ROYAUME DU MAROC
LE PREMIER MINISTRE

ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

INTERNET MARKET IN MOROCCO

Quarterly Observatory*
June 2009

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

Summary

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.

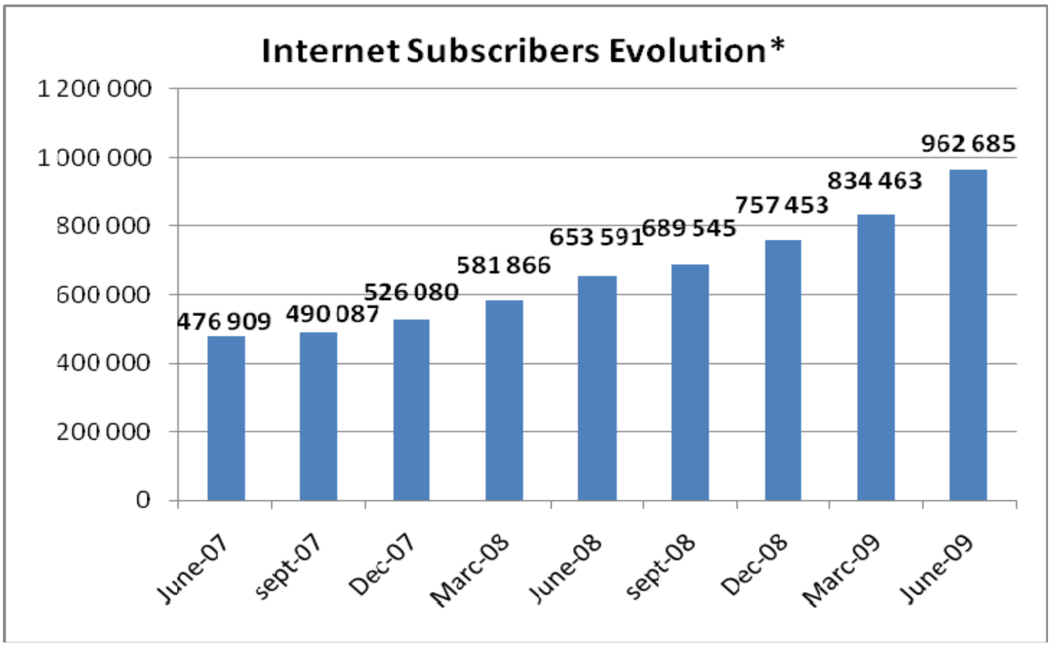
- **Broadband access via ADSL:** it allows the end-user to make a high speed connection (128, 153, 256, 512, 1024 kbit/s, 2 Mbit/s, 4 Mbit/s, 8 Mbit/s, 20 Mbit/s), without worrying nor about the time of connection nor about the volume of exchanged data.

- **The Internet access via Leased Lines:** It is an offer of Internet access with a fixed speed according to different levels n*64kbit/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 June 2008

At the end of June 2009, the data transmitted by the ISP's (Internet Service Providers) give the following evolutions of the number of the Internet subscribers.



* The number of ADSL subscribers was calculated by adding up The ISP's ADSL subscribers

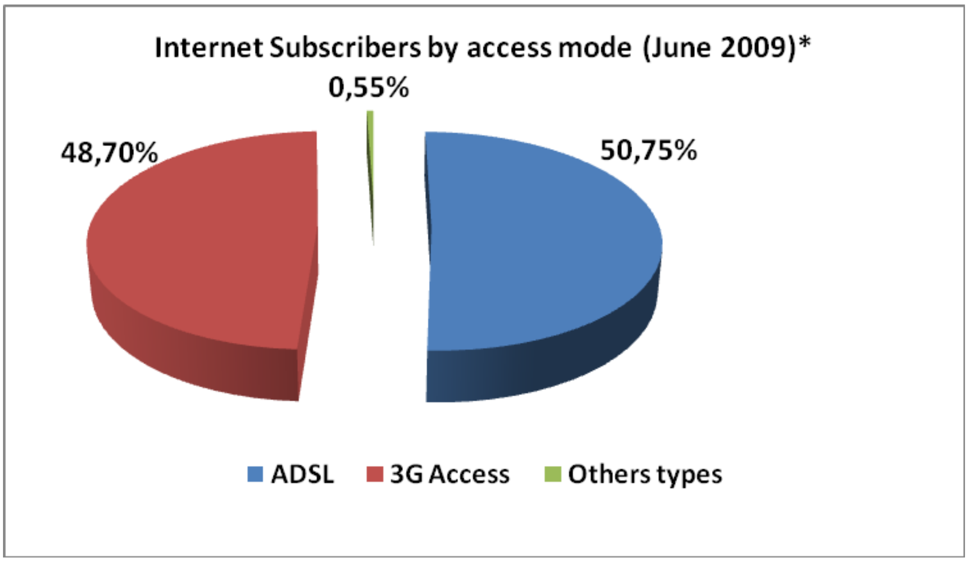
We can note that the number of users of 'Internet without subscription' access is included in the total number of subscribers starting from December 2004, according to the definition adopted in the decision of the General Director N° ANRT/DG/N01/05 of March 9, 2005. Thus, the total number of Internet 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 clear progression recording a total increase of **15.37%** during the second quarter of 2009, of **47.29%** between June 2008 and June 2009 and of almost **101.86%** since June 2007.

