

ROYAUME DU MAROC
LE PREMIER MINISTRE



INTERNET MARKET IN MOROCCO

*Quarterly Observatory** *June 2010*

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

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Introduction

I. Various types of Internet access

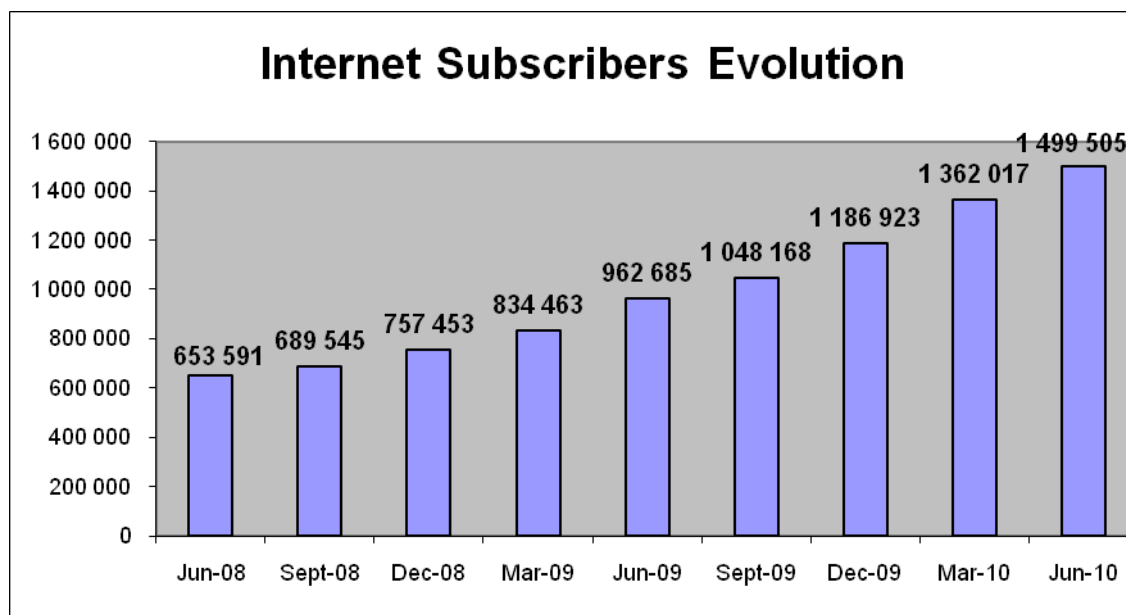
A various offers of Internet access offers are subscribed by the end-user according to his needs and according to the required comfort of connection. Thus, the main Internet offers include the Dial Up access with and without subscription and, "Flat rate" access, "Internet Leased Lines", 'ADSL' access 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 June 2010

At the end of June 2010, 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.

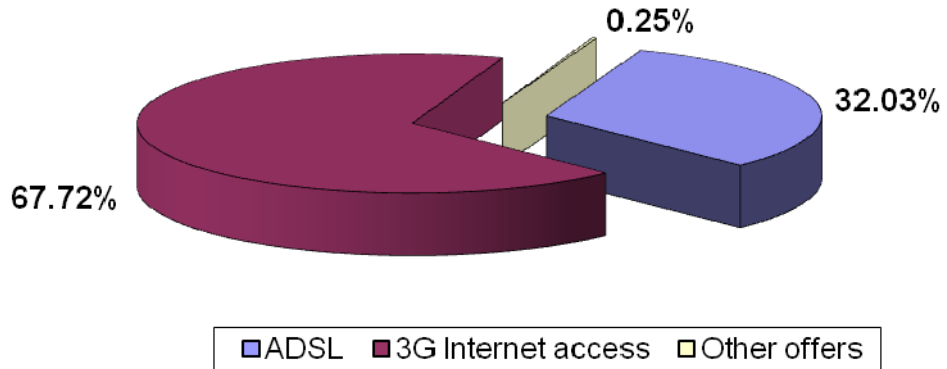
It should be noted also that starting from April 2005, the total number of ADSL subscribers is calculated by summing up the number of ADSL subscribers of the various Internet Service Providers.

