

**Kingdom of Saudi Arabia**

هيئة الاتصالات وتقنية المعلومات  
Communications and Information Technology Commission



# **ICT Indicators**

## **Q1 - 2012**

**May, 2012**

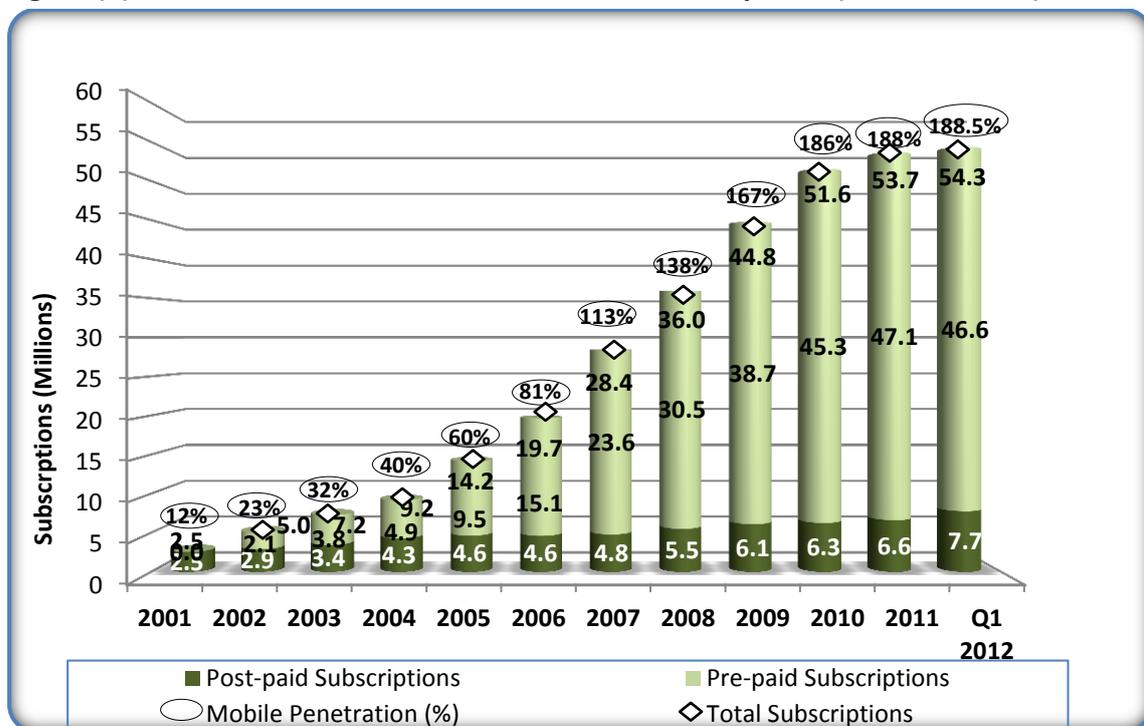


# The ICT Sector in the Kingdom of Saudi Arabia

## 1. Mobile Telecommunications Market

The total number of mobile subscriptions grew to around 54.3 million by the end of Q1 2012, with penetration rate of 188.5%. Prepaid subscriptions constitute the majority (over 85%) of all mobile subscriptions. Despite the high growth rates achieved by the mobile sector in recent years, the growth is expected to continue albeit at a slower growth rate.

Figure (1): Mobile Service Market Growth-Total Subscriptions (2001-Q1 2012)



- Note: The figures were adjusted based on an audit and analysis of inputs and application of methodology for calculating the numbers.

