ROYAUME DU MAROC
LE PREMIER MINISTRE

ANRT

الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

INTERNET MARKET IN MOROCCO

Quarterly Observatory*
December 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.

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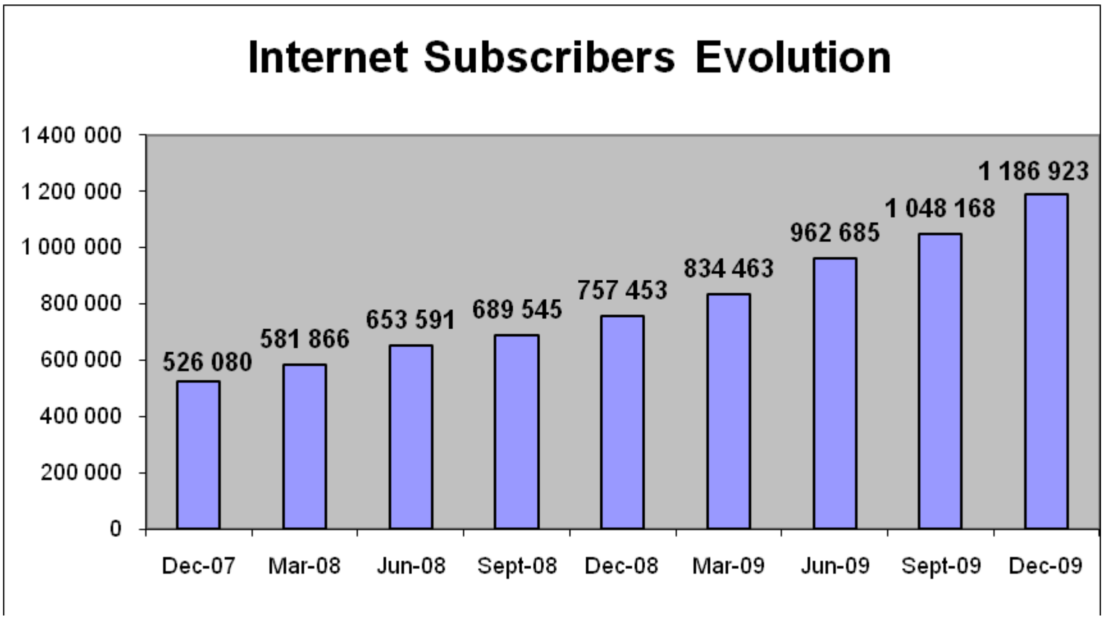
II. State of the global market at December 2009

At the end of December 2009, the data transmitted by the ISP's (Internet Service Providers) give the following evolutions of the number of the Internet subscribers[1].



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.

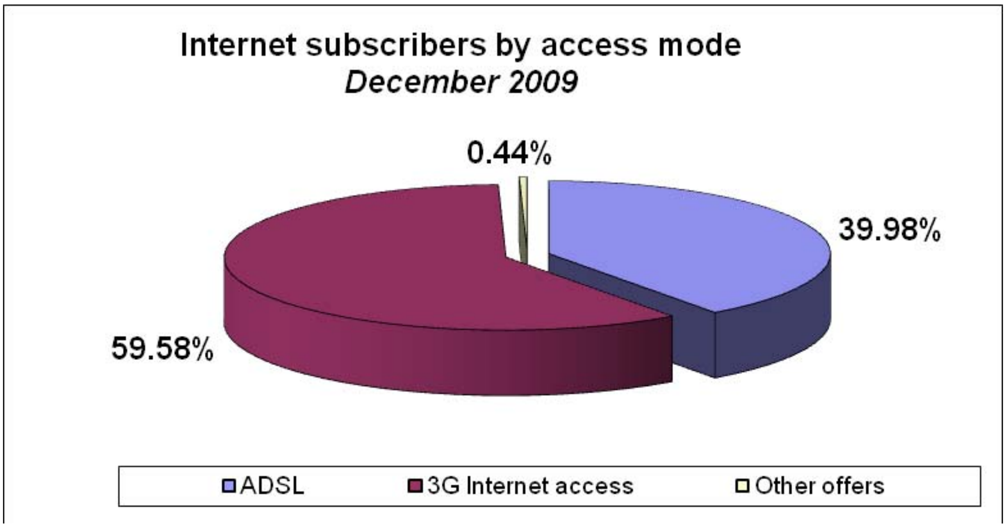
It should be noted also that starting from April 2005, the total number of ADSL subscribers is calculated by summing up the number of ADSL subscribers of the various Internet Service Providers.

