Kingdom of Saudi Arabia

هيئة الاتصالات وتقنية المعلومات
Communications and Information Technology Commission

ICT Indicators Report

Q3 - 2013

November, 2013

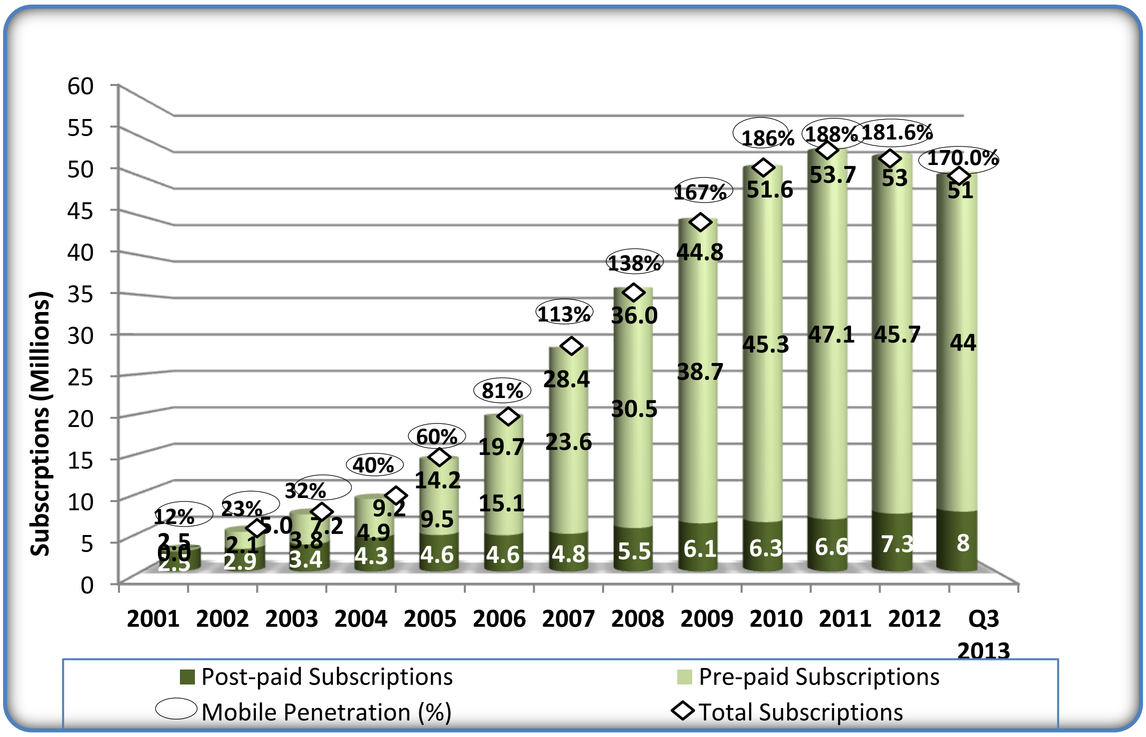
The ICT Sector in the Kingdom of Saudi Arabia

1. Mobile Telecommunications Market

The total number of mobile subscriptions reached around 51 million by the end of Q3 2013, with penetration rate of 170%. Prepaid subscriptions constitute the majority (over 84%) of all mobile subscriptions. There was a decline in the number of subscriptions, and thus the penetration rate, that can be attributed to :

- the implementation of CITC's decision on regulating the sale and activation of pre-paid SIM cards, which led service providers to deactivate a large number of unidentified SIM cards.
- CITC decision to stop free international roaming which resulted in cancelation of large number of SIM-cards which were exported outside the Kingdom.
- crack down on foreigners working illegally in the Kingdom Which led to the cancellation of a large number of prepaid SIM cards