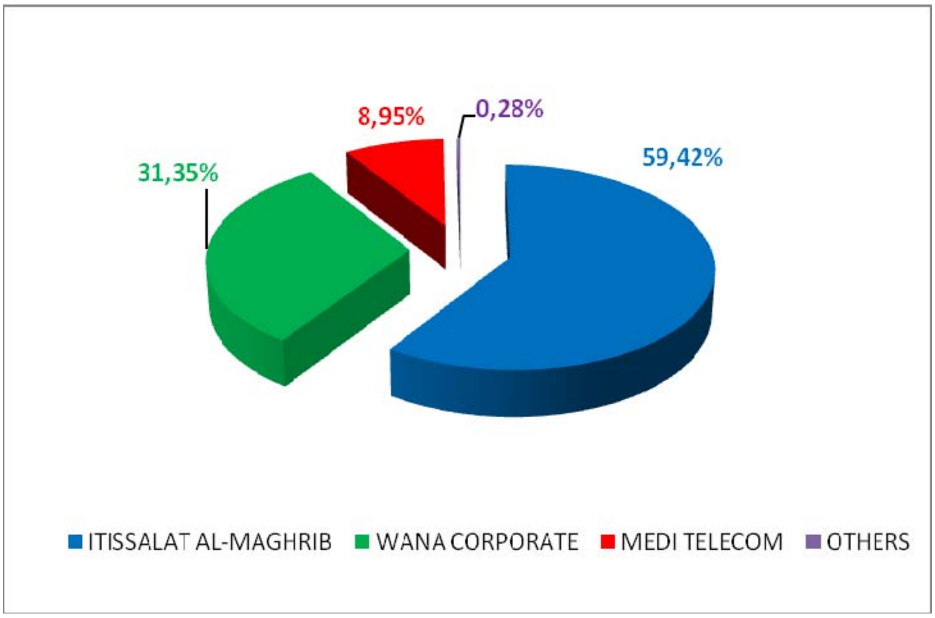
The distribution of subscribers by access mode is as follows, with an equal distribution between broadband ADSL accesses representing **50.75%** of the global Internet market and 3G Internet access with 48.70%.



* The number of ADSL subscribers was calculated by adding up The ISP's ADSL subscribers

In terms of market share, IAM holds 59.42% of the Internet subscribers market followed by Wana Corporate with 31.35% and Medi Télécom with 8.95%.

