



Morocco Communications Projections Report

Arab Advisors Group
Strategic Research Service - Communications

August 2004

Analyst: Serene Zawaydeh

Arab Advisors Group

PO Box 2374
Amman 11821 - Jordan
Tel. 962.6.5828849
Fax. 962.6.5828809
arabadvisors@arabadvisors.com

www.arabadvisors.com

Copyright notice: Copyright 2004 by Arab Advisors Group. All rights reserved. No material contained in this report may be reproduced in whole or in part without the prior written permission of the publisher. The information contained in this report has been obtained from sources we believe to be reliable, but neither its completeness nor accuracy can be guaranteed. Opinions expressed are based on our interpretation of the available information, and are subject to change.

Feedback: Our clients' satisfaction is of our utmost concern. We welcome all feedback regarding our research and products. Please send us your notes on this report, what you found useful in it and future research directions that would help you in your business. Send feedback emails to: arabadvisors@arabadvisors.com

Table of Contents

Section I: Executive Summary	1
Section II: Projections	3
Section III: Regulatory Landscape and Investment Rules and Regulations	4
Law No. 24-96	4
National Telecommunications Regulatory Authority (ANRT)	9
Itissalat Al-Maghrib (Maroc Telecom)	12
Law 55/01 and its Provisions to the Telecommunications Sector in Morocco	13
Request for Comments on Fundamental Regulatory Aspects	13
Status of IP Telephony	14
Definition of a Mobile Subscriber	14
Usage of Link Optimization Box (LO Box)	15
Free Trade Agreement between Morocco and the USA, Telecom	16
Liberalization of the Telecommunication Sector	17
Failed Fixed License Tender in 2002	18
Communications Licenses Issued	19
Tax Laws	20
Section IV: Communications Market Segments	21
Public Switched Telephone Network (PSTN)	21
Comparison with Arab Markets	21
Infrastructure	21
Fixed Telephony Users' Mix	23
Payphones	24
The National Operator, Maroc Telecom	27
Profile	27
Placement of Maroc Telecom on Stock Exchange	28
Maroc Telecom's Subsidiaries	28
Commercial Network	29
Maroc Telecom's Financial Summary	30
Maroc Telecom's Offers for Fixed Telephony	30
Maroc Telecom's SWOT Analysis	32
PSTN Subscribers' Growth	33
PSTN Revenues and ARPUs	34
ISDN Service	36
Vendors for the Fixed Services	37
The Cellular Market	39
Comparison with Arab Cellular Markets	39
Maroc Telecom	40
Maroc Telecom's Cellular Subscribers and Revenues	41
Médi Télécom	42
Ownership	42
Méditel's Network	44
Customer Relations	44
Méditel's Financials	45
Méditel's Partnerships	46
Méditel's SWOT Analysis	47
GSM Services Offered	48
GSM Market Share Dynamics	50
Prepaid versus Postpaid Analysis	53
Cellular Subscribers' Growth	54
Cellular ARPU Projections	55

PSTN versus GSM Subscribers and Revenues	56
Vendors in the GSM market	58
Comparison of Fixed and GSM International Calls' Tariffs.....	60
Fixed and GSM Rates Comparison.....	64
Interconnection.....	66
Other Services	70
Very Small Aperture Terminal (VSAT).....	70
Global Mobile Personal Communication System (GMPCS)	71
Radio Trunking.....	73
Section V: Brief Country Background	76
Political System.....	76
Geography.....	76
Population and Demographics	76
Education	78
Economy	79
Trading Partners.....	81
Appendix.....	82