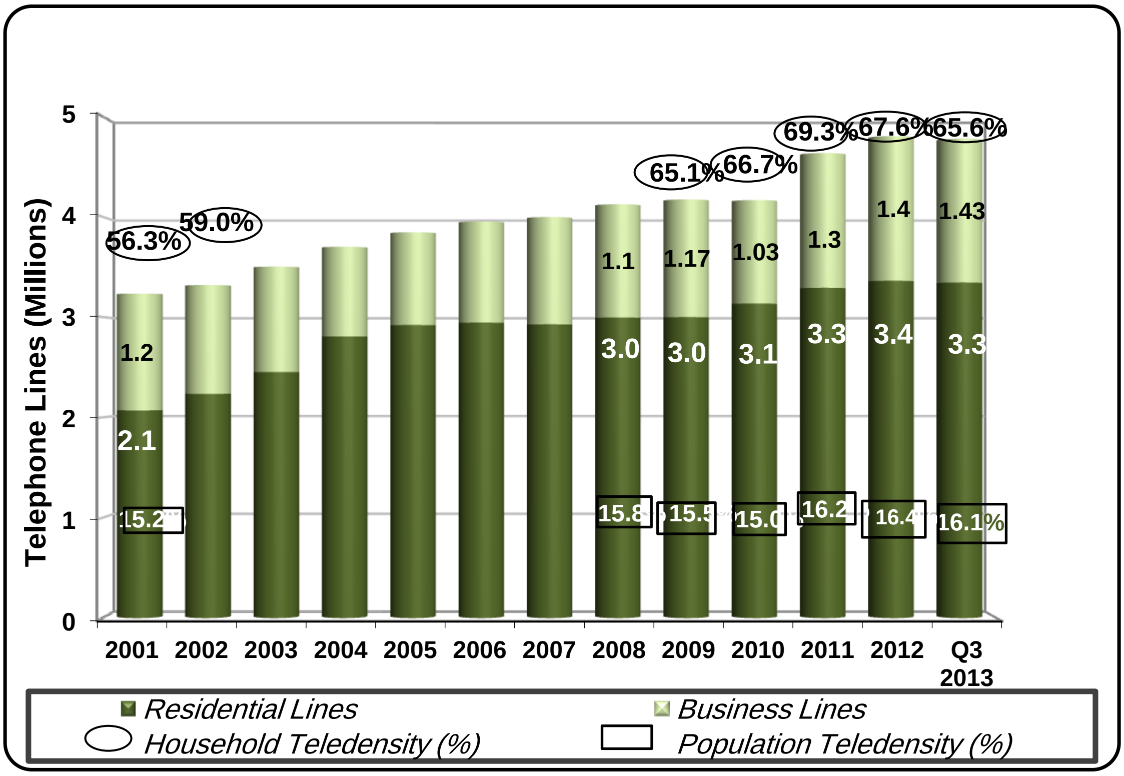
Figure (1): Mobile Service Market Growth-Total Subscriptions (2001 – Q3 2013)



2. Fixed Telephony Market

Fixed telephone lines reached 4.7 million by the end of Q3 2013, of which around 3.3 million or about 70% were residential lines. This represents a household teledensity of around 65.6%, while the population teledensity is about 16%.

Figure (2): Fixed Telephone Market Evolution (2001 – Q3 2013)



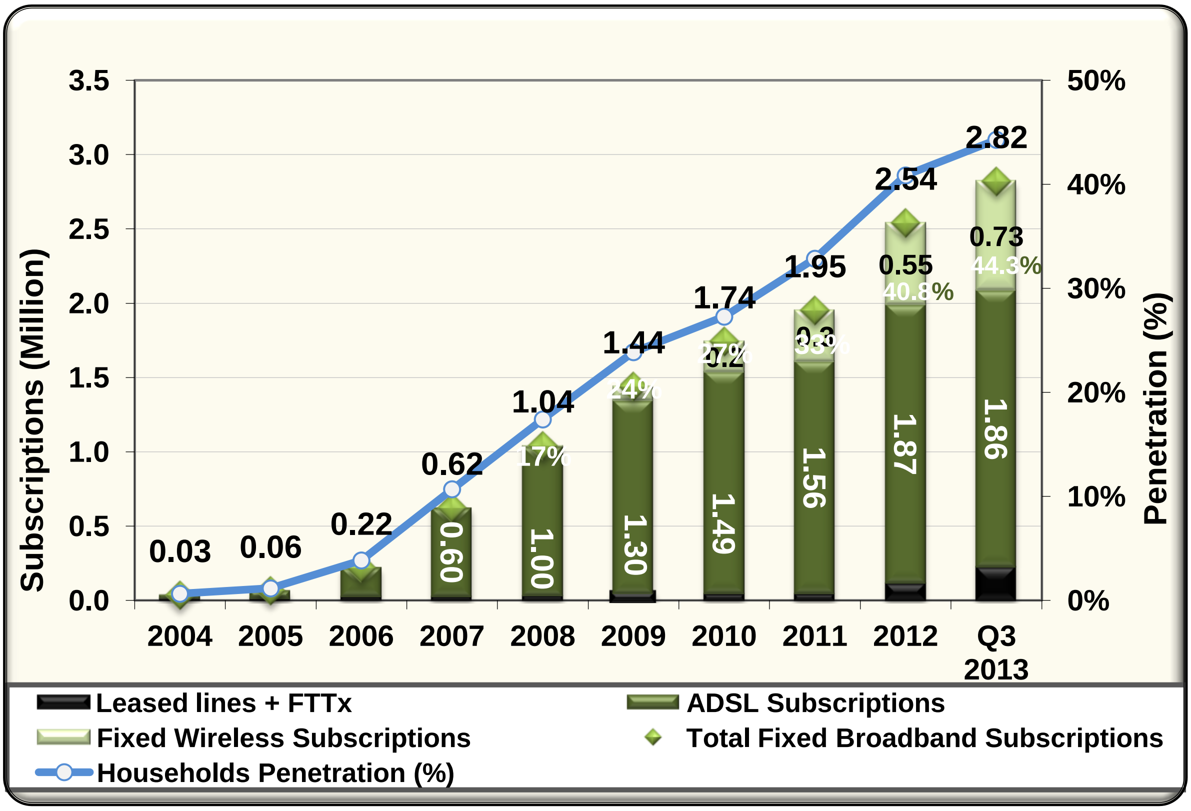
- *Note: Population teledensity is calculated by dividing total fixed telephone lines by population, while household teledensity is calculated by dividing residential lines by number of households.*

