ROYAUME DU MAROC
LE PREMIER MINISTRE

ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

INTERNET MARKET IN MOROCCO

Quarterly Observatory*
March 2011

- 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 includes all owner of a subscription contract post-paid 3G Internet service that is not canceled or temporarily suspended for a period upper or equal to three (3) months or any subscription type prepaid Internet service who have taken at least a charge (Internet) during the three (3) months or whose charge is valid. These services can be an offer “Data only” or an offer voice combined with data “Voice + data”.

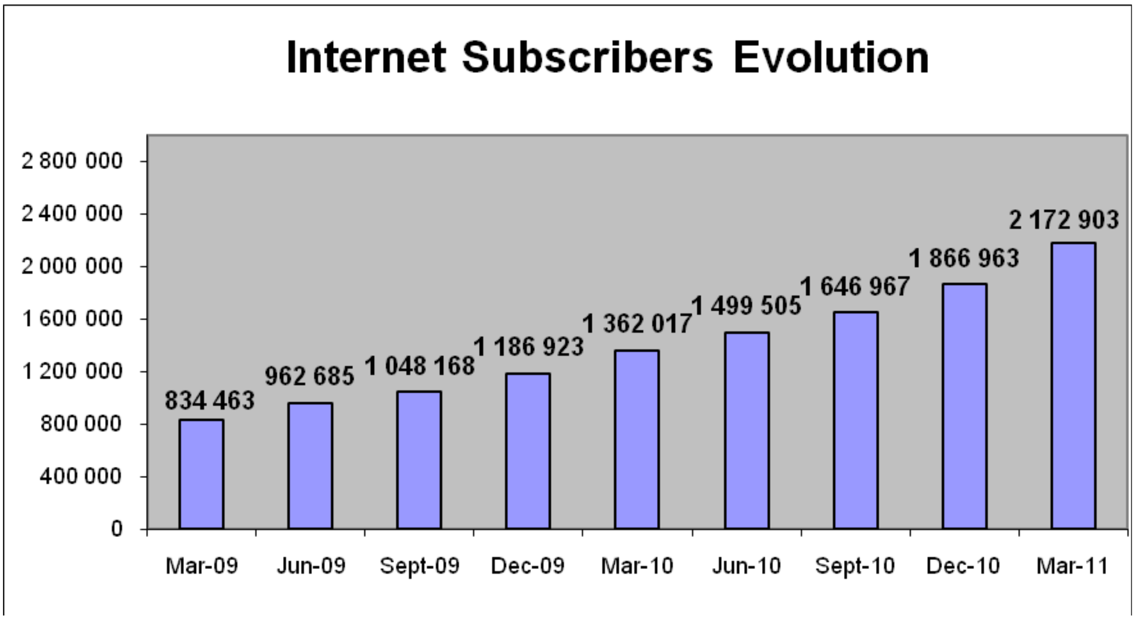
II. State of the global market at March 2011

According to the new decision No. 06/11 of 25 January 2011 laying down detailed accounting of the 3G Internet subscribers and given the expansion of this service for Internet data access combined with the 3G mobile phone service as well as the significant development of the mobile phone market that supports this new generation technology (Smart Phones), the Internet observatory is modified.

The park 3G Internet is now presented in two distinct parts, one relating to the park “Data only” and another for the park “Voice + Data”.

These two offers will be considered together in calculating the global Internet park while 3G offers combined “Voice + Data " were not recorded so far in the park 3G in previous publications.