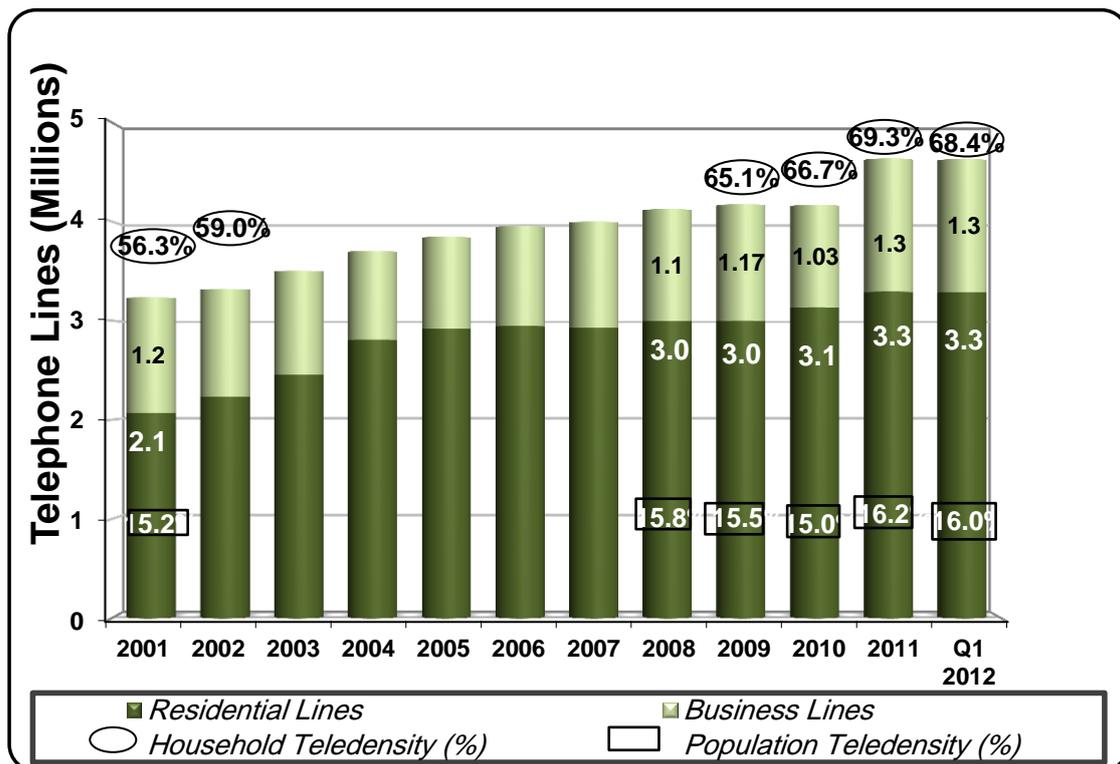
## 2. Fixed Telephony Market

Fixed telephone lines stood at 4.63 million by end of Q1 2012, of which around 3.3 million or 71% were residential lines. This represents a household teledensity of around 68.4%, while the population teledensity is about 16%. It is clear from Figure (2) that the rate of demand for fixed line service has been relatively stable since 2004. The main reason is the



rapid spread of mobile telecom services, ease of subscription, and the gradual decrease in prices; which has led to the lower number of requests from consumers for a fixed service. However, the demand for fixed services, especially in major cities, is expected to grow as a result of growing demand for broadband services, especially for the fiber-optic network (FTTx) services.

Figure (2): Fixed Telephone Market Evolution (2001-Q1 2012)



- Note: Population teledensity is calculated by dividing total fixed telephone lines by population, while household teledensity is calculated by dividing residential lines by number of households.

### 3. Broadband Market

Increased demand for broadband services recently significantly compared to previous years, due to the need for society to broadband services, especially after the government provided strong support for the projects, high technology, which requires the structure of a digital good, especially now that many of the government measures are made through e-government transactions. It helped this increase is also widespread use of Internet in society, which has become a major source

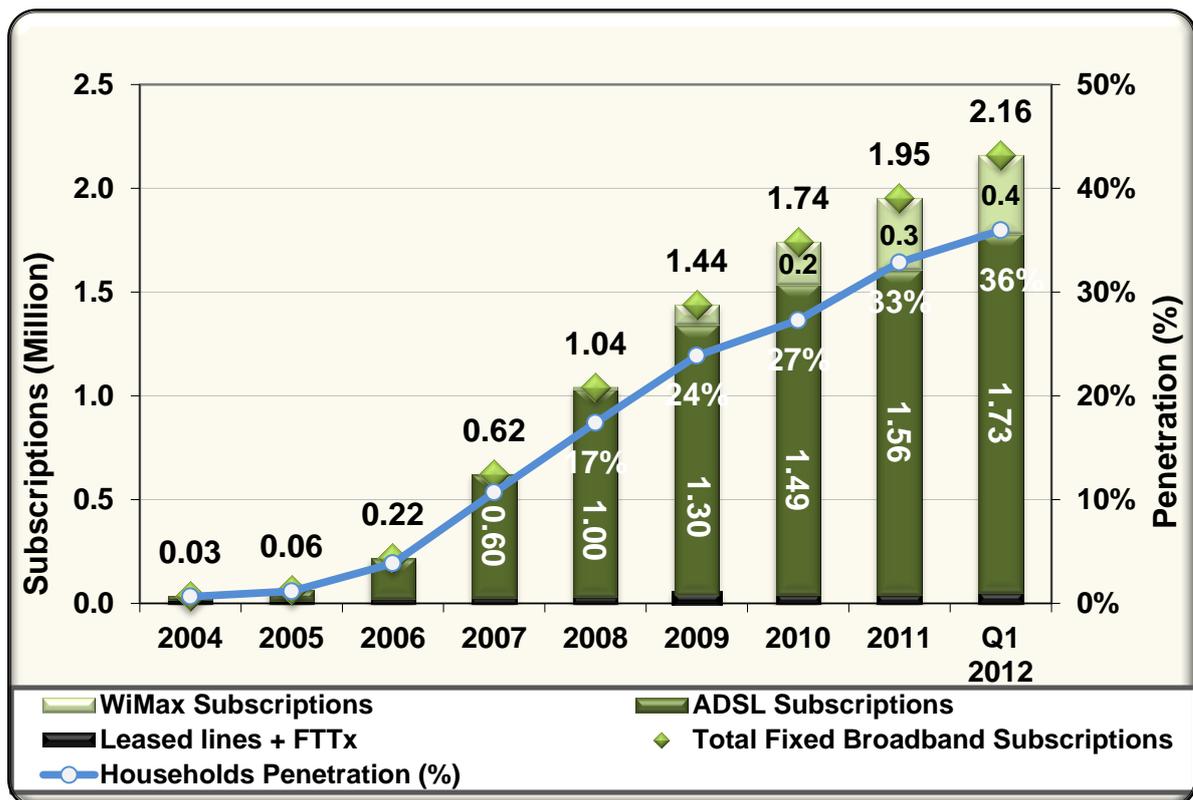


of hundreds of thousands of programs that are downloaded to smart devices such as social networking, business applications, word processors, chat programs, security tools, games and more. Service providers are currently providing broadband services through networks of fixed and mobile networks.

### 3.1 Fixed Broadband Services:

Fixed Broadband subscriptions including the DSL, Fixed Wireless (WiMax), FTTx and other fixed lines have grown to around 2.16 million subscriptions at the end of Q1 2012. The Fixed Broadband penetration rate was about 36 % of the households.

Figure (3): Fixed Broadband Market Evolution (2004- Q1 2012)



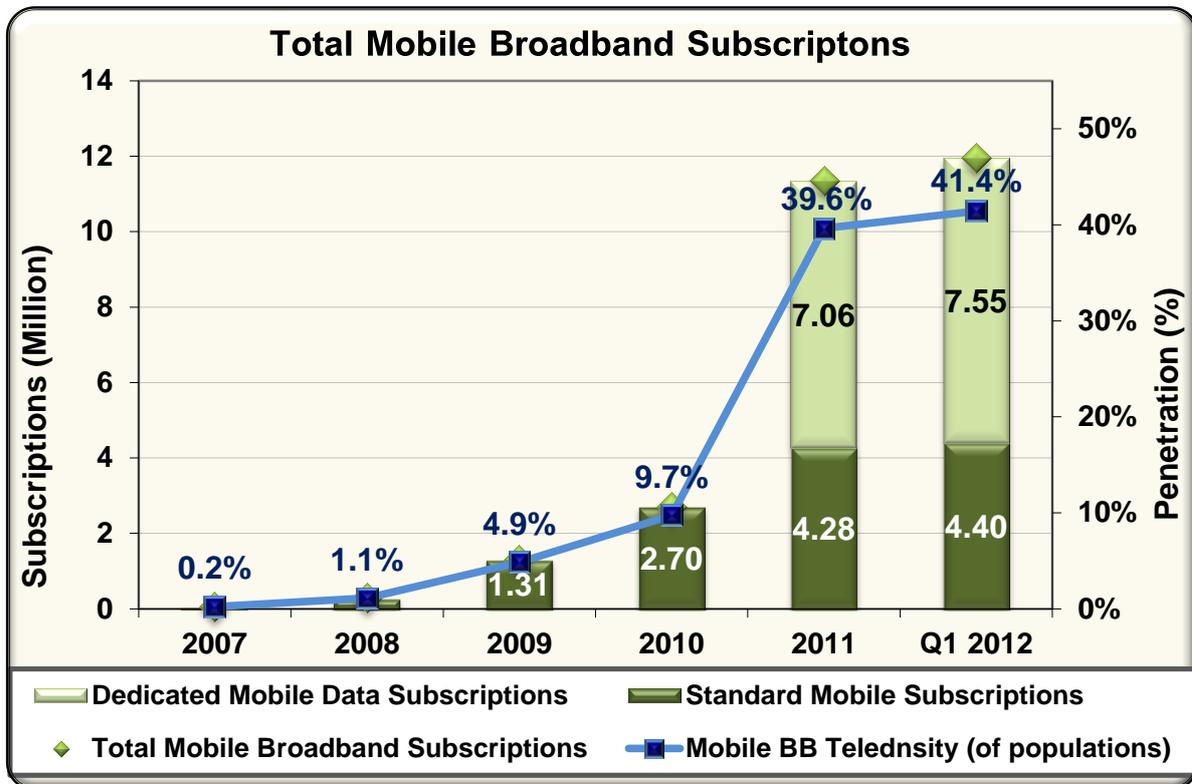
### 3.2 Mobile Broadband Services:

The total subscriptions to the mobile broadband reached 11.9 million by the end of Q1 2012, representing a population penetration rate of 41.4%. The mobile broadband market continues to gain



momentum in the Kingdom. The key reasons for this growth are the vigorous competition, a healthy expansion of smart phones and offer of various data packages by mobile operators. It has become easier to access via mobile devices such as smart phones. The mobile networks are also improving, as the 3.5G (HSPA) continues to be deployed and as wireless broadband technologies (4G) emerge over the next few years.

Figure (4): Mobile Broadband Market Evolution (2007- Q1 2012)



- Note: The figures were adjusted based on an audit and analysis of inputs and application of methodology for calculating the numbers.

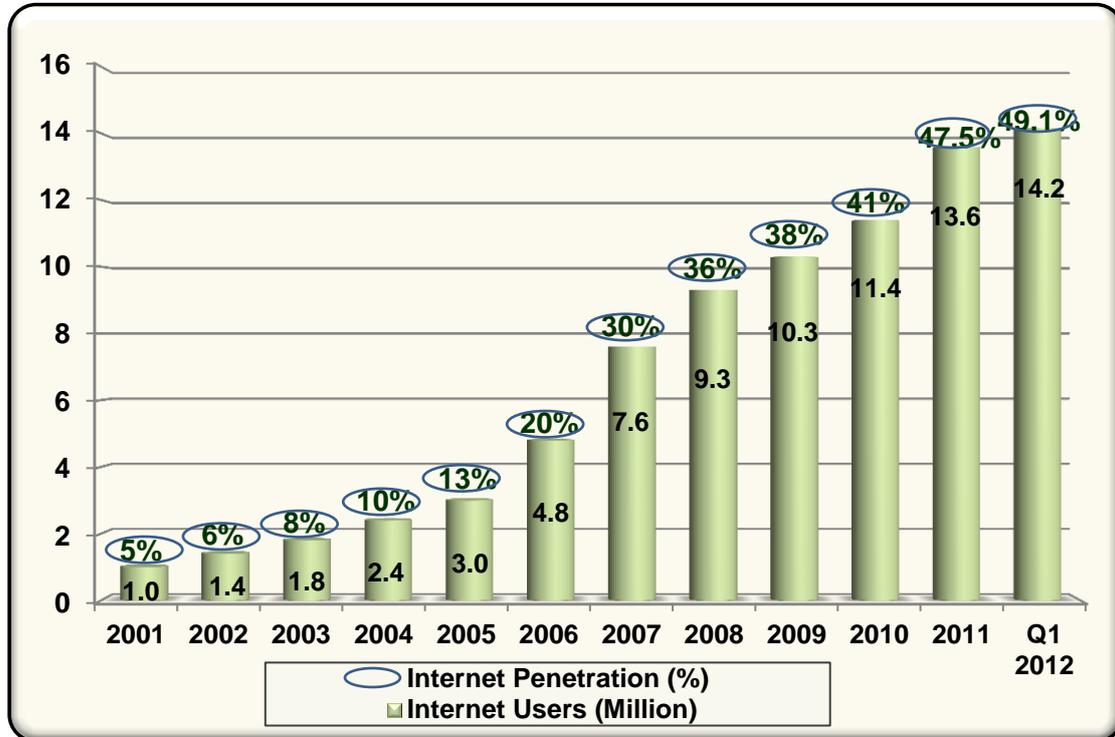
#### 4. Internet Services Market

The estimated number of Internet users in the Kingdom is 14.2 million users at the end of Q1 2012. Internet penetration increased to 49.1%. It is expected that the demand for Internet services will increase significantly in the next few years due to the availability of optical networks (FTTx) at very high speeds, especially in large cities initially,



growing Internet content, and the spread of handheld smart devices and applications.

**Figure (5): Internet Market Evolution (2001- Q1 2012)**



Notes:

2001-2006: CITC estimates based on reported Internet connections (dial-up and broadband).

2007-2009: Actual based on field surveys of the Internet market commissioned by CITC.

2010 – Q1 2012: CITC estimate (projection) based on field surveys.

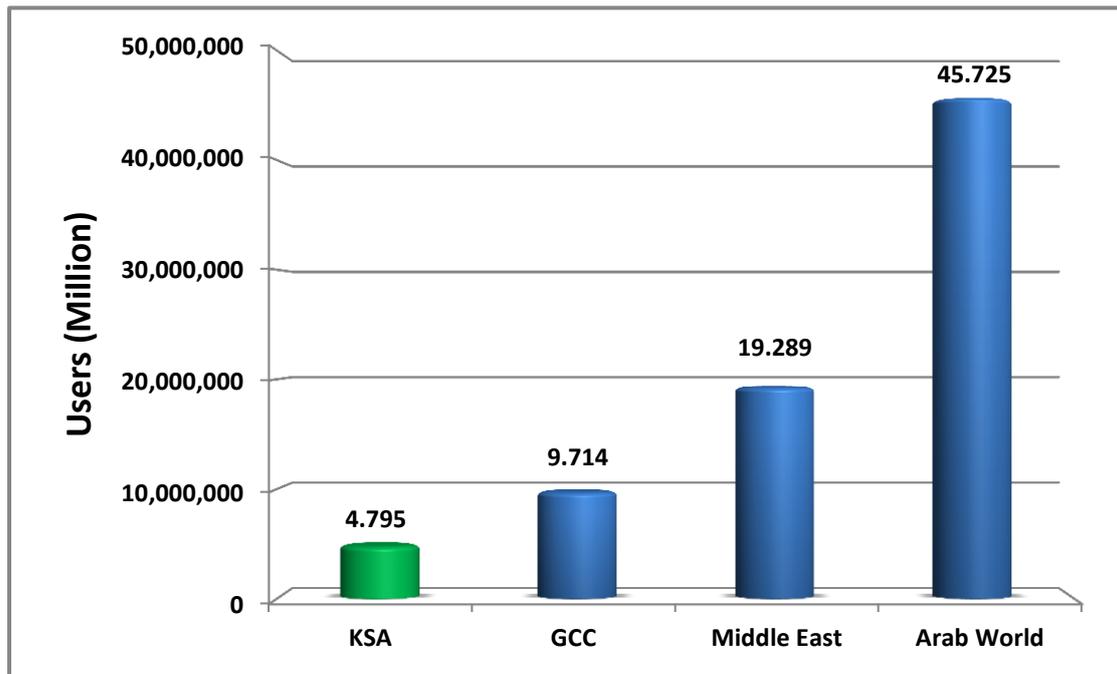
## 5. Social Networking

In the current global technological evolution, the social sites on the Web are one of the most important phenomena as demonstrated by the dramatic and rapid increase in the usage of these networks in recent years. While there are more than 200 sites of social networking in the world today such as “Twitter” and the “LinkedIn”, “Facebook” is the most popular and widespread, and was ranked first globally in terms of its proliferation and the number of users. It is estimated that at the end of 2011, there were more than of 845 million active users, with more than half of them visiting the Facebook site every day.

The social network usage in the Kingdom has doubled over a year since 2010. The number of users on Twitter and Facebook now is very large across all age and social groups. The estimated number of users of

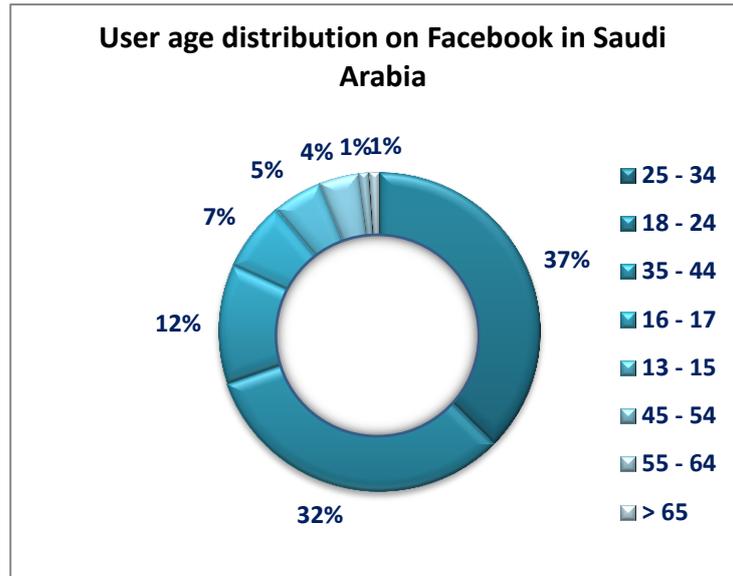


Facebook in the Kingdom, at the end of 2011, was 4.8 million, with a penetration rate of 16.8% of the population, and 35.3% of the Internet users. The Kingdom occupies 30<sup>th</sup> position globally, in terms of the number of users of social sites, and is ranked second in the Arab world after Egypt.

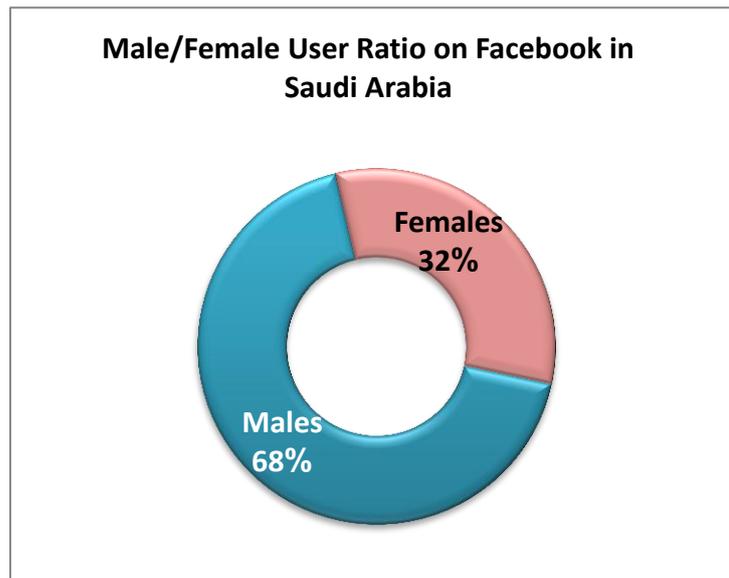


▪ Source: (www.facebook.com) & CITC analysis.

Indicator	Value
Global Rank	30
Arab World Rank	2
Penetration (Individuals)	16.8%
Penetration (Internet Users)	35.3%



▪ Source: ([www.facebook.com](http://www.facebook.com)) & CITC analysis.



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