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 13.24%** during the last three months and of almost **56.70%** since December 2008.

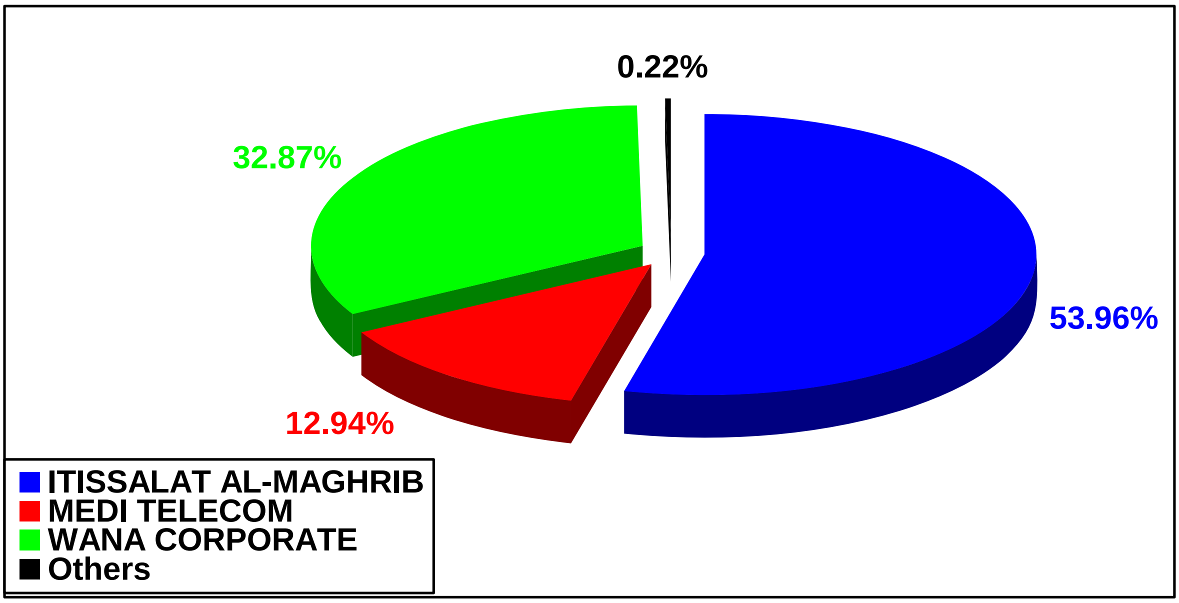
The distribution of subscribers by access mode is as follows, with a predominance of the 3G internet access, representing **59.58%** of the global Internet market and broadband ADSL Internet access with 39.98%.

[1] The data used for the 'Internet without subscribers' of IAM is provided in September 2009.



In terms of market share, IAM holds 53.96% of the Internet subscribers market followed by Wana Corporate with 32.87% and Medi Telecom with 12.94%.