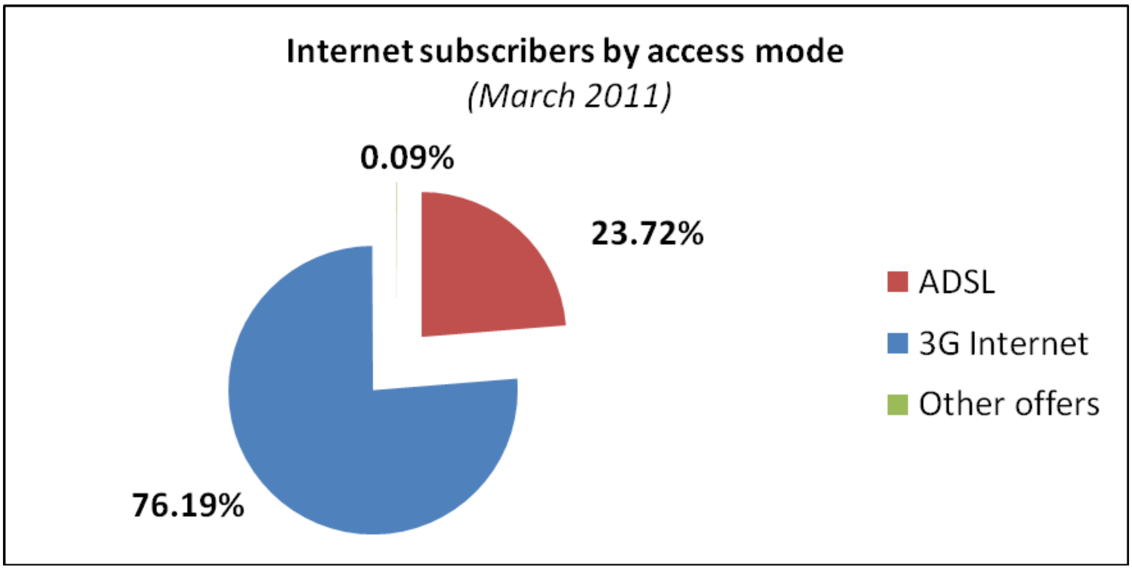
At the end of March 2011, the data transmitted by the ISP’s (Internet Service Providers) give the following evolutions of the number of the Internet subscribers.



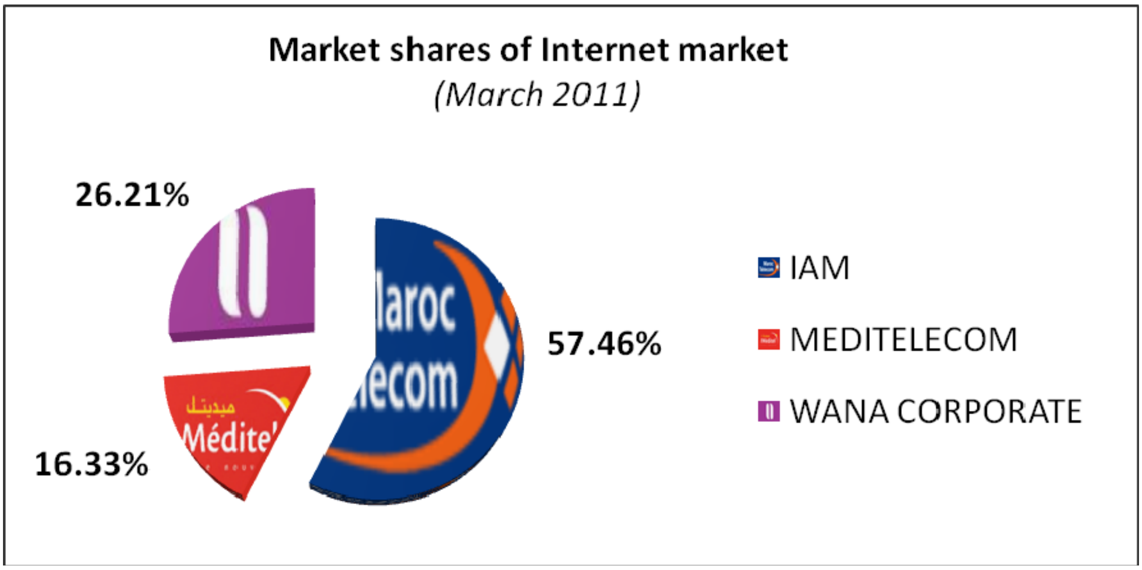
Internet market is always in progression recording a total **increase of 16.39%** during the last three months and of almost **59.54%** since March 2010.

The distribution of subscribers by access mode is as follows, with a predominance of the 3G internet access, representing **76.19%** of the global Internet market and broadband ADSL Internet access with 23.72%.