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 10.09%** during the last three months and of almost **55.76%** since June 2009.

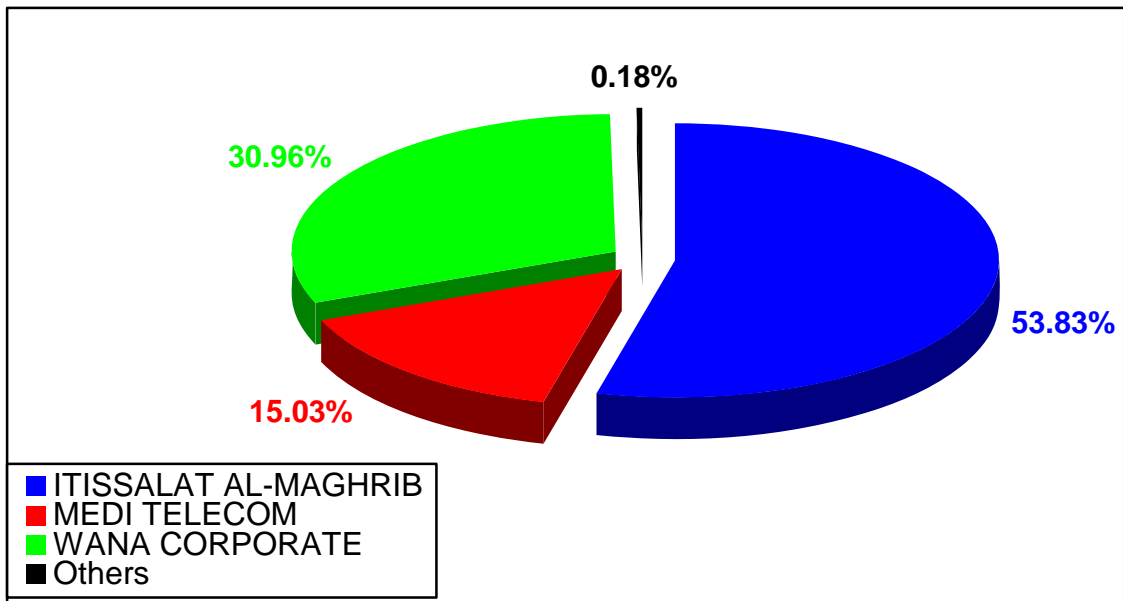
The distribution of subscribers by access mode is as follows, with a predominance of the 3G internet access, representing **67.72%** of the global Internet market and broadband ADSL Internet access with 32.03%.

**Internet subscribers by access mode
June 2010**



In terms of market share, IAM holds 53.83% of the Internet subscribers market followed by Wana Corporate with 30.96% and Medi Telecom with 15.03%.

Market shares at June 30th 2010



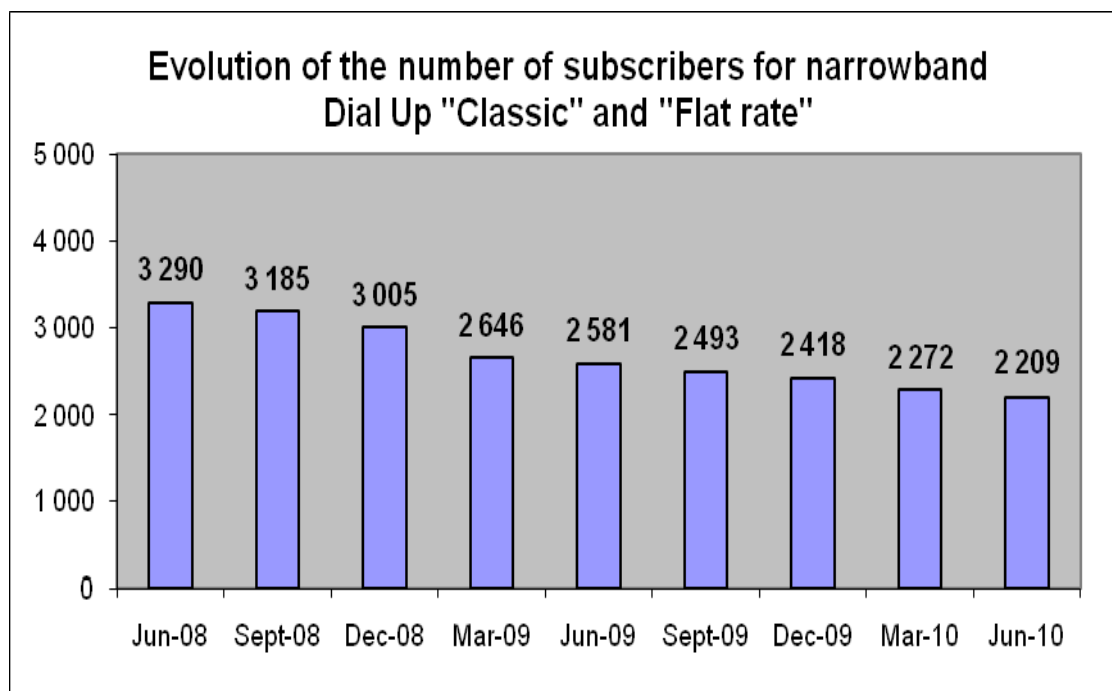
State of the narrowband market

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 4 227 in June 2009 to **2 441** in June 2010.

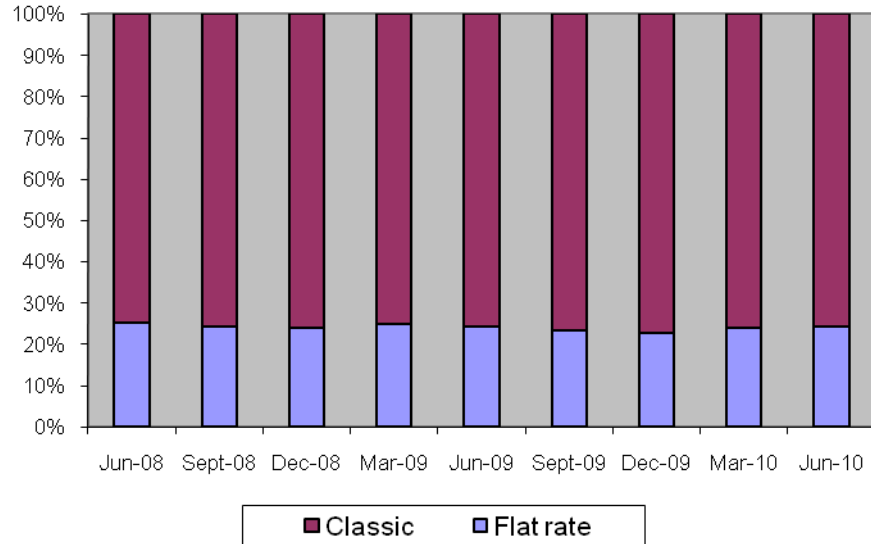
II Evolution and distribution of the number of subscribers for narrowband Dial Up ' Classic' and ' Flat rate'

The data received from ISP's as of June 2010 shows a decrease in the number of subscribers 'Classic subscriptions ' and ' Flat rate ' access options. Since June 2009, the number of subscribers is decreasing from 2 581 subscribers to **2 209** (a retreat of approximately 14.41%).



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

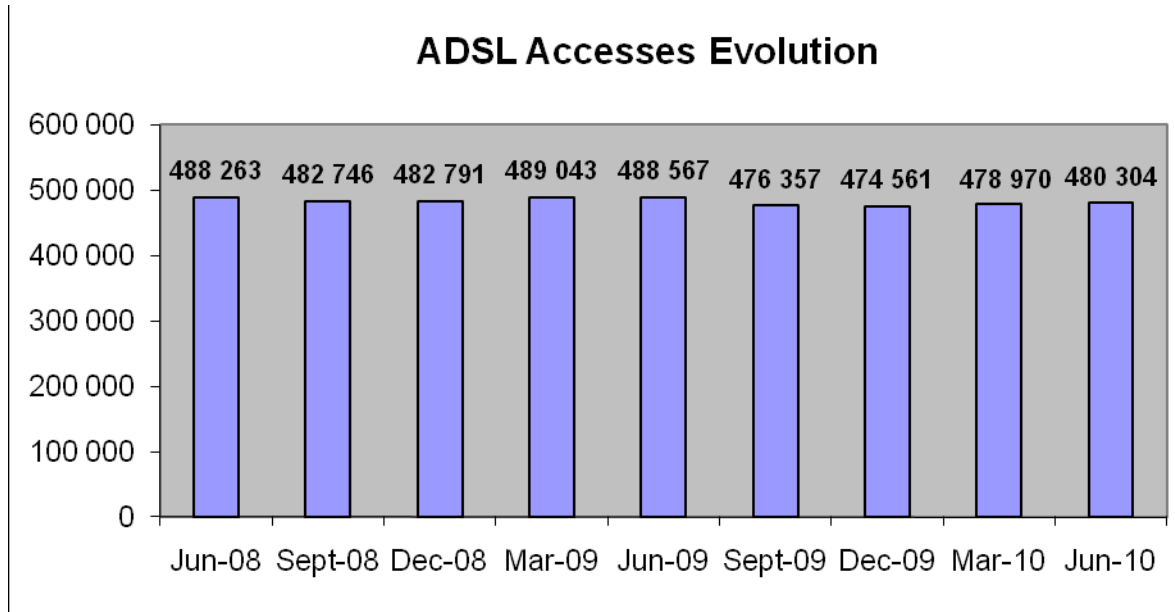
Distribution of the number of subscribers Low speed by access mode (Classic and Flat rate)



State of the broadband market

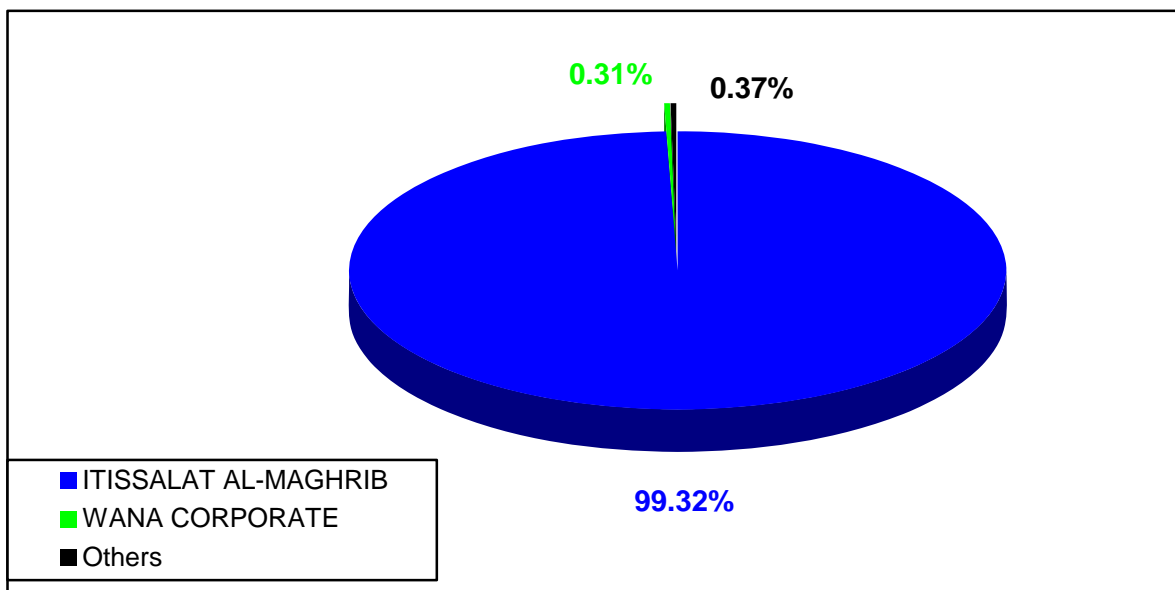
Evolution of ADSL subscribers

The number of ADSL subscribers **increases by 0.28%** for the second quarter of 2010. From June 2009, this number is decreasing by 1.69%.

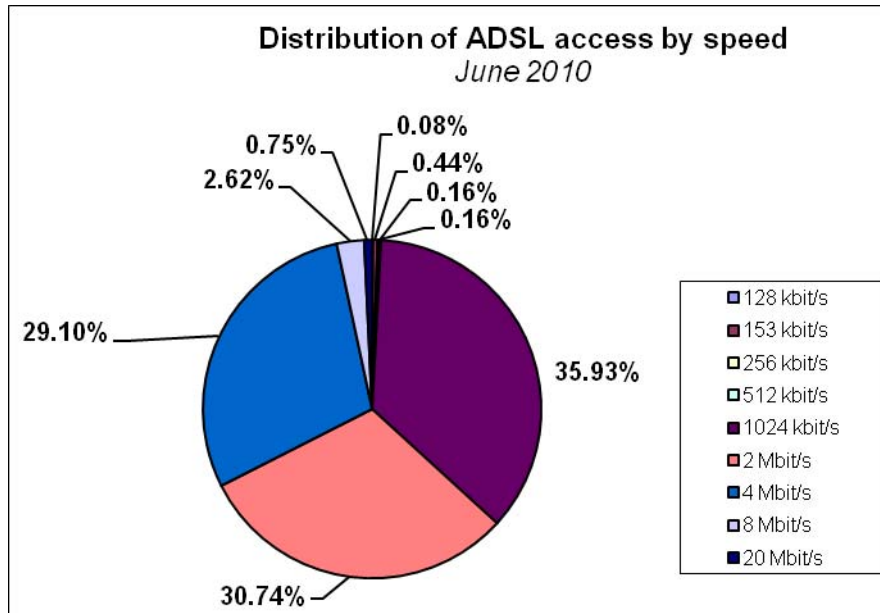


In terms of market share, IAM holds 99.32% of the ADSL Internet subscribers followed by Wana Corporate with 0.31%.

Market shares of ADSL Internet at June 30th 2010

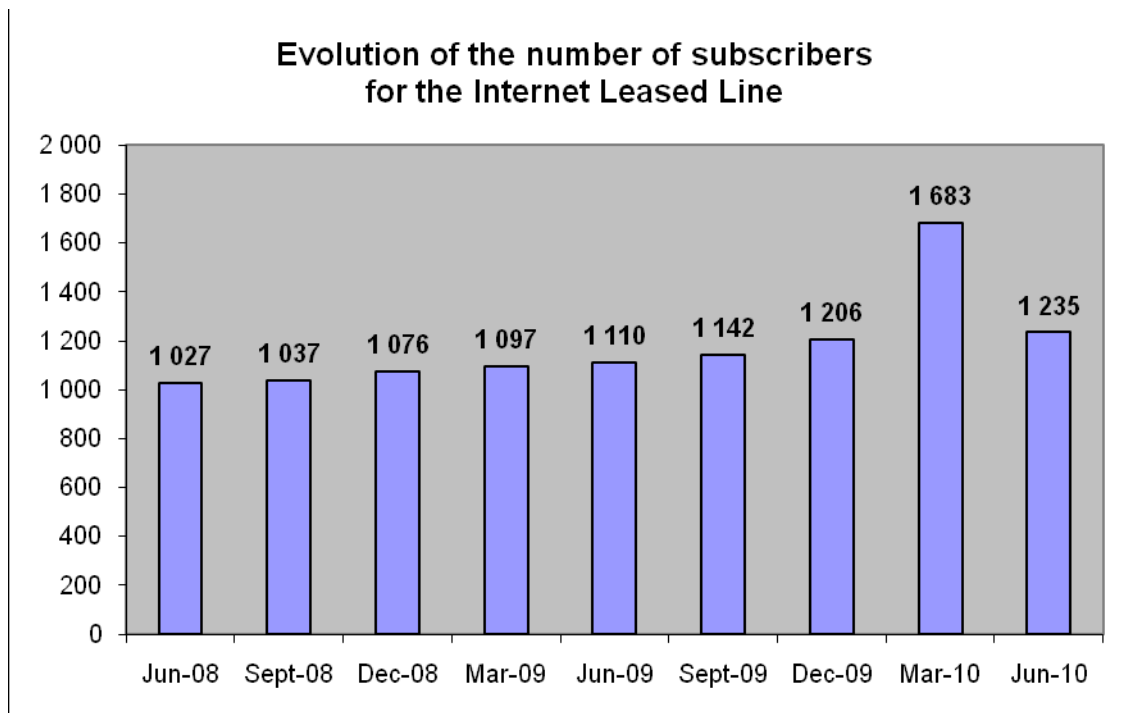


The distribution of ADSL access by speed is as follows, with a predominance of 1024 kbit/s accesses with **35.93%** of the ADSL Internet market.



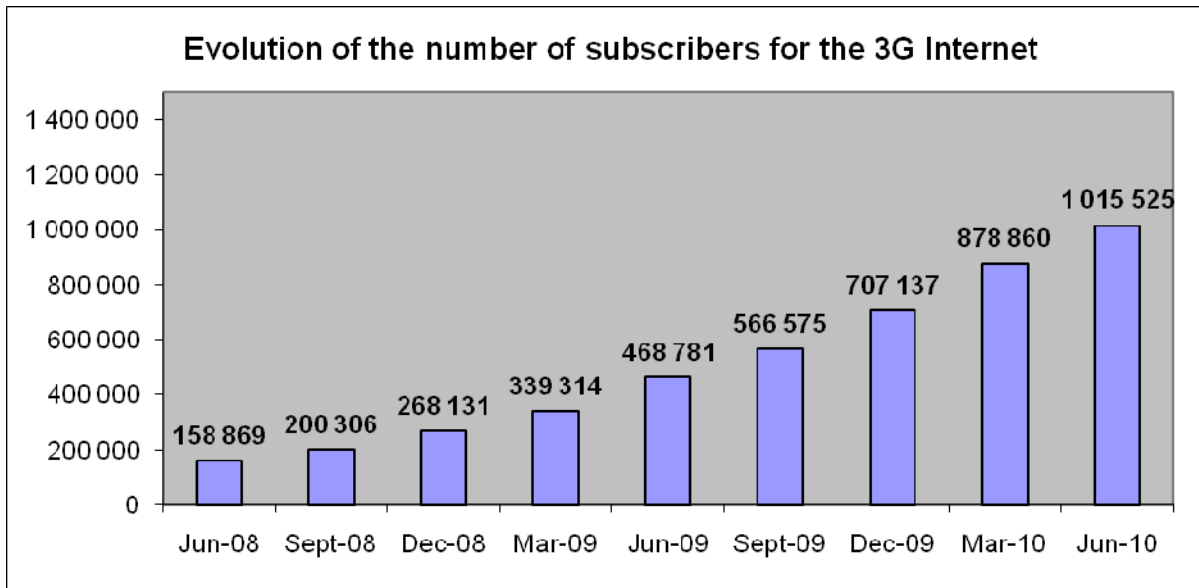
II Evolution of the number of subscribers for Internet Leased Lines

The estimated number of Internet access via Leased Lines (LL) is **decreasing by 26.62%** for the second quarter of 2010 and is growing by 11.26% since June 2009.



State of the 3G Internet market

At the end of June 2010, the number of 3G Internet subscriber's reached **1 015 525** by recording an **increase of 15.55%** for the second quarter of 2010 and by **116.63%** since June 2009.



In terms of market share, Wana Corporate holds 45.50% of the 3G Internet access followed by IAM with 32.30% and Medi Telecom with 22.20%.

Market shares of 3G Internet at June 30th 2010