Market shares at December 31st 2009



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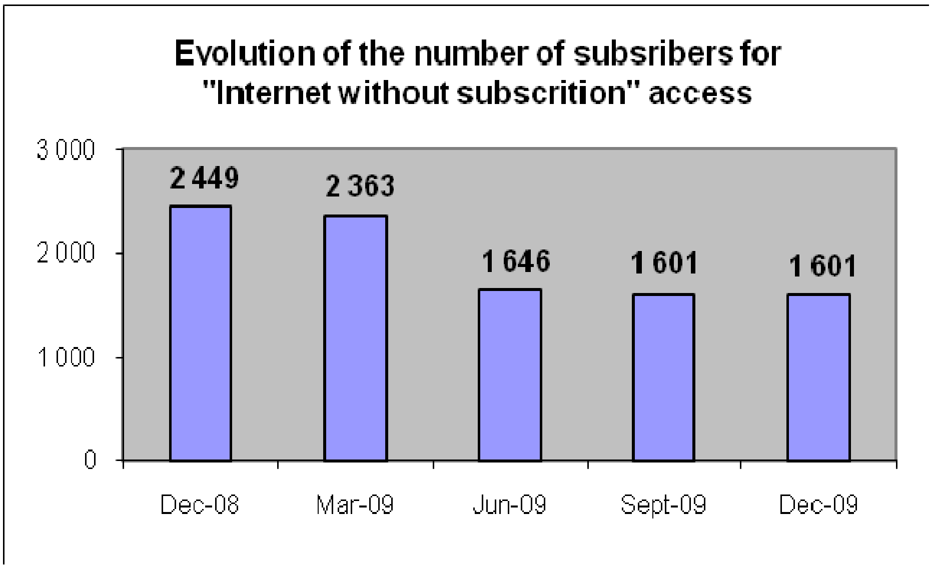
State of the narrowband market

I. Evolution of the total number of narrowband subscribers

The number of the narrowband subscribers, by including the users of "Internet access without subscription" option, moved from 5 454 in December 2008 to **4 019** in December 2009.

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

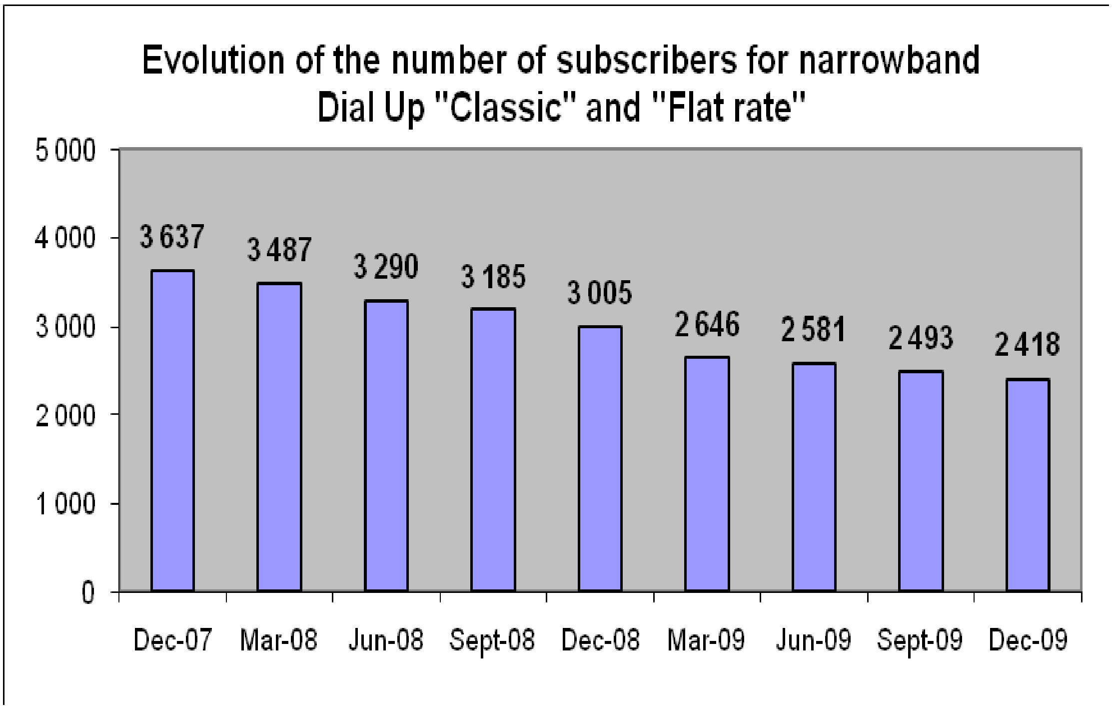
ANRT's Decision "ANRT/DG/N01/05" of March 2005 describes a subscriber as: "a user of "the Internet access without subscription" option having used this access mode at least once during the last three months". The graph below shows the evolution of the number of subscribers[2] estimated since December 2008 according to this definition.