Market shares at June 30th 2009



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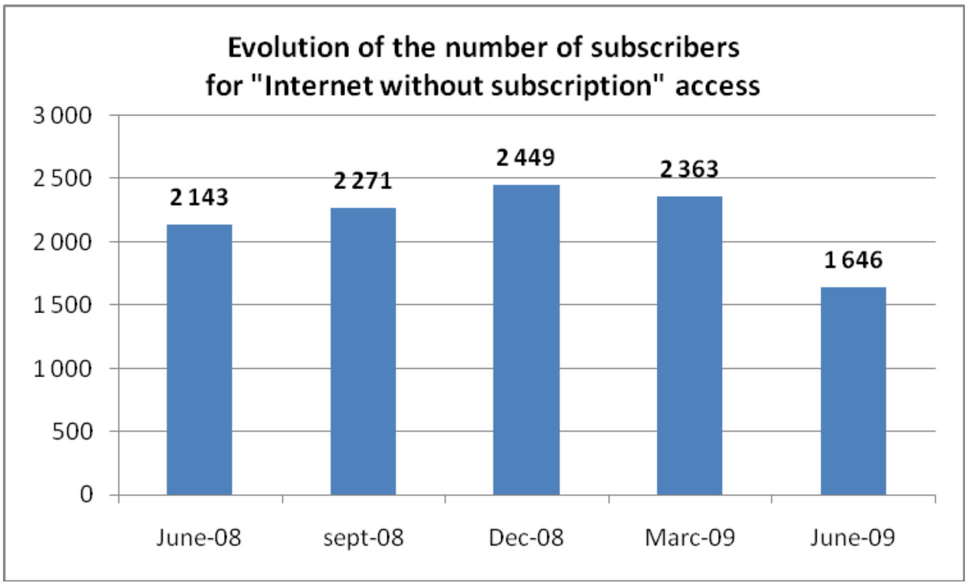
State of the narrowband market

I. Evolution of the total number of narrowband subscribers

The number of the narrowband subscribers[1], by including the users of "Internet access without subscription" option, moved from 5 433 in June 2008 to **4 227** in June 2009.

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

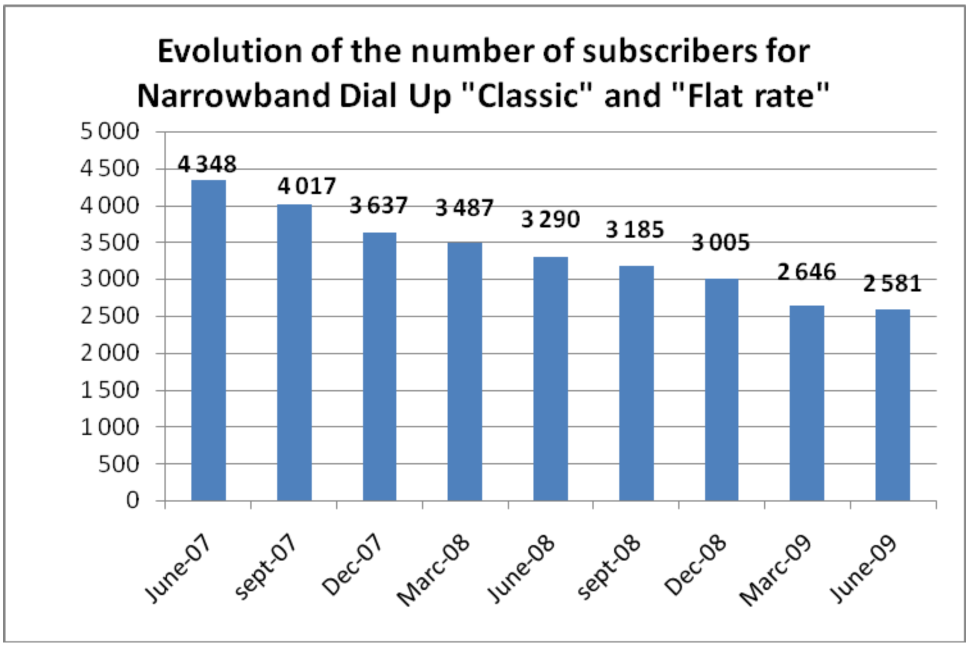
ANRT's Decision "ANRT/DG/N01/05" of March 2005 describes a subscriber as: "a user of "the Internet access without subscription" option having used this access mode at least once during the last three months". The graph below shows the evolution of the number of subscribers estimated since June 2007 according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



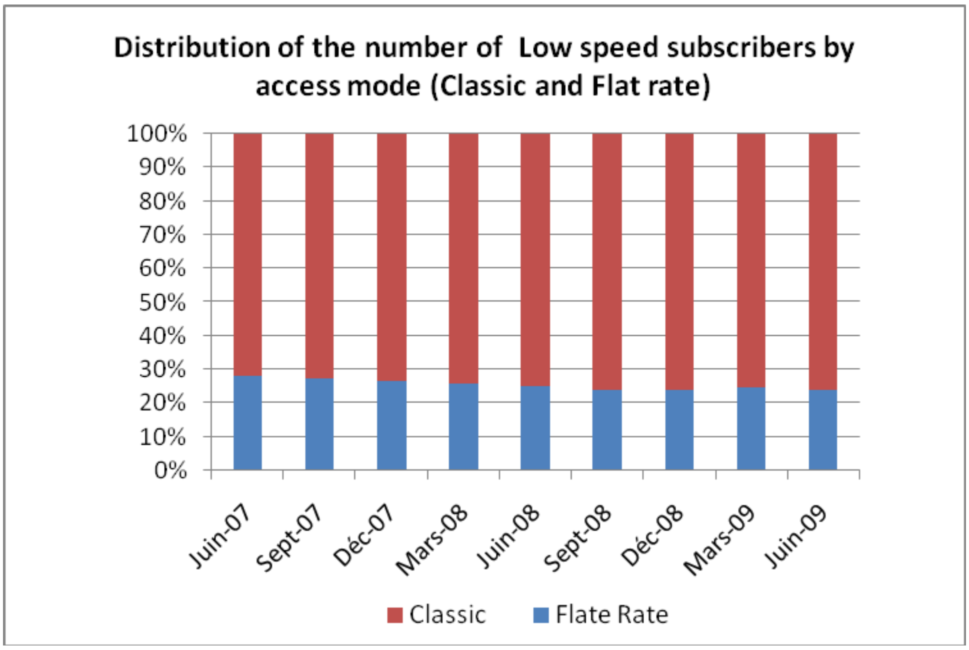
III Evolution and distribution of the number of subscribers for narrowband Dial Up ' Classic' and ' Flat rate'

The data received from ISP's as of June 2009 shows a decrease in the number of subscribers 'Classic subscriptions ' and ' Flat rate ' access options. Since June 2008, the number of Dial up subscribers is decreasing from 3 290 subscribers to **2 581** (**a retreat of approximately 21.53%**).

[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.



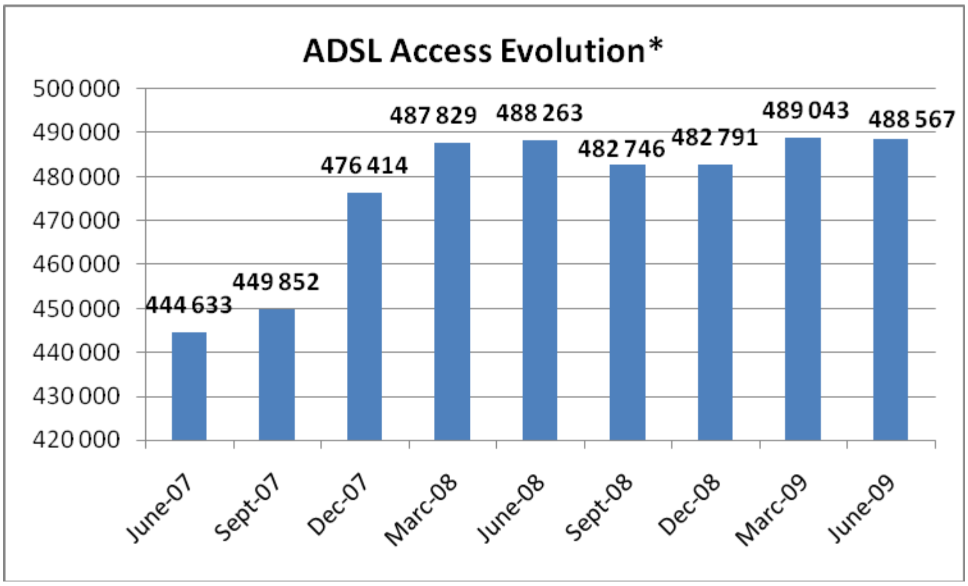
Relative shares of the Flate rate and the classic accesses are illustrated in the following graph:



State of the broadband market

I Evolution of ADSL subscribers

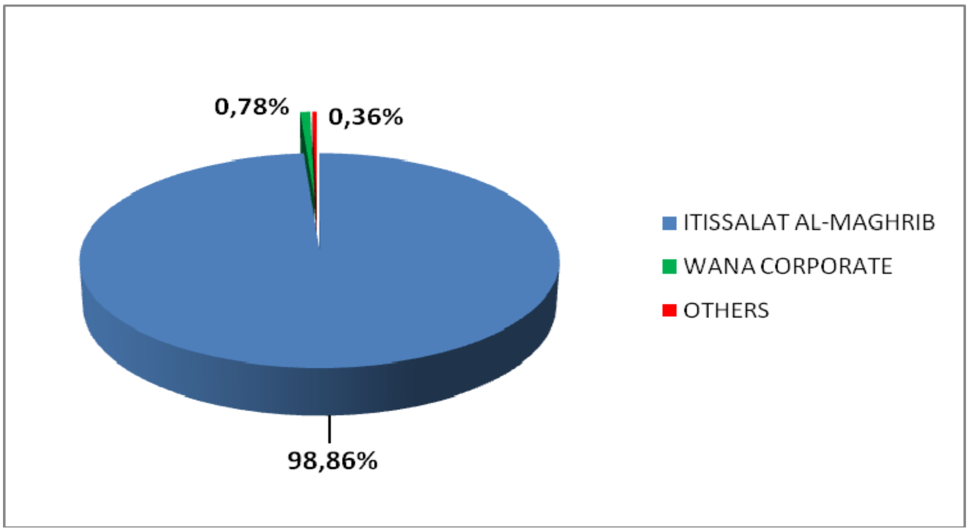
The number of ADSL[2] subscribers is decreasing **of 0.10%** during the second quarter of 2009. Comparing to the last year, the number of ADSL subscribers is stable (+0,06%)but it increased by 9,88% from June 2007.



* From June 2005, the total ADSL subscribers was calculated by adding up the ADSL subscribers of the ISP's

In terms of market share, IAM remains the leader with 98,86% of the ADSL Internet subscribers followed by Wana Corporate with 0.78% and the others ISP with 0,36%.

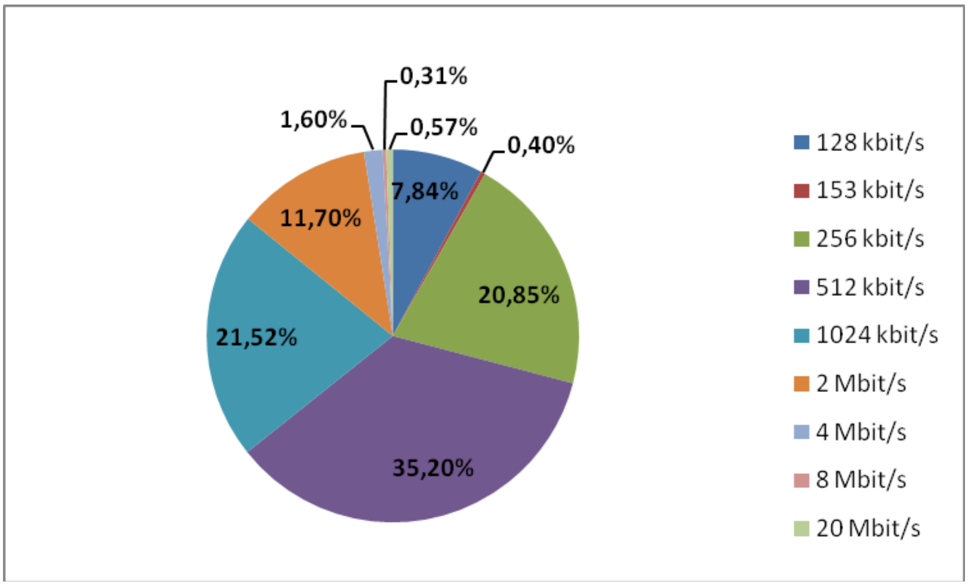
Market shares of ADSL Internet at June 30th 2009



[2] Since April 2005, the total ADSL subscribers is calculated by adding up the ADSL subscribers of the ISP's.

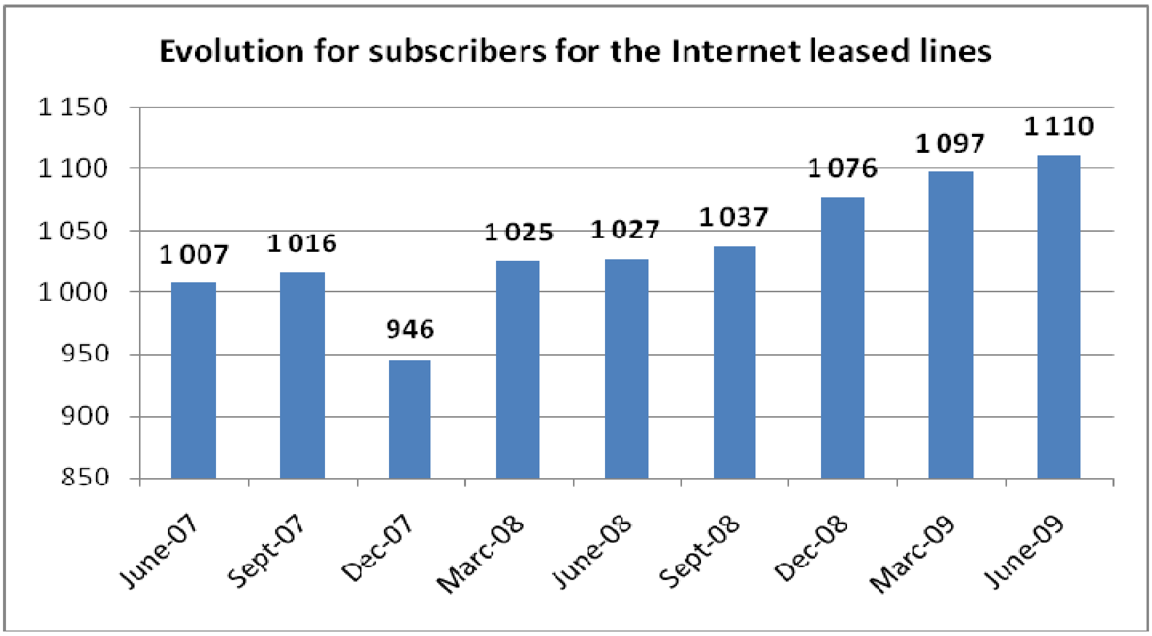
The distribution of ADSL access by speed is as follows, with a predominance of 512 kbit/s accesses with **35.20%** of the ADSL Internet market at June 2009 followed by 1 024 kbit/s (21,52%) and 256 kbit/s (20,85%).

Distribution of ADSL access by speed
June 2009



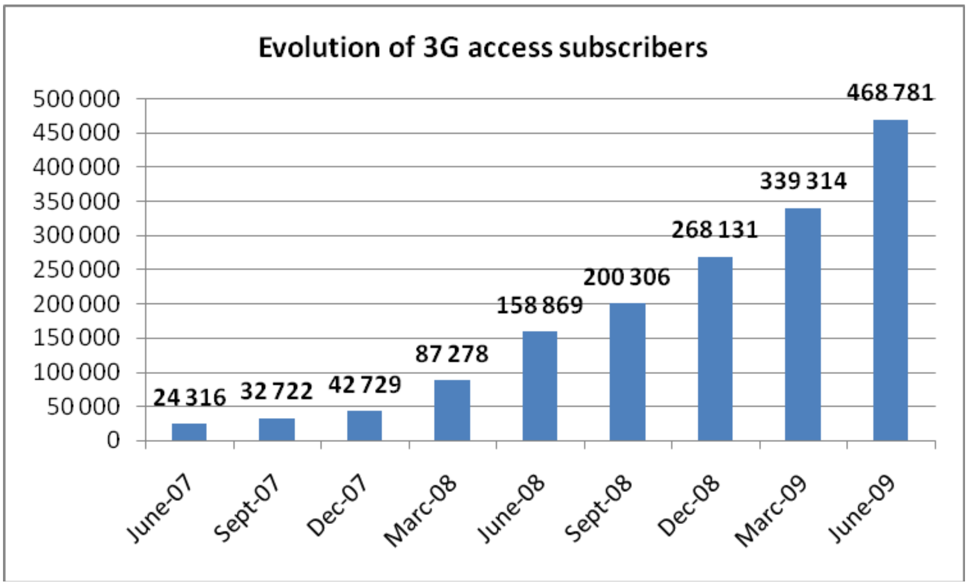
II Evolution of the number of subscribers for Internet Leased Lines

The estimated number of Internet access via Leased Lines (LL) increased by 1,19% during the second quarter of 2009 and by 8,12% compared to the last year.



State of the 3G Internet market

At the end of June 2009, the number of 3G Internet subscriber's reached **468 781** subscribers by recording an increase of **38,16%** during the second quarter of 2009 and of **195,07%** since June 2008.



In terms of market share, Wana Corporate holds 63,40% of the 3G Internet access followed by Medi Télécom with 18,38% and IAM with 18.21%.

Market shares of 3G Internet at June 30th 2009