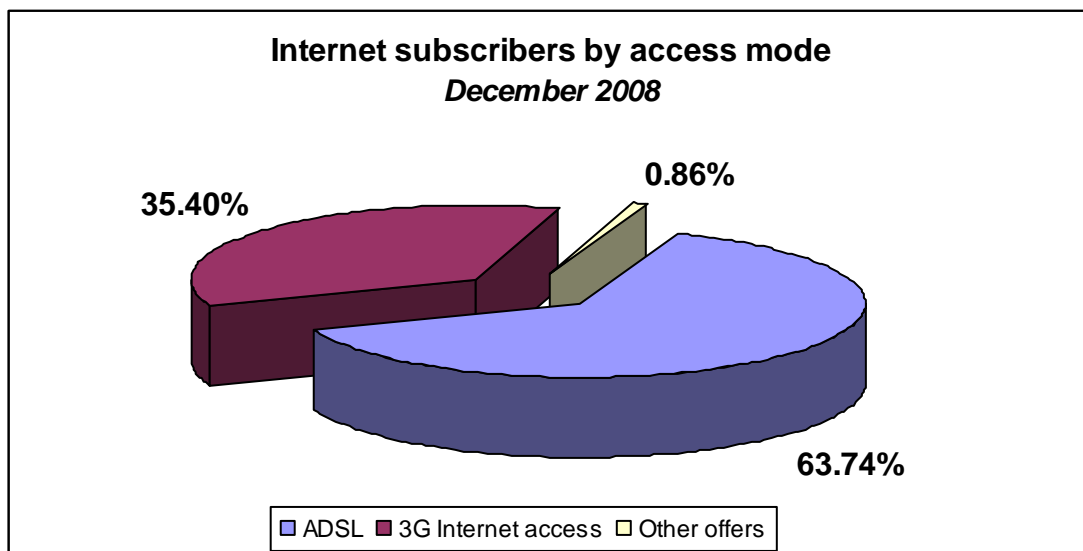
We can note that the number of users of 'Internet without subscription' access is included in the total number of subscribers starting from December 2004, according to the definition adopted in the decision of the General Director N° ANRT/DG/N01/05 of March 9, 2005. Thus, the total number of Internet access in December 2004 specified in the chart above was updated.

It should be noted also that starting from April 2005, the total number of ADSL subscribers is calculated by summing up the number of ADSL subscribers of the various Internet Service Providers.

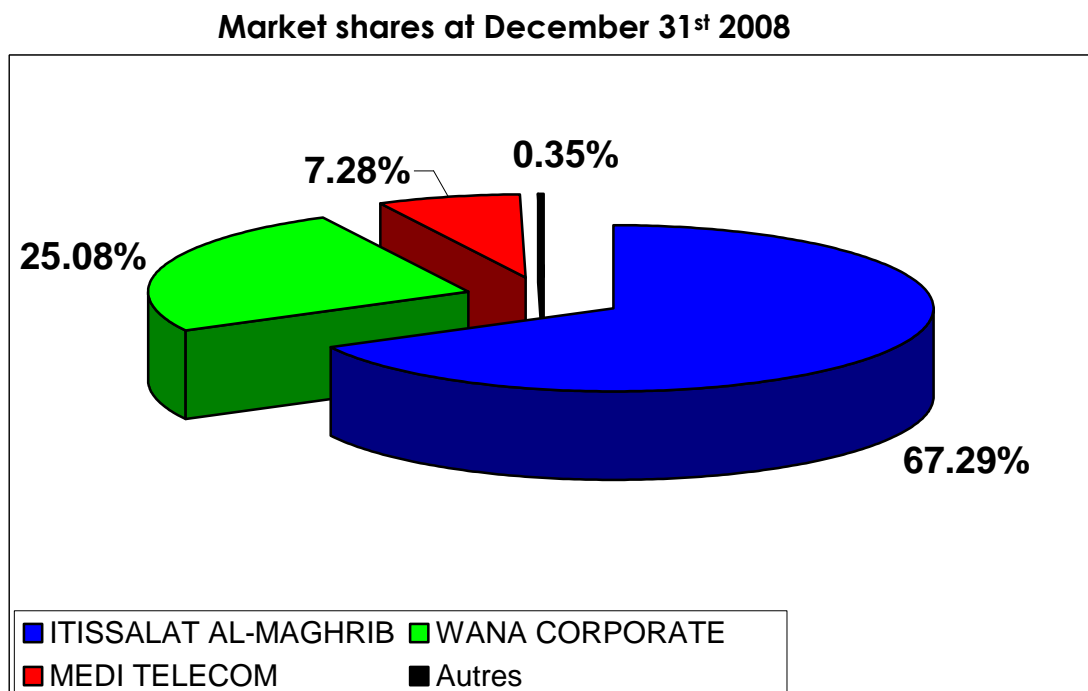
Starting from June 2007, the total number of Internet subscribers includes also the offers of 3G Internet access.

Internet market is always in progression recording a total increase of **9.85%** during the last three months, of **43.98%** between December 2007 and December 2008 and of almost **89.49%** since December 2006.

The distribution of subscribers by access mode is as follows, with a predominance of broadband ADSL accesses representing **63.7%** of the global Internet market and 3G Internet access with 35.4%.



In terms of market share, IAM holds 67.29% of the Internet subscribers market followed by Wana Corporate with 25.08% and Medi Télécom with 7.28%.



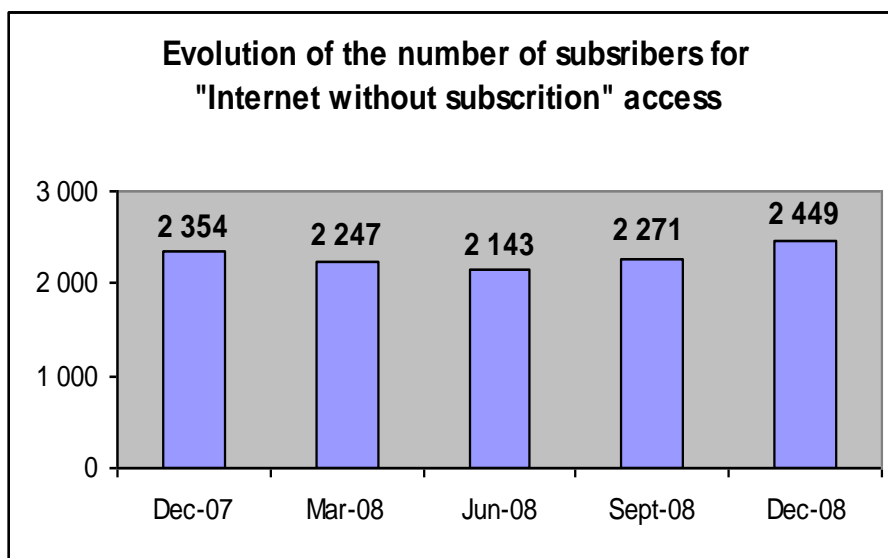
State of the narrowband market

I. Evolution of the total number of narrowband subscribers

The number of the narrowband subscribers¹, by including the users of "Internet access without subscription" option, moved from 5 991 in December 2007 to **5 454** in December 2008.

II. Evolution of the number of subscribers using 'Internet without subscription' access

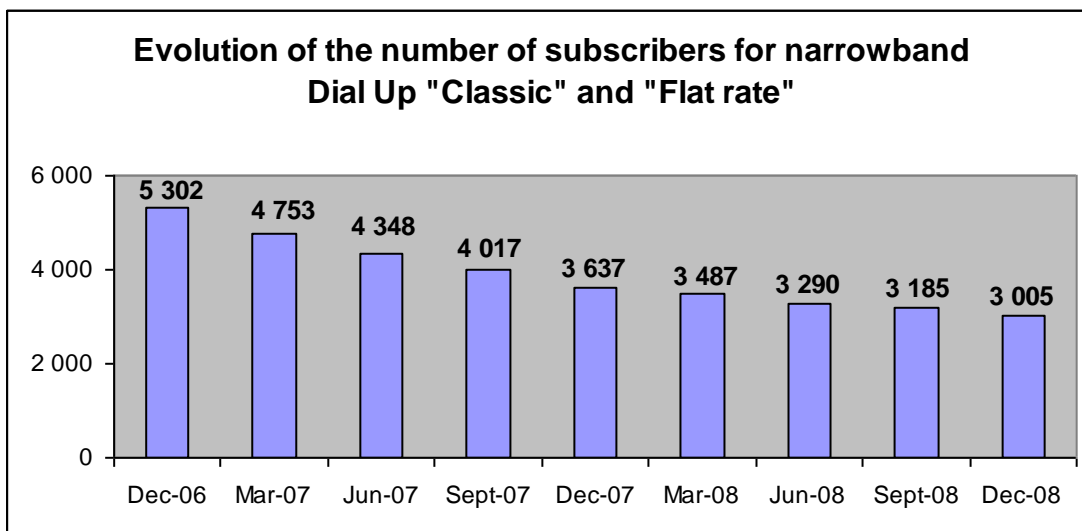
ANRT's Decision "ANRT/DG/N01/05" of March 2005 describes a subscriber as: "a user of "the Internet access without subscription" option having used this access mode at least once during the last three months". The graph below shows the evolution of the number of subscribers estimated since December 2007 according to this definition.



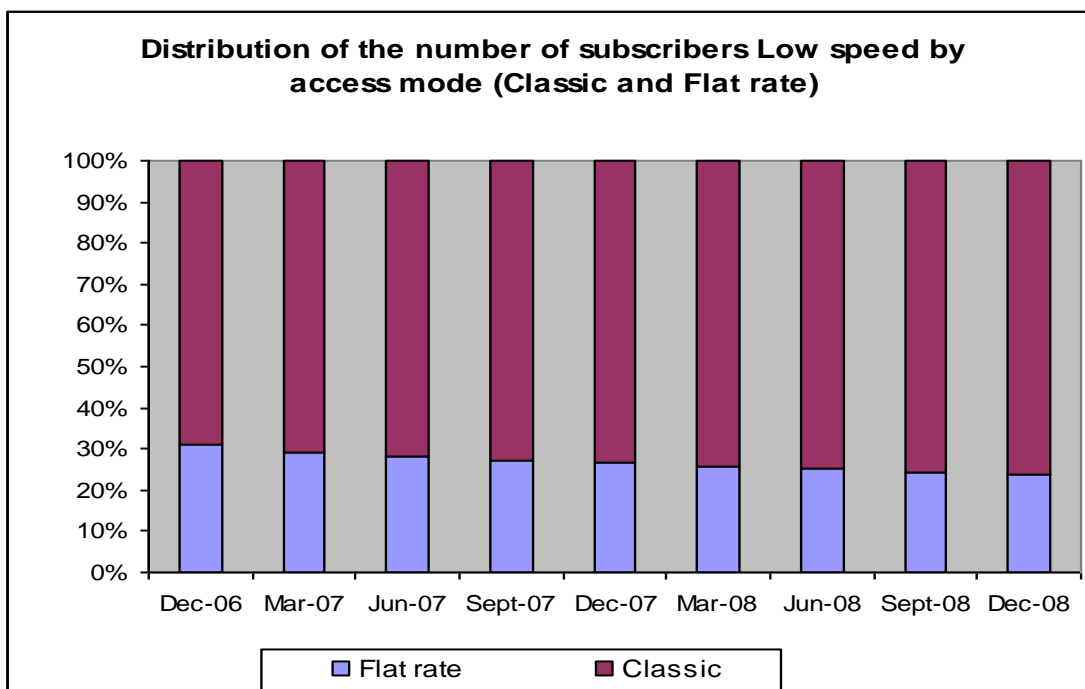
III Evolution and distribution of the number of subscribers for narrowband Dial Up ' Classic' and ' Flat rate'

The data received from ISP's as of December 2008 shows a decrease in the number of subscribers 'Classic subscriptions' and 'Flat rate' access options. Since December 2007, the number of subscribers is decreasing from 3 637 subscribers to **3 005 (a retreat of approximately 17.38%)**.