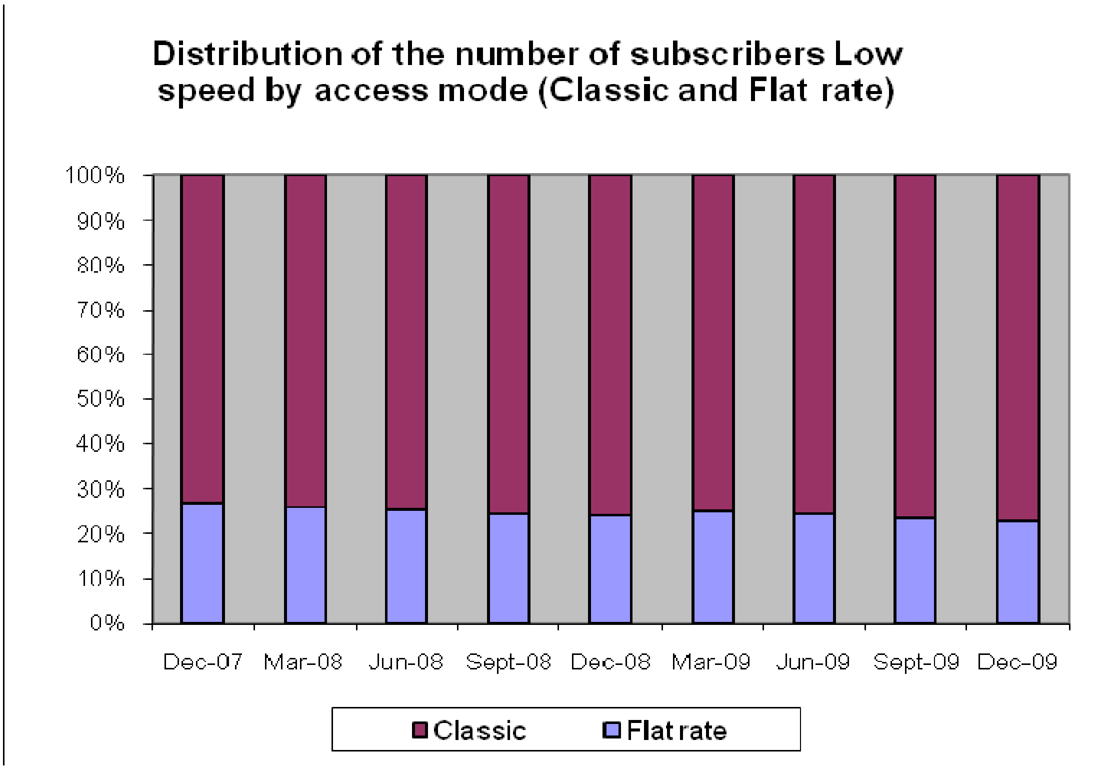
III Evolution and distribution of the number of subscribers for narrowband Dial Up ' Classic' and ' Flat rate'

The data received from ISP's as of December 2009 shows a decrease in the number of subscribers 'Classic subscriptions ' and ' Flat rate ' access options. Since December 2008, the number of subscribers is decreasing from 3 005 subscribers to **2 418** (**a retreat of approximately 19.53%**).

[2] See note n°1.