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



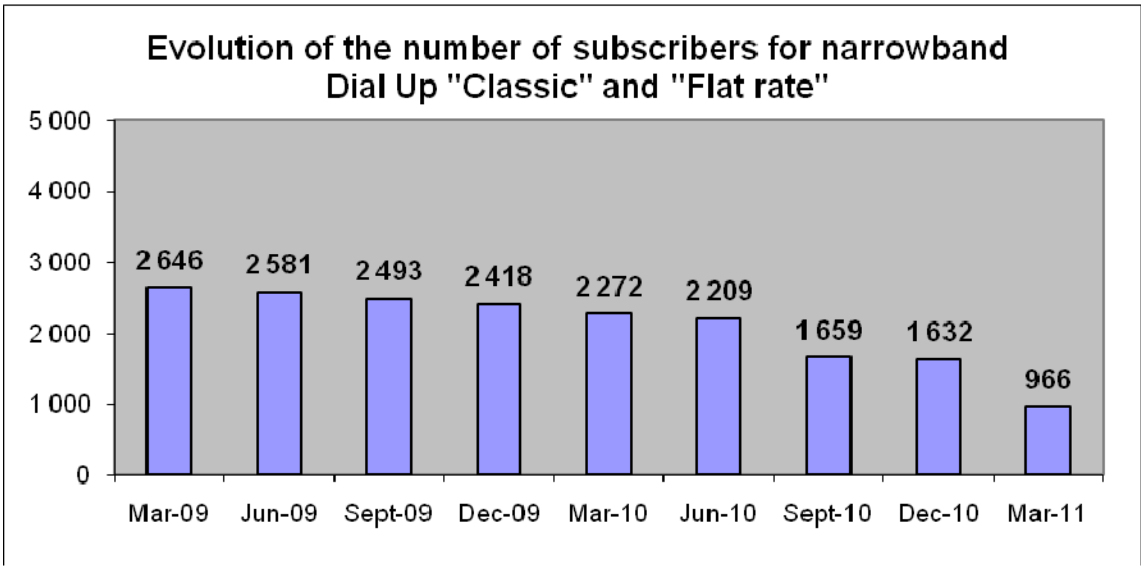
In terms of market share, IAM holds 57.46% of the Internet subscribers market followed by Wana Corporate with 26.21% and Medi Telecom with 16.33%.



State of the narrowband market

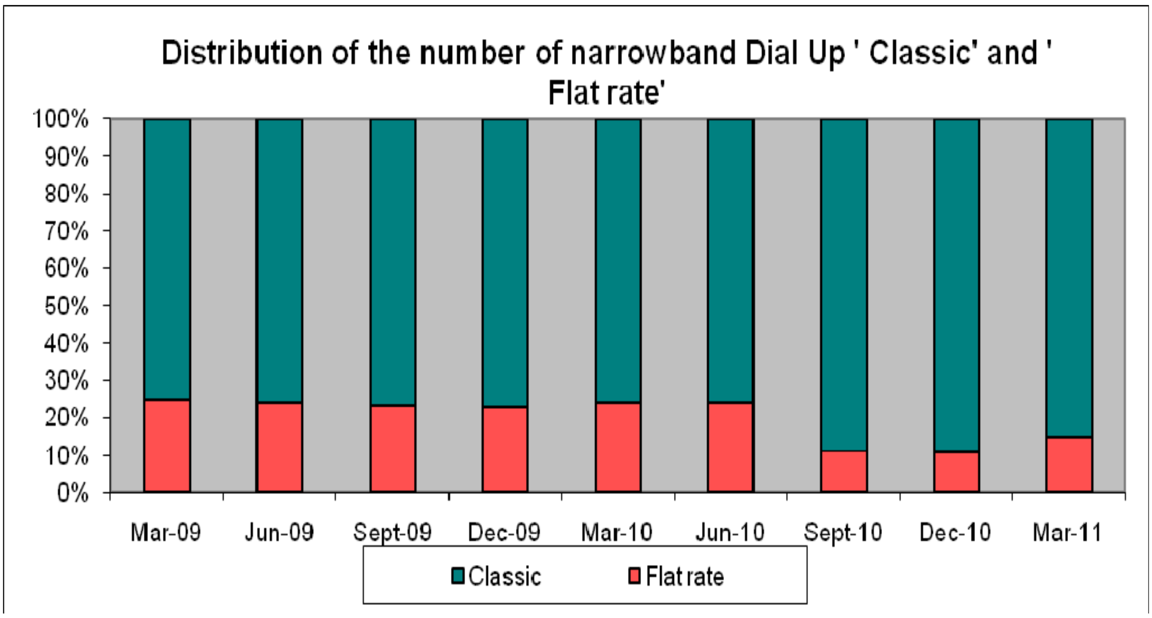
I. Evolution of the narrowband Dial Up 'Classic' and 'Flat rate' subscribers

The data received from ISP's as of March 2010 shows a decrease in the number of subscribers 'Classic subscriptions' and 'Flat rate' access options. At the end of March 2011, this number reached **966** subscribers by recording a **decrease of 40.8%** for the first quarter of 2011.



II. Distribution of the number of subscribers for narrowband Dial Up ' Classic' and ' Flat rate'

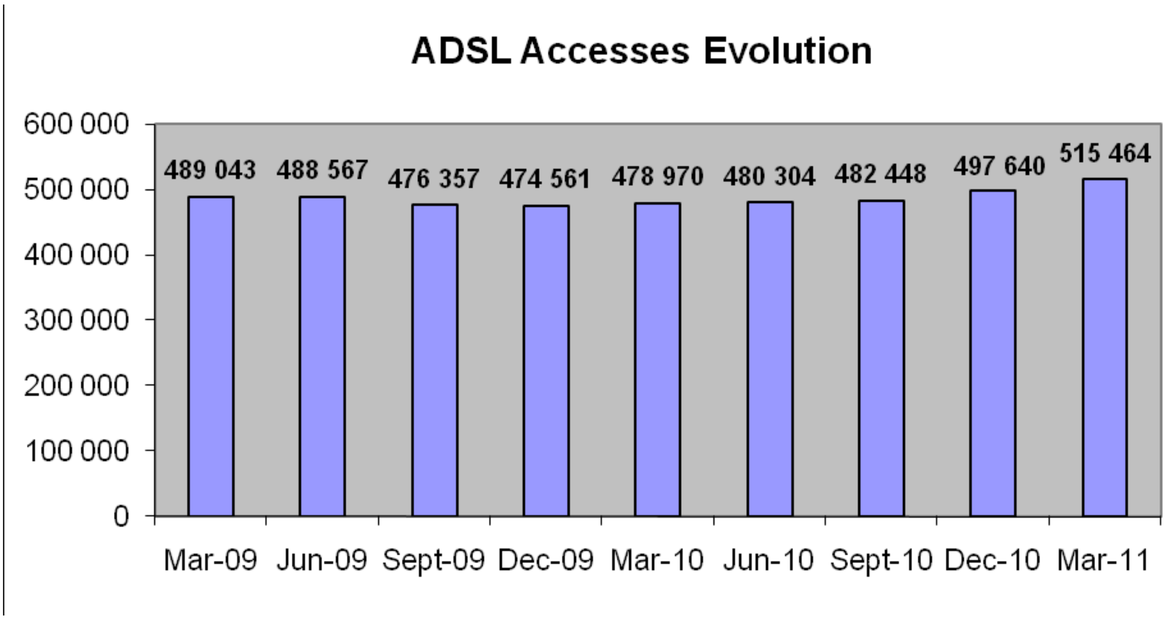
Relative shares of the Flate rate and the classic accesses are illustrated in the following graph:



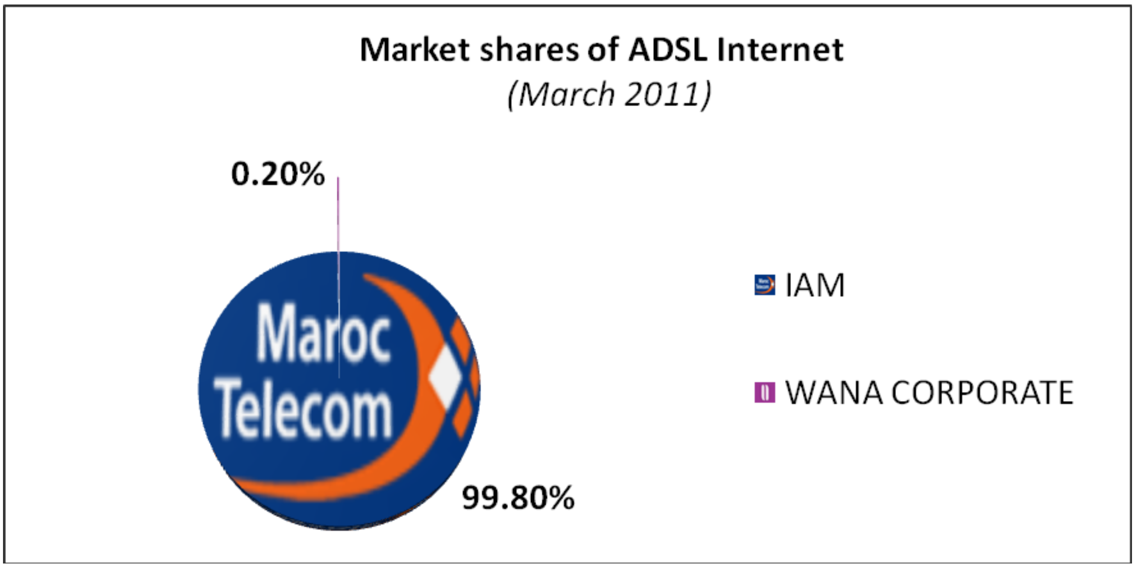
State of the broadband market

I. Evolution of ADSL subscribers

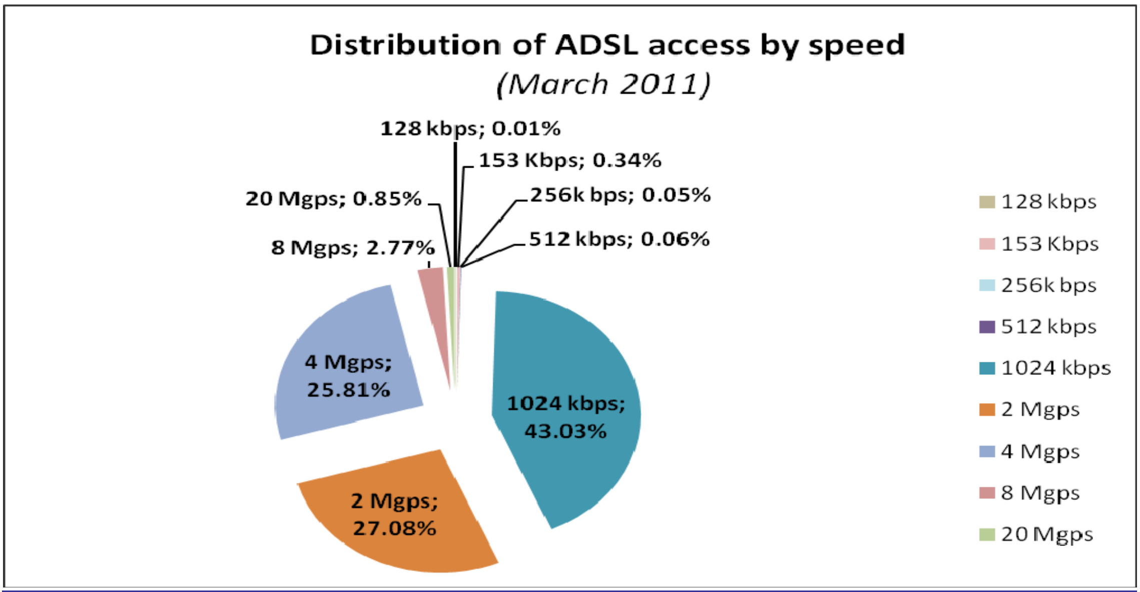
The number of ADSL subscribers' **increases by 3.58%** for the first quarter of 2011. From March 2010, this number increases by **7.62**%.



In terms of market share, IAM holds 99.8% of the ADSL Internet subscribers.

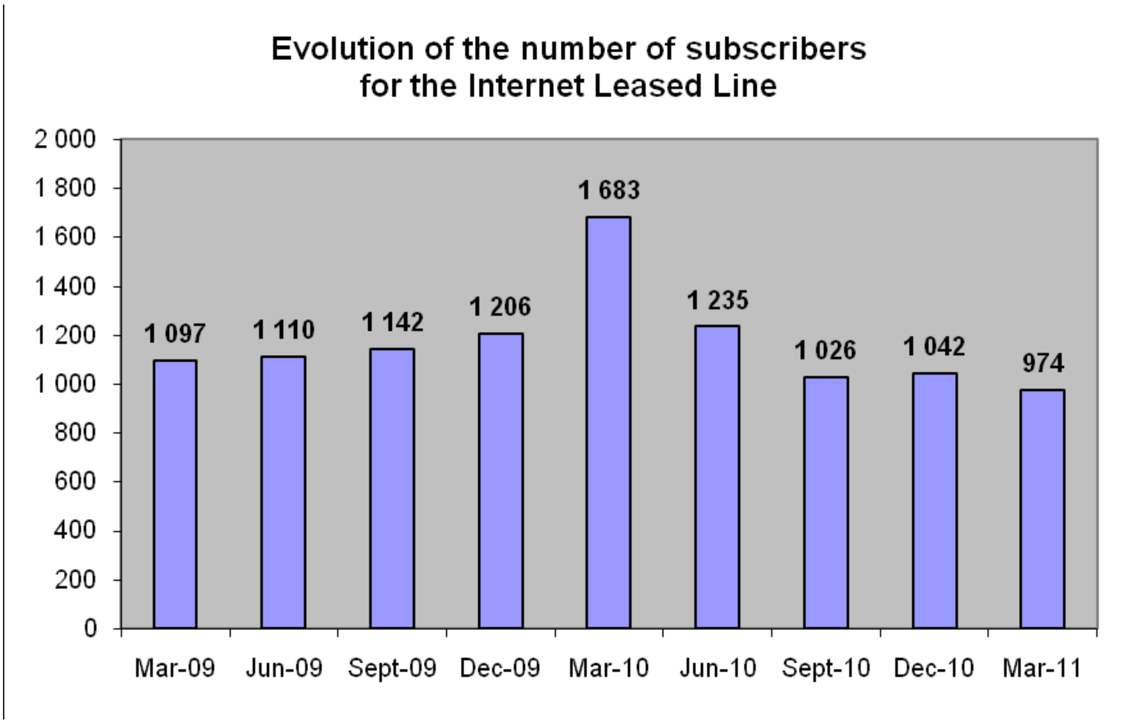


The distribution of ADSL access by speed is as follows, with a predominance of 1024 kbit/s accesses with **43.03%** of the ADSL Internet market.



II. Evolution of the number of subscribers for Internet Leased Lines

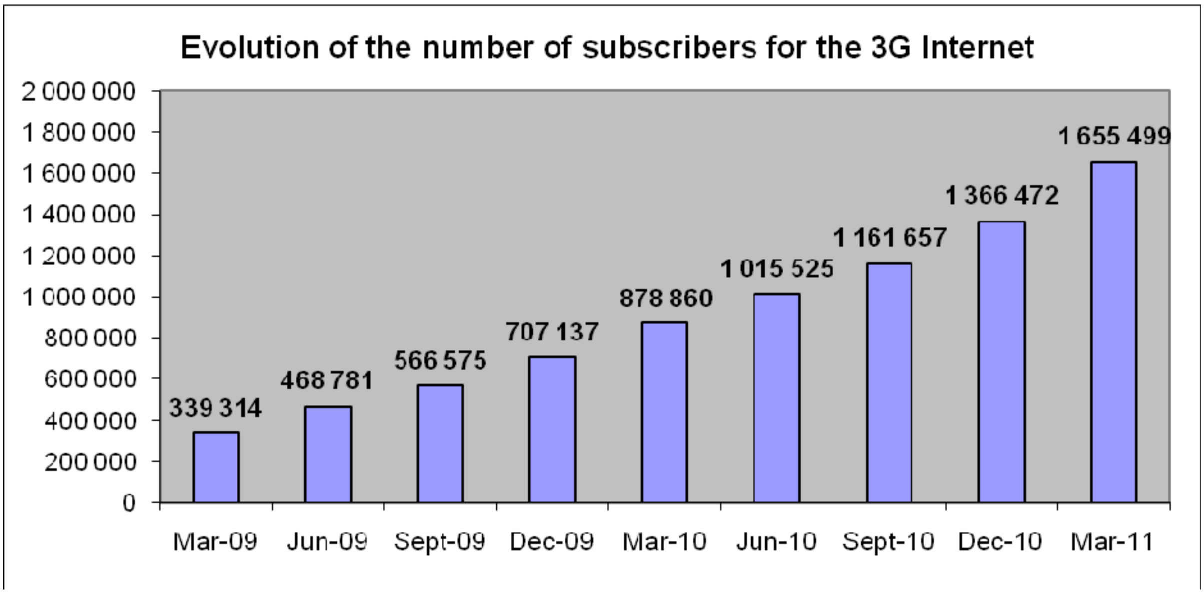
The estimated number of Internet access via Leased Lines (LL) **increases by 6.53%** for the first quarter of 2011 and decreases by 42.13% since March 2010.



State of the 3G Internet market

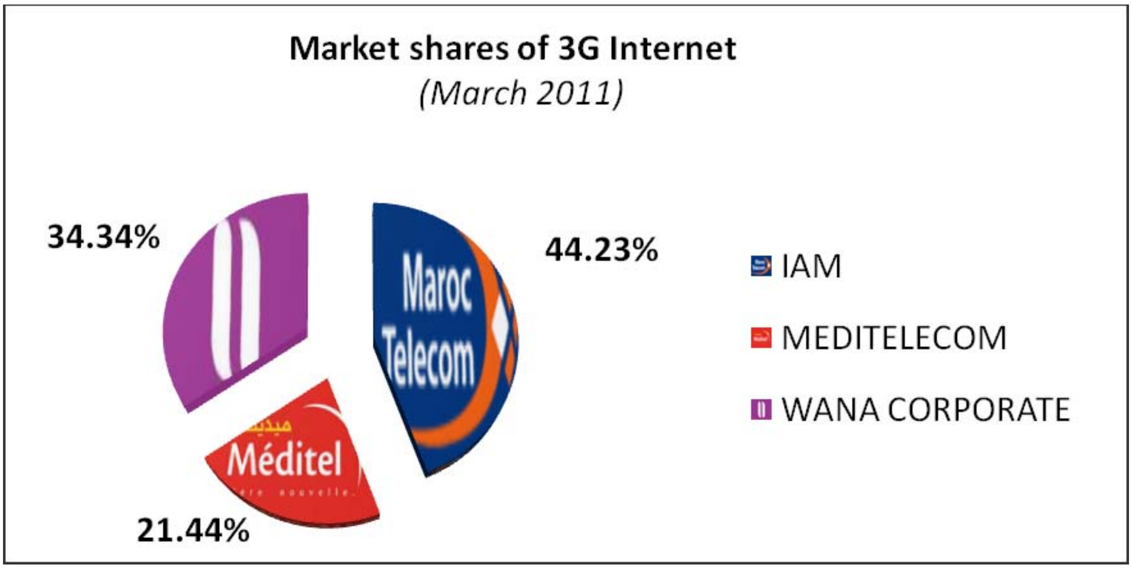
I. Evolution of the number of 3G Internet subscribers

At the end of March 2011, the number of 3G Internet subscribers reached **1 655 499** by recording an **increase of 21.15%** for the first quarter of 2011 and by **88.37%** since March 2010.



At the end of the first quarter of 2011, the subscribers to **3G Internet "Data only" totaled 1 248 538** while the number of customers using **"voice+data" reaches 406 961**.

In terms of market share, IAM holds 44.23% of the 3G Internet access followed by Wana Corporate with 34.33% and Medi Telecom with 21.44%.



II. Distribution of the number of subscribers for Internet 3G « Data Only » and « Voice+Data »

75.42% of the park 3G Internet use "Data only" service. The offers combining voice and data represent only 24.58% of this park.