¹ The Wireless Internet access offer recorded so far in the narrowband Internet is the subject of a new section entitled "State of the 3G Internet Market" at the end of the current document.



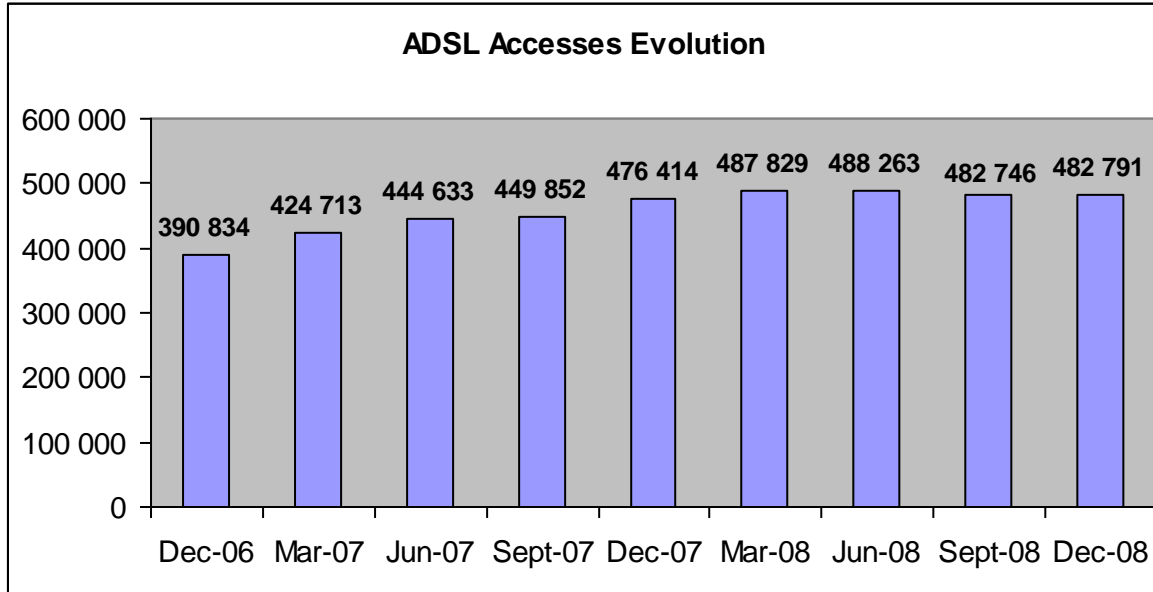
Relative shares of the Flat rate and the classic accesses are illustrated in the following graph:



State of the broadband market

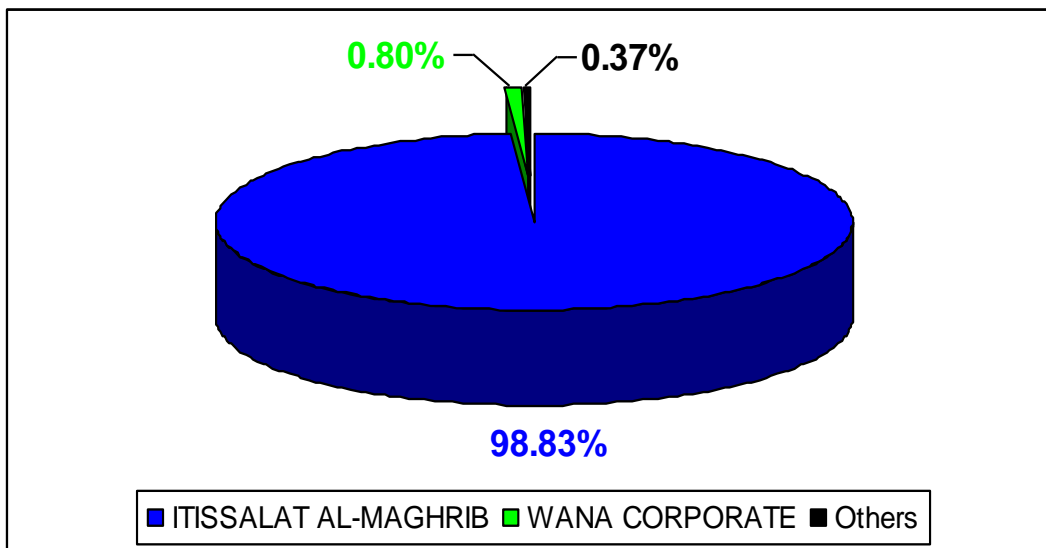
Evolution of ADSL subscribers

The number of ADSL subscribers stagnates for this quarter. In other hand, the number of subscribers is growing by 1.34% since December 2007 and by 23.53% since December 2006.

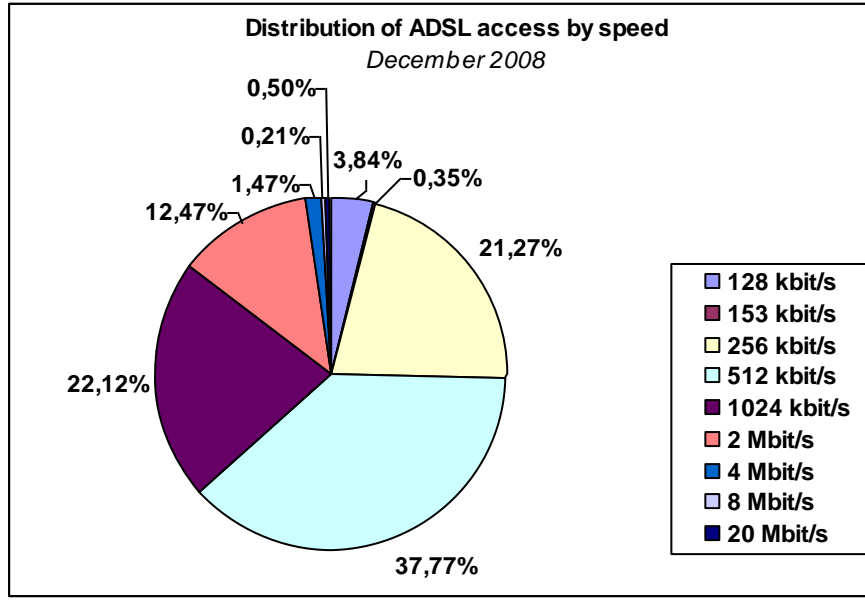


In terms of market share, IAM holds 98.83% of the ADSL Internet subscribers followed by Wana Corporate with 0.80%.

Market shares of ADSL Internet at December 31st 2008

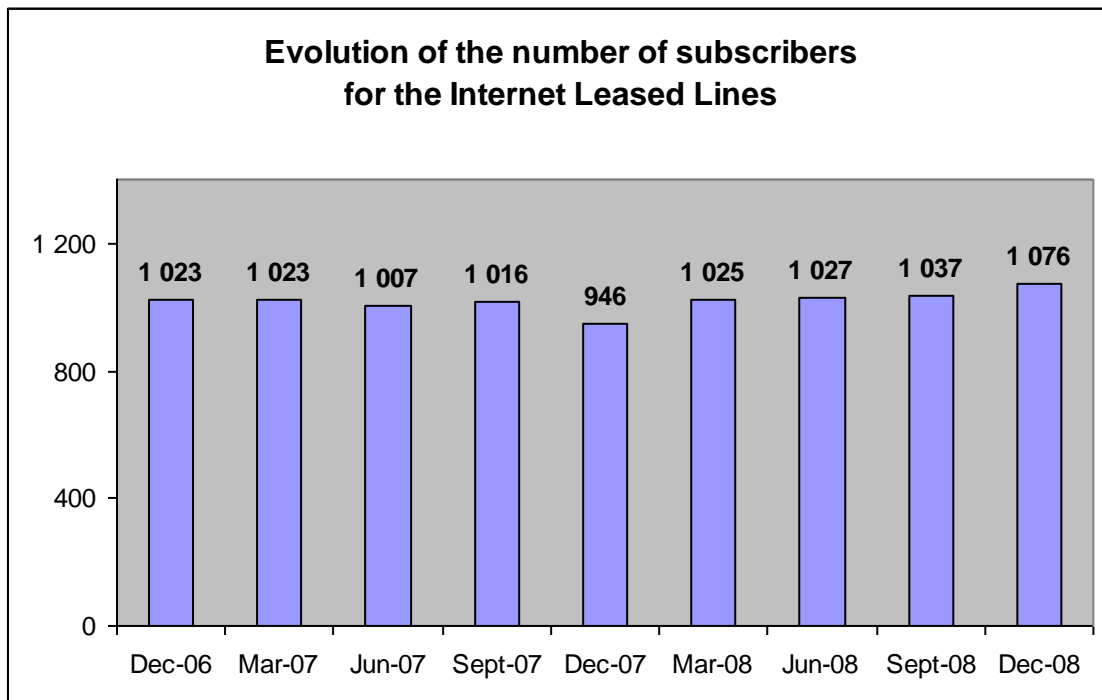


The distribution of ADSL access by speed is as follows, with a predominance of 512 kbit/s accesses with **37.77%** of the ADSL Internet market.



II Evolution of the number of subscribers for Internet Leased Lines

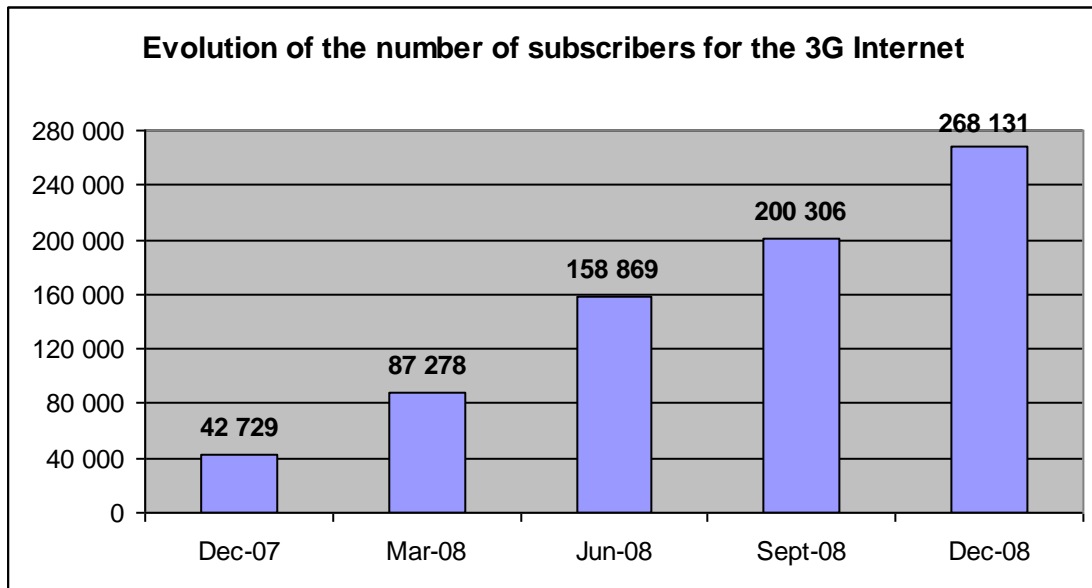
The estimated number of Internet access via Leased Lines (LL) is growing by 3.7% from the previous quarter and by 13.7% since December 2007.



State of the 3G Internet market

A new Internet access services using 3G technology are launched in the Internet Moroccan Market.

At the end of December 2008, the number of 3G Internet subscribers reached **268 131** by recording an increase of **527.5%** since December 2007.



In terms of market share, Wana Corporate holds 69.11% of the 3G Internet access followed by Medi Télécom with 20.56% and IAM with 10.33%.

Market shares of 3G Internet at December 31st 2008