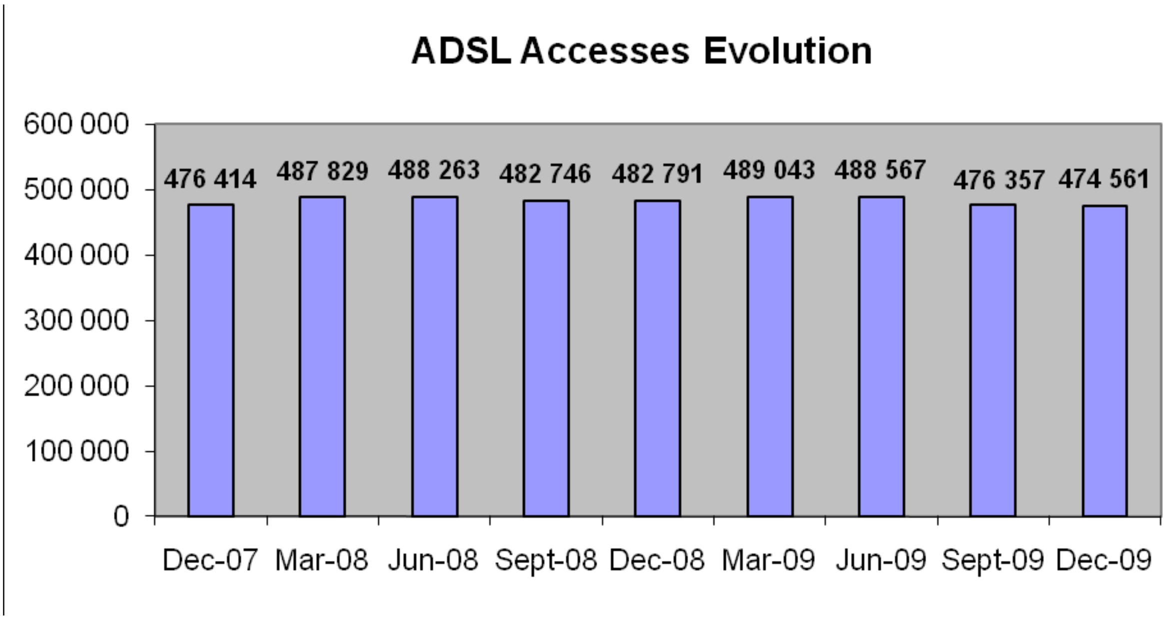
Relative shares of the Flate rate and the classic accesses are illustrated in the following graph:



State of the broadband market

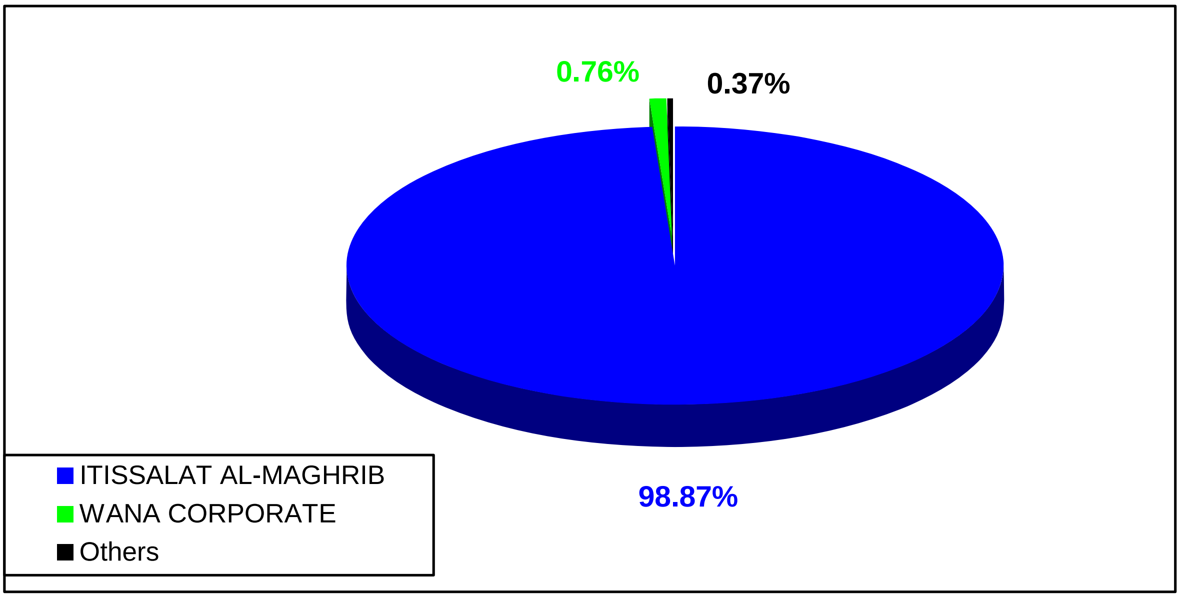
I Evolution of ADSL subscribers

The number of ADSL subscribers is **decreasing by 0.38%** for the fourth quarter of 2009. From December 2008, this number is decreasing by 1.70%.

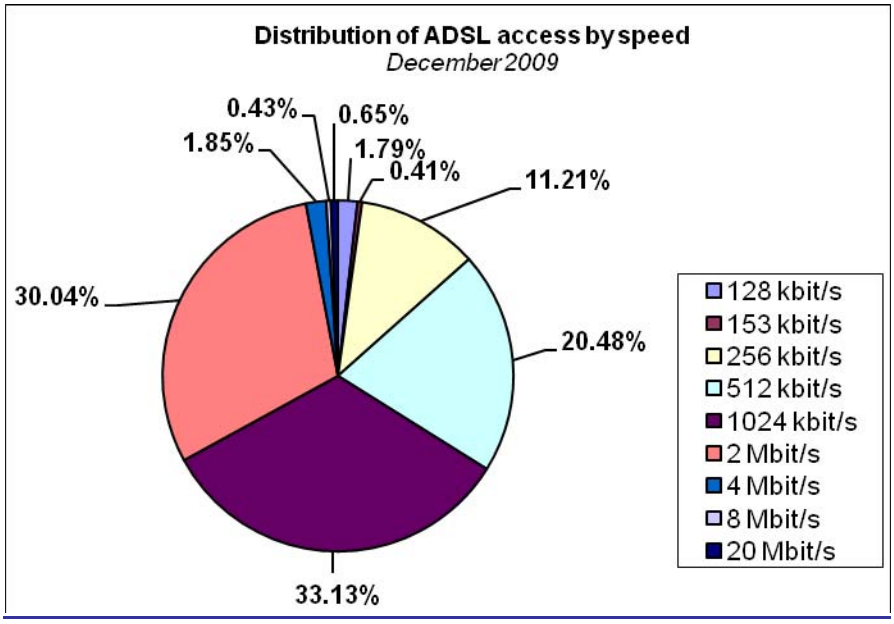


In terms of market share, IAM holds 98.87% of the ADSL Internet subscribers followed by Wana Corporate with 0.76%.