3. Broadband Market

3.1 Fixed Broadband Services:

Fixed Broadband subscriptions including the DSL, Fixed Wireless (WiMax), FTTx and other fixed lines have grown to around 2.82 million subscriptions at the end of Q3 2013. The Fixed Broadband penetration rate was about 44.3% of the households.

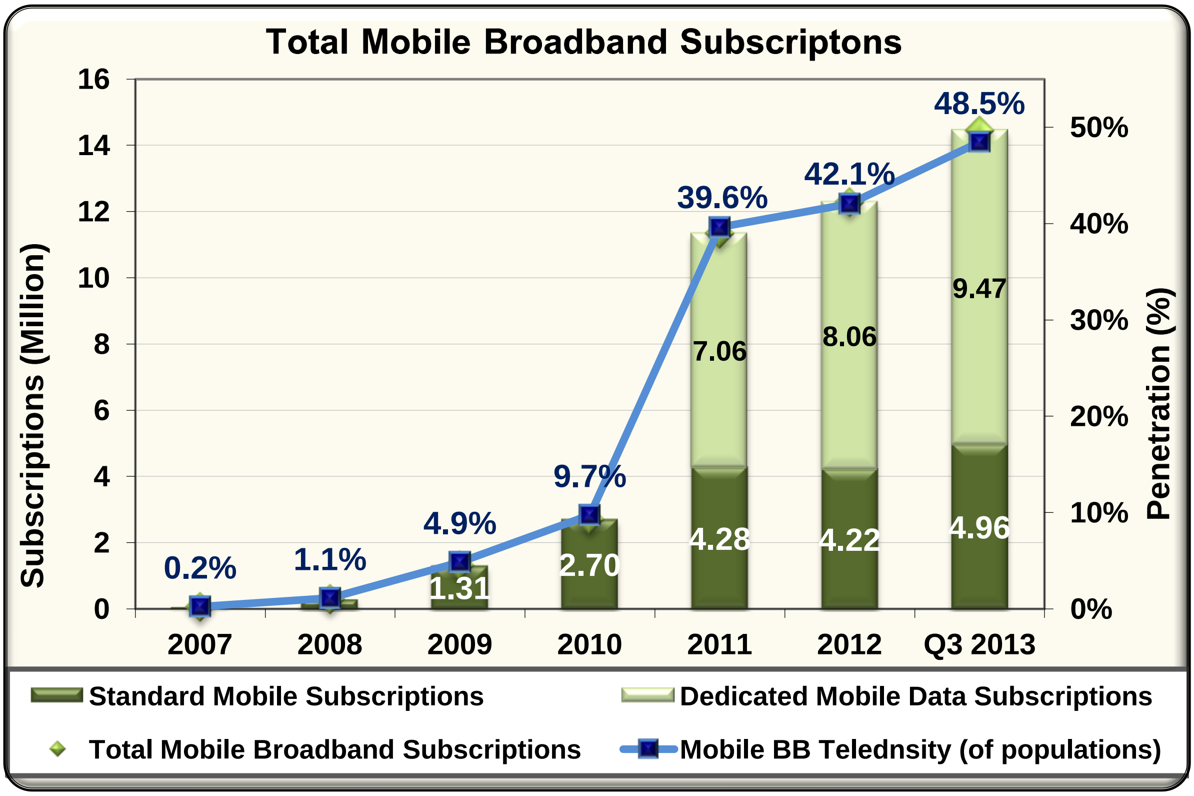
Figure (3): Fixed Broadband Market Evolution (2004 – Q3 2013)