List of Exhibits

Exhibit 1: Main Regulations Governing the Telecommunication Sector.....	4
Exhibit 2: Regulatory Frameworks Governing Telecom Services	6
Exhibit 3: Morocco's Liberalization Timeline	17
Exhibit 4: Comparison of PSTN Subscribers and Penetration Rates (2003).....	21
Exhibit 5: Maroc Telecom's Quality of Service	22
Exhibit 6: Number of Rural Areas Connected to the Automatic Phone Service	23
Exhibit 7: Detailed Fixed Telephony Users' Mix (2001-2003).....	24
Exhibit 8: Fixed Telephony Users' Mix % (2001-2003)	24
Exhibit 9: Payphones' Growth and Penetration Rates (1999 - 2003)	25
Exhibit 10: Maroc Telecom's Revenues (1999-2003).....	30
Exhibit 11: Maroc Telecom's SWOT Analysis	32
Exhibit 12: Mainlines' Growth and Penetration Rates (1999 - 2008).....	33
Exhibit 13: Maroc Telecom's PSTN Revenues in DH vs US\$ (1999-2003).....	34
Exhibit 14: PSTN Subscribers, ARPU and Revenues (1999-2008).....	35
Exhibit 15: ISDN Subscribers' Growth (1999 - 2008)	37
Exhibit 17: Maroc Telecom's Number of Base Stations	40
Exhibit 18: Maroc Telecom's Cellular Subscribers and Revenues (1999-2003)	42
Exhibit 19: Médi Télécom's Shareholder Structure	43
Exhibit 20: Médi Télécom Subscribers and Revenues (2000-2003)	45
Exhibit 21: Cellular ARPU of Maroc Telecom versus Méditel.....	46
Exhibit 22: Médi Télécom's SWOT Analysis	47
Exhibit 23: Méditel Services.....	50
Exhibit 24: Maroc Telecom versus Méditel's Market Shares	51
Exhibit 25: Maroc Telecom versus Méditel's Subscribers.....	51
Exhibit 26: Cellular Added Subscribers in 2003	52
Exhibit 27: Subscriber growth between Dec-03 and Feb-04	52
Exhibit 28: Prepaid Vs Postpaid Analysis	53
Exhibit 29: Cellular Subscribers' Growth and Penetration Rates (1999-2008)	54
Exhibit 30: Cellular Revenues and Monthly ARPU (1999-2008).....	55
Exhibit 31: Mainlines versus Cellular Subscribers' Growth (1999-2008).....	56
Exhibit 32: PSTN versus Cellular Revenues (1999-2008)	57
Exhibit 33: International Calls from Private Fixed Line (Automatic Call).....	60
Exhibit 34: International Calls from Private Fixed Line (Manual Call)	60
Exhibit 35: International Calls from Payphones	61
Exhibit 36: International Calls from Téléboutiques.....	61
Exhibit 37: International Calls from Public Cabins.....	61
Exhibit 38: Difference % for International Tariffs of Téléboutiques versus Payphones.....	62
Exhibit 39: Difference % for International Tariffs of Public Cabins versus Téléboutiques.....	62
Exhibit 40: Difference % for International Tariffs of Public Cabins versus Payphones.....	62
Exhibit 41: International Calls from Maroc Telecom Mobile	63
Exhibit 42: International Call Tariffs from Méditel	63
Exhibit 43: Difference % for Méditel's International Tariffs for Postpaid versus Prepaid.....	63
Exhibit 44: Difference % for International Tariffs of Maroc Telecom Mobile versus Méditel	64
Exhibit 45: Prepaid and Postpaid Fixed versus Mobile Tariffs, 1 st Peak Minute	64
Exhibit 46: Summary of Applied Billing Methods.....	65
Exhibit 47: Interconnection Tariffs between Fixed and Mobile	66
Exhibit 48: Tariffs of Primary Digital Block Connection	68
Exhibit 49: Tariffs of National Switched Interconnection.....	68
Exhibit 50: VSAT Licensees	70
Exhibit 51: SpaceCom's Revenues (2001-2002)	70

Exhibit 52: Gulfsat Maghreb's Revenues (2000-2002)	71
Exhibit 53: CIMECOM's Revenues (2001-2002)	71
Exhibit 54: GMPCS Licenses.....	72
Exhibit 55: Orbcomm Maghreb's Revenues (2000- 2002)	72
Exhibit 56: Globalstar's Revenues (2000-2002).....	73
Exhibit 57: Urban versus Rural Population (2001-2003)	77
Exhibit 58: Urban versus Rural Population (2001-2003)	77
Exhibit 59: Total Population by Age Group and Gender (2003)	78
Exhibit 60: GDP By Main Sector (2000-2002)	80
Exhibit 61: Trade by Continent (2002)	81
Exhibit A1: Exchange Rates	82
Exhibit A2: Map of Morocco	82
Exhibit A3: Definitions in Law no. 24-96.....	83
Exhibit A4: Fixed Line Connection Fees	84
Exhibit A5: Fixed Line Postpