ROYAUME DU MAROC
LE PREMIER MINISTRE

ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

INTERNET MARKET IN MOROCCO

Quarterly Observatory*
September 2010

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

Summary

Introduction……………………………………………………………………………………3

I Recall of various types of Internet access…………………………………………3
II State of the total market at September 2010………...………………………………..4

State of the narrowband market……………………………………………………..6

I Evolution of the total number of narrowband subscribers ………………………...6
II Evolution and distribution of the number of subscribers for Dial Up narrowband ' Classic' and ' Flat rate'…………………………………………………………………...6

State of the broadband market…………………………………….………………8

I Evolution of the number of subscribers for ADSL…………………………….……..8
II Evolution of the number of subscribers for Internet Leased Lines……………..…..9

State of the 3G Internet market…………………………………………………..…10

ROYAUME DU MAROC
LE PREMIER MINISTRE

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.

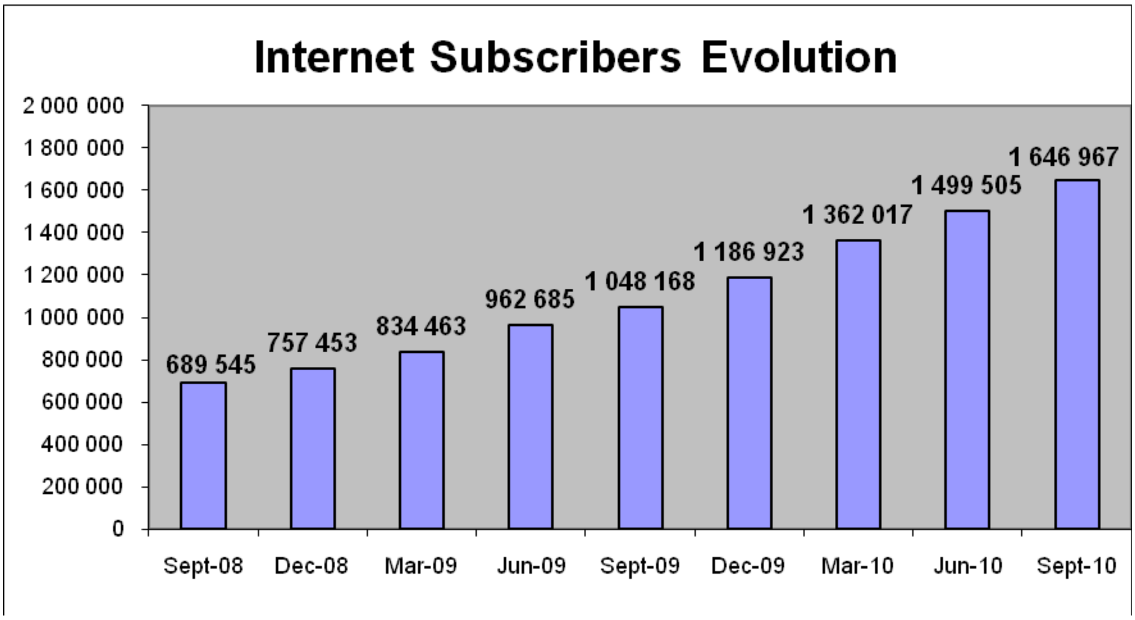
- **Broadband access via ADSL:** it allows the end-user to make a high speed connection (128, 153, 256, 512, 1024 kbit/s, 2 Mbit/s, 4 Mbit/s, 8 Mbit/s, 20 Mbit/s), without worrying nor about the time of connection nor about the volume of exchanged data.

- **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 September 2010

At the end of September 2010, the data transmitted by the ISP's (Internet Service Providers) give the following evolutions of the number of the Internet subscribers.



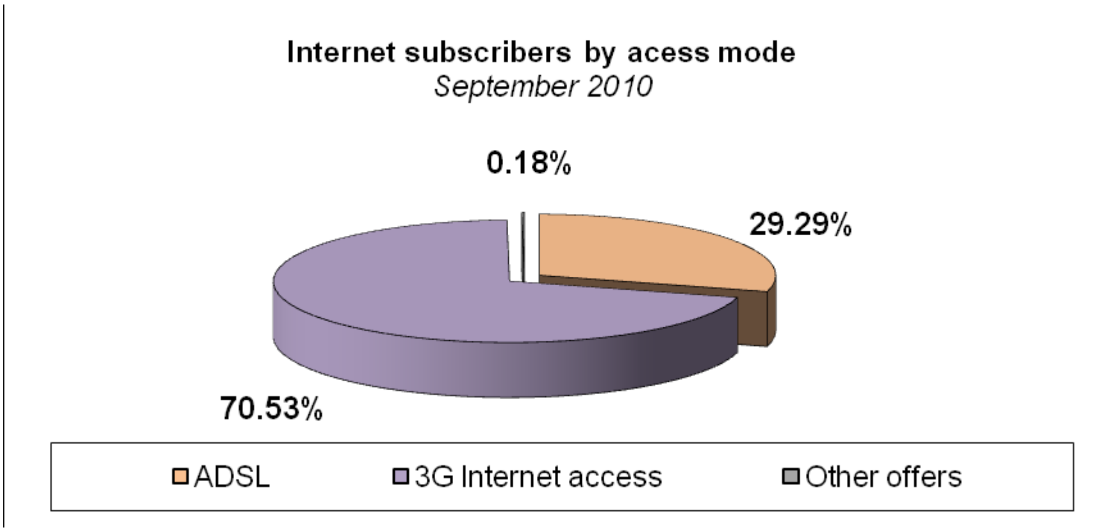
We can note that the number of users of 'Internet without subscription' access is included in the total number of subscribers starting from December 2004, according to the definition adopted in the decision of the General Director N° ANRT/DG/N01/05 of March 9, 2005. Thus, the total number of Internet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

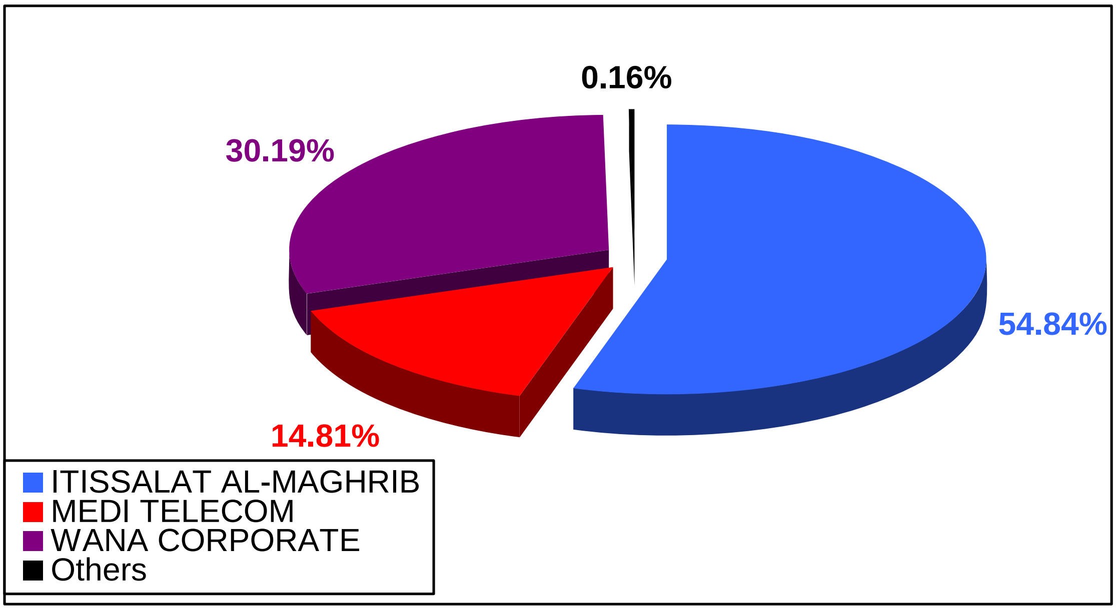
Internet market is always in progression recording a total **increase of 9.83%** during the last three months and of almost **57.13%** since September 2009.

The distribution of subscribers by access mode is as follows, with a predominance of the 3G internet access, representing **70.53%** of the global Internet market and broadband ADSL Internet access with 29.29%.



In terms of market share, IAM holds 54.84% of the Internet subscribers market followed by Wana Corporate with 30.19% and Medi Telecom with 14.81%.

Market shares at September 30th 2010



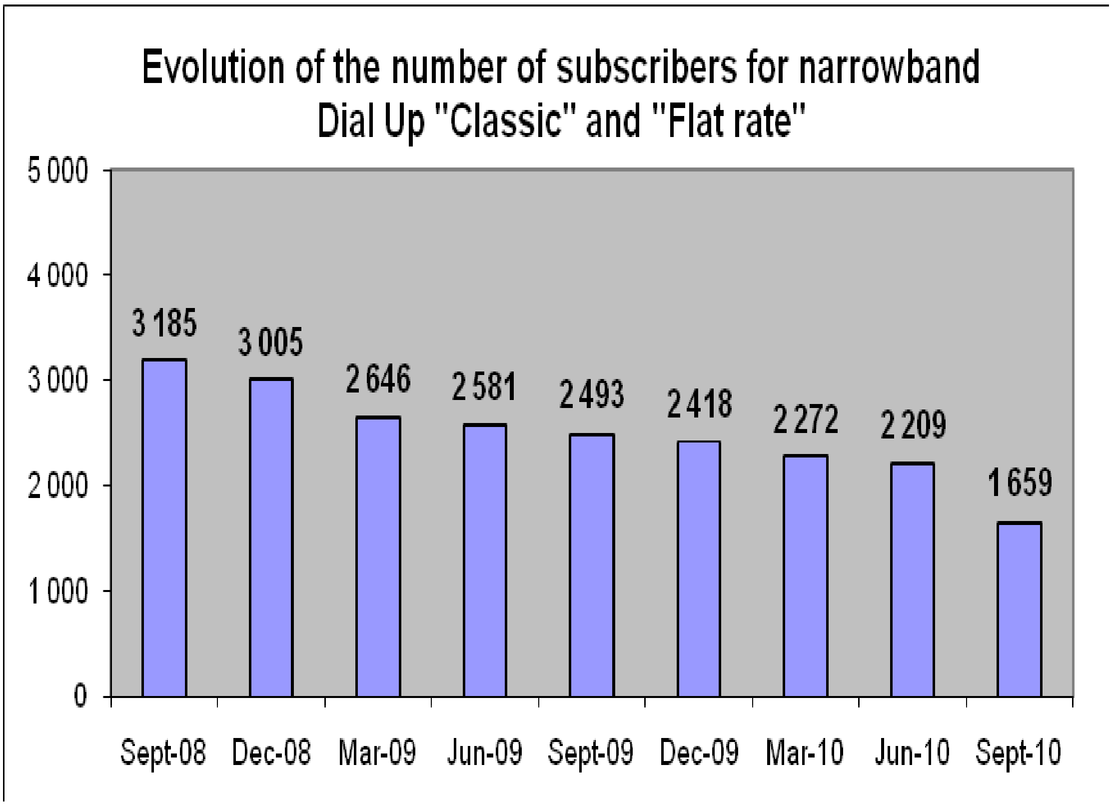
State of the narrowband market

I. Evolution of the total number of narrowband subscribers

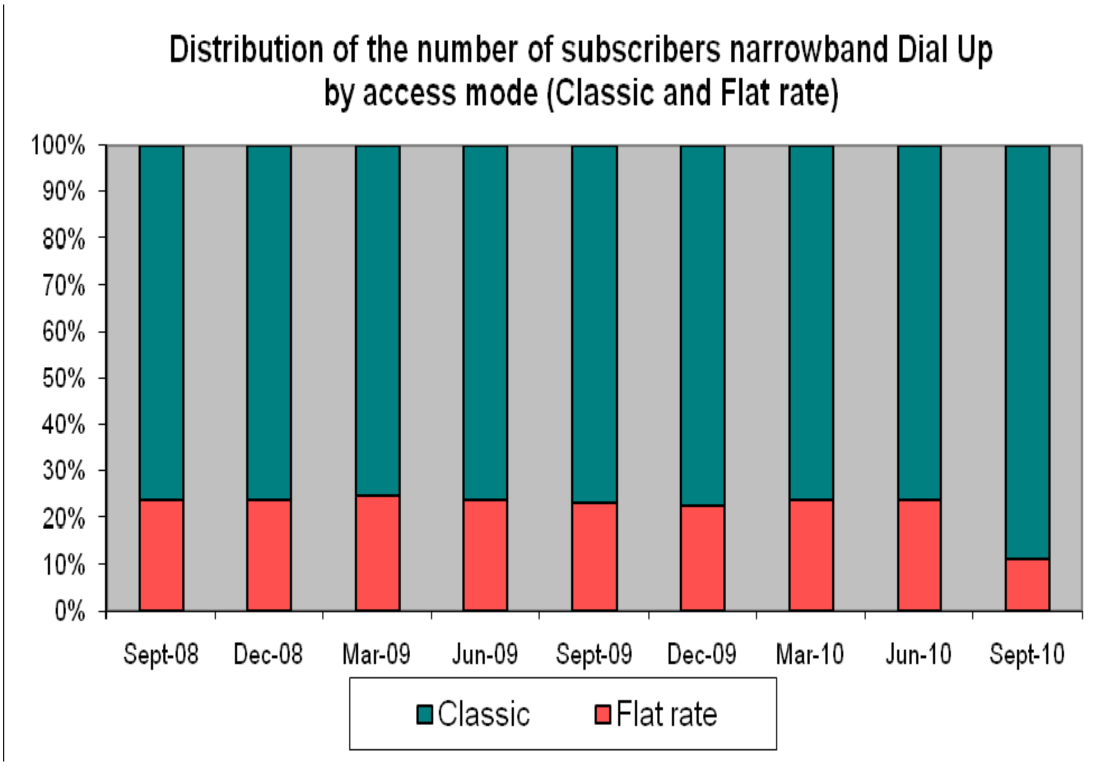
The number of the narrowband subscribers, by including the users of "Internet access without subscription" option, moved from **4 094** in September 2009 to **1 836** in September 2010.

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 September 2010 shows a decrease in the number of subscribers 'Classic subscriptions ' and ' Flat rate ' access options. Since September 2009, the number of subscribers is decreasing from 2 493 subscribers to **1 659** (**a retreat of approximately 33.44%**).



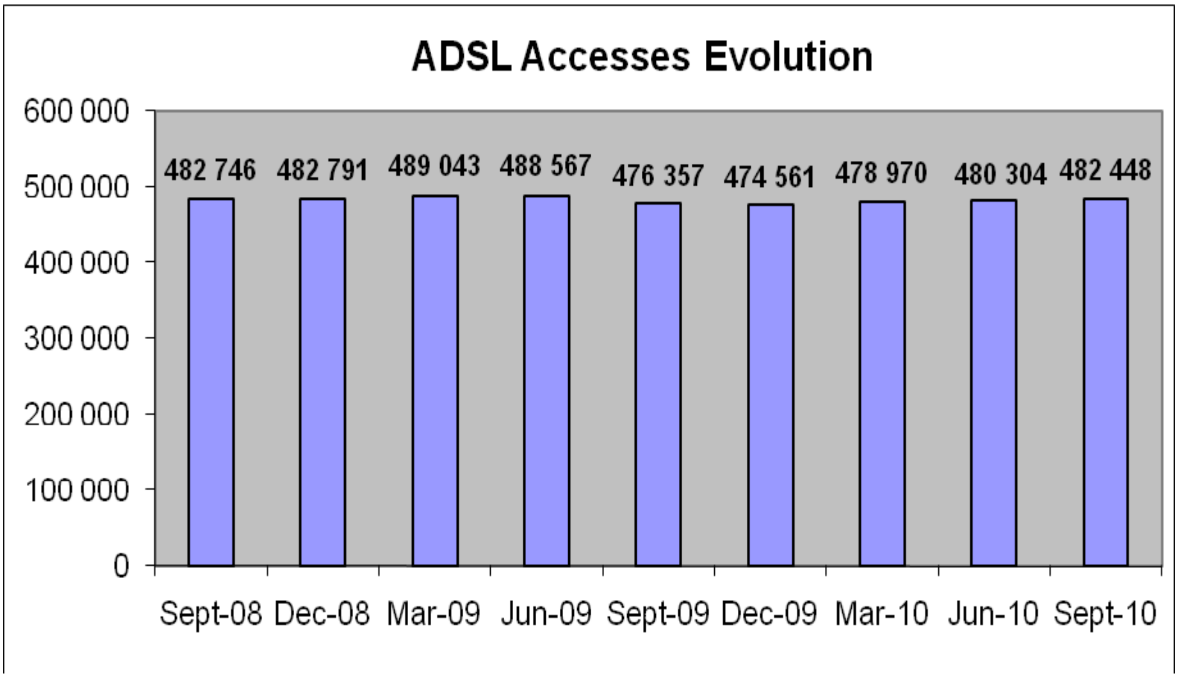
Relative shares of the Flate rate and the classic accesses are illustrated in the following graph:


Distribution of the number of subscribers narrowband Dial Up
by access mode (Classic and Flat rate)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Sept-08
Dec-08
Mar-09
Jun-09
Sept-09
Dec-09
Mar-10
Jun-10
Sept-10
Classic
Flat rate

State of the broadband market

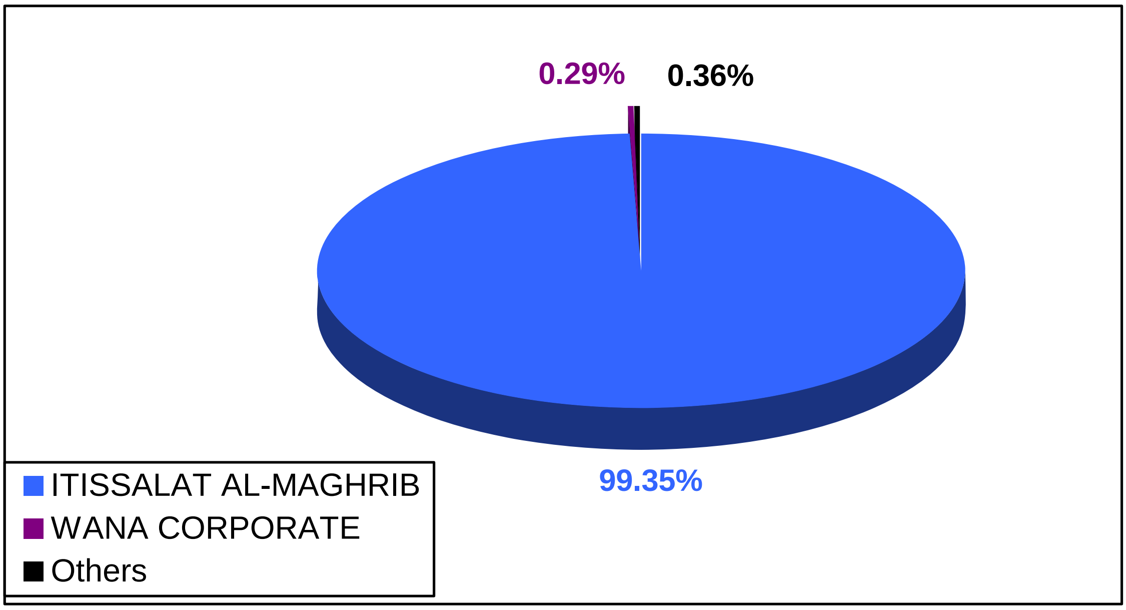
I Evolution of ADSL subscribers

The number of ADSL subscribers' **increases slightly by 0.45%** for the third quarter of 2010. From September 2009, this number increases by 1.28%.

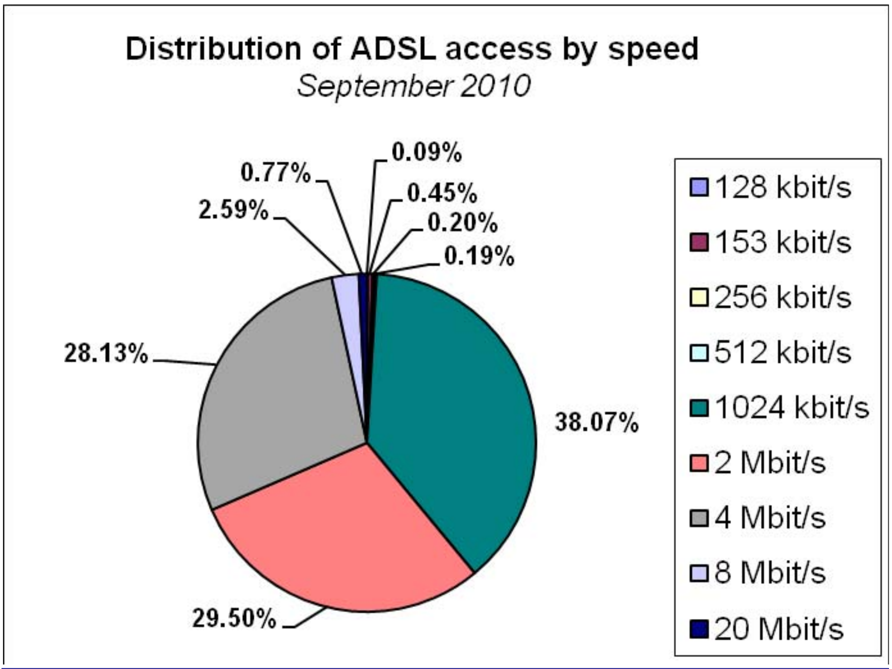


In terms of market share, IAM holds 99.35% of the ADSL Internet subscribers followed by Wana Corporate with 0.29%.

Market shares of ADSL Internet at September 30th 2010

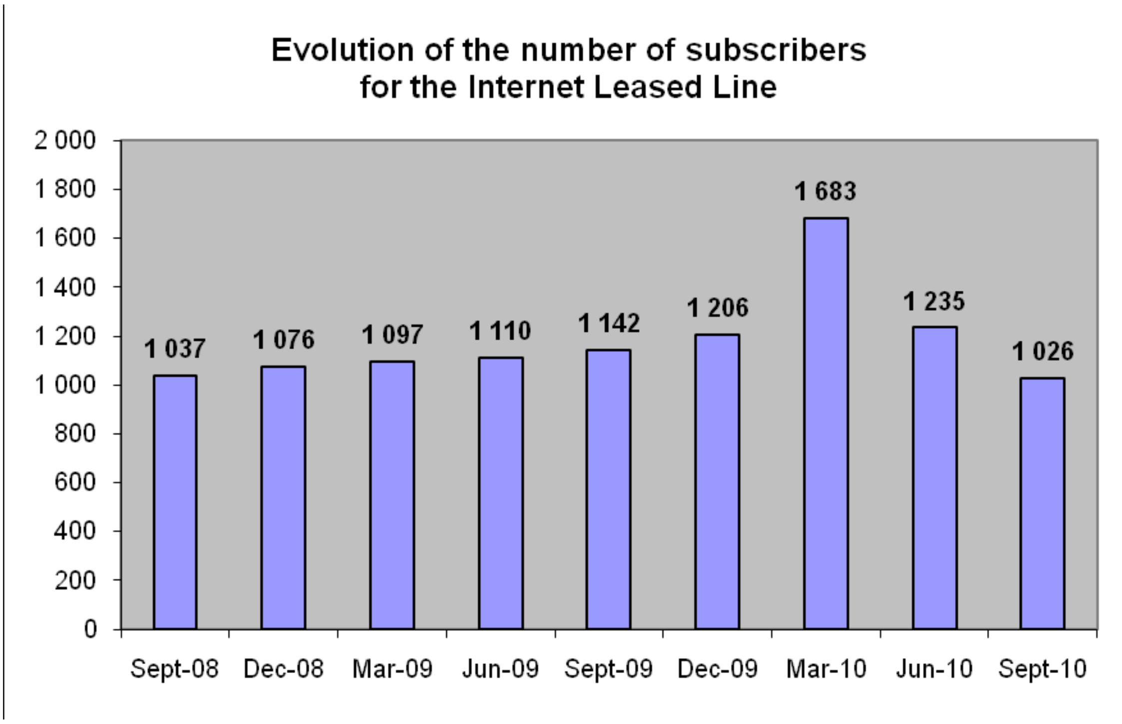


The distribution of ADSL access by speed is as follows, with a predominance of 1024 kbit/s accesses with **38.07%** of the ADSL Internet market.



II Evolution of the number of subscribers for Internet Leased Lines

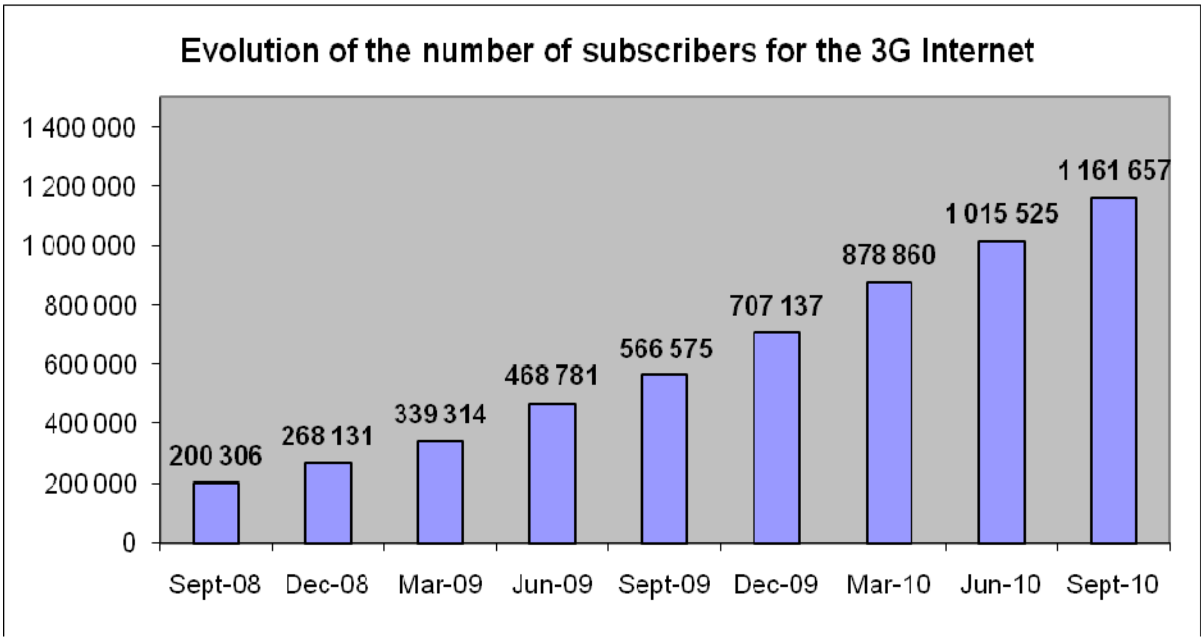
The estimated number of Internet access via Leased Lines (LL) is **decreasing by 16.92%** for the third quarter of 2010 and by 10.16% since September 2009.



ROYAUME DU MAROC
LE PREMIER MINISTRE
ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

State of the 3G Internet market

At the end of September 2010, the number of 3G Internet subscribers reached **1 161 657** by recording an **increase of 14.39%** for the third quarter of 2010 and by **105.03%** since September 2009.



In terms of market share, Wana Corporate holds 42.68% of the 3G Internet access followed by IAM with 36.33% and Medi Telecom with 20.99%.

Market shares of 3G Internet at September 30th 2010