Market shares of ADSL Internet at December 31st 2009

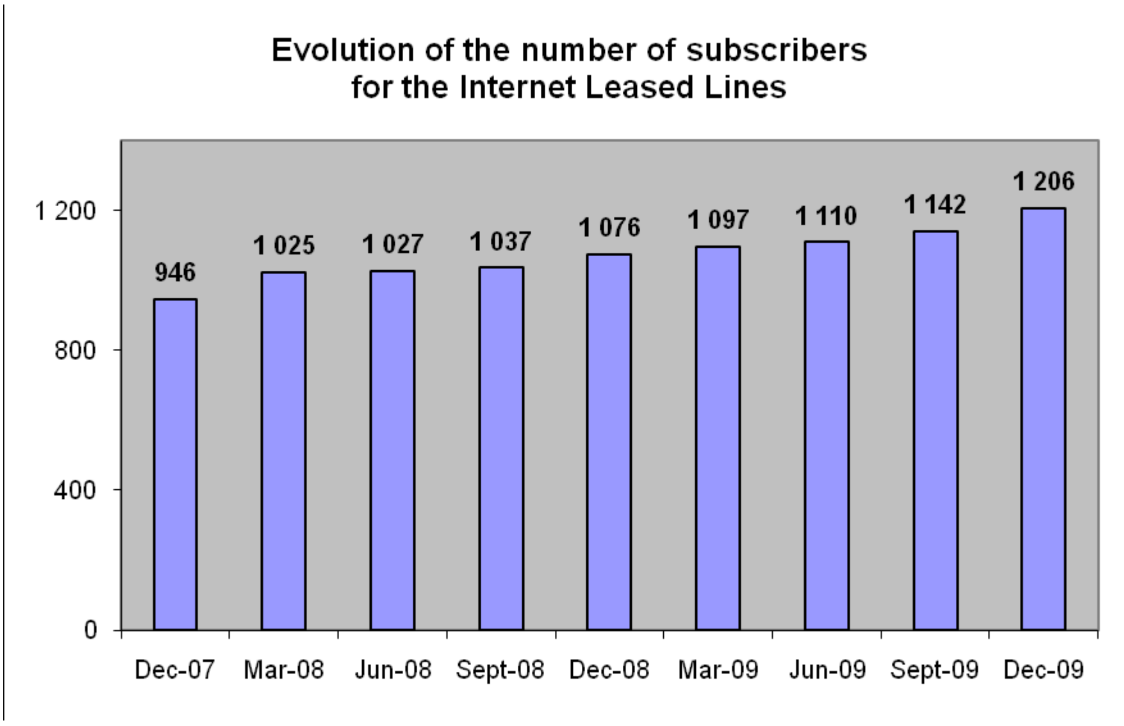


The distribution of ADSL access by speed is as follows, with a predominance of 1024 kbit/s accesses with **33.13%** of the ADSL Internet market.



II Evolution of the number of subscribers for Internet Leased Lines

The estimated number of Internet access via Leased Lines (LL) is **growing by 5.60%** for the fourth quarter of 2009 and by 12.08% since December 2008.



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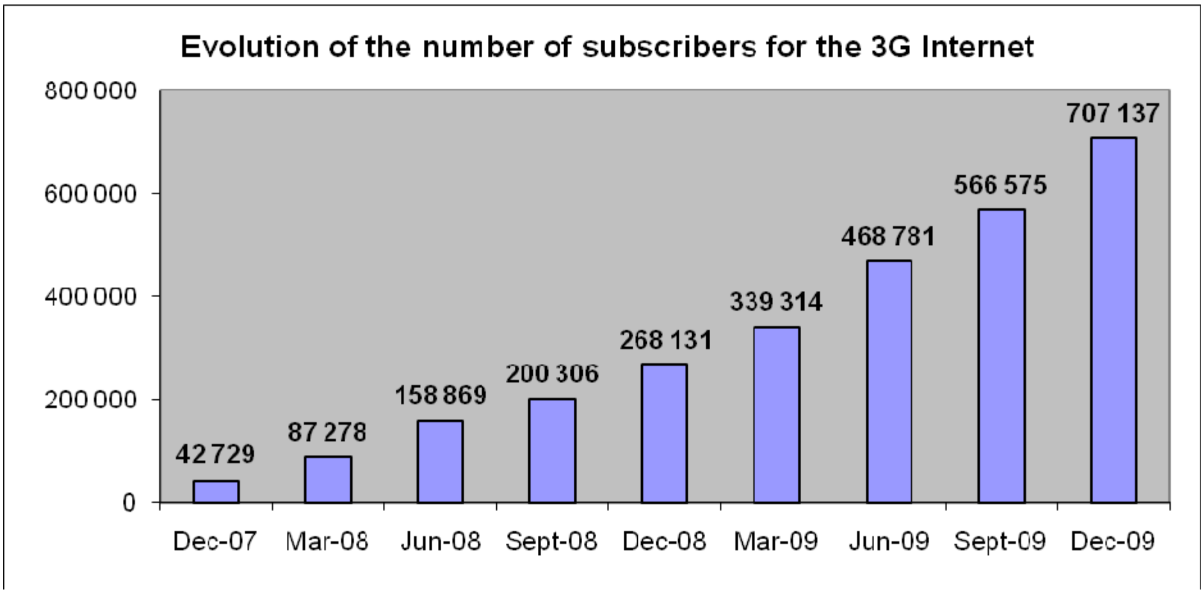
State of the 3G Internet market

At the end of December 2009, the number of 3G Internet subscriber's reached **707 137** by recording an **increase of 24.81%** for the last quarter of 2009 and by **163.73%** since December 2008.



In terms of market share, Wana Corporate holds 54.56% of the 3G Internet access followed by IAM with 23.71% and Medi Telecom with 21.72%.

Market shares of 3G Internet at December 31st 2009