3.2 Mobile Broadband Services:

The total number of mobile broadband subscriptions reached 14.4 million by the end of Q3 2013, representing a population penetration rate of 48.5%. The mobile broadband market continues to gain momentum in the Kingdom. The key reasons for this growth are the strong competition, the healthy expansion of smart phones, and the offering of various data packages by mobile operators. It has become easier to access the internet 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 – Q3 2013)

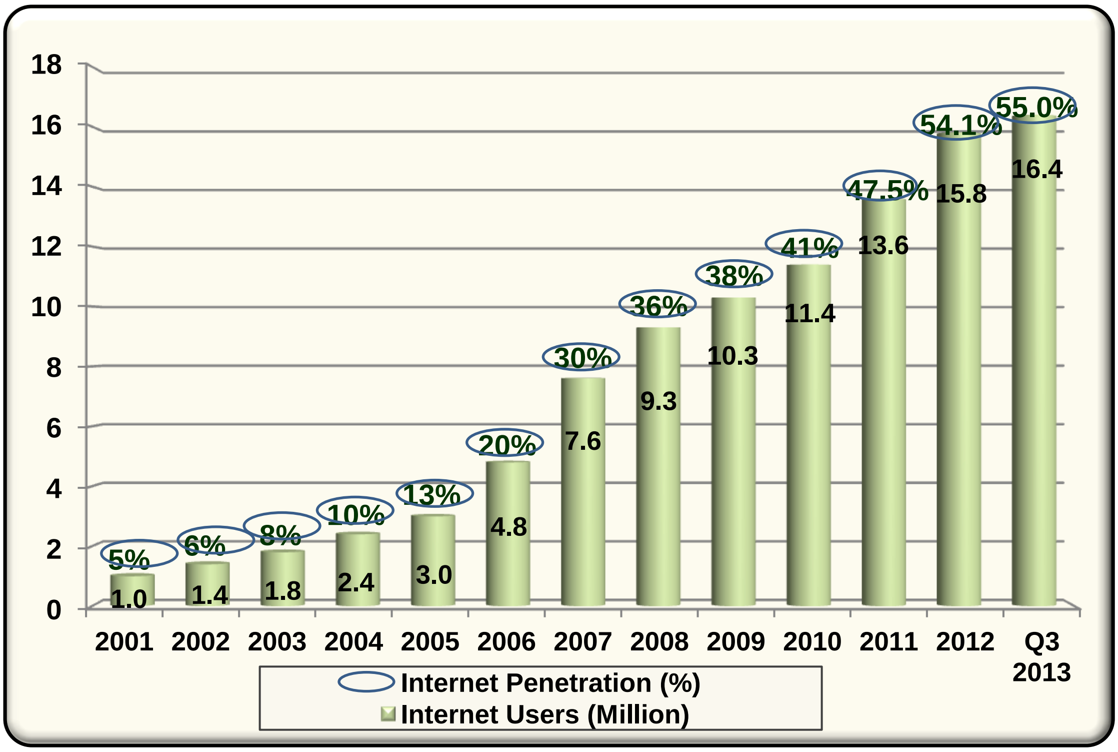


- *Note: The figures were adjusted based on an audit and analysis of inputs and application of methodology for calculating the numbers.*

4. Internet Services Market

The estimated number of Internet users in the Kingdom is 16.4 million users at the end of Q3 2013, with a population penetration of 55%. It is expected that the demand for Internet services will increase significantly in the next few years due to the availability of fiber-optic networks (FTTx) at very high speeds, initially in large cities, growing Internet content, and the spread of handheld smart devices and applications.

Figure (5): Internet Market Evolution (2001 – Q3 2013)



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 –Q3 2013: CITC estimate (projection) based on field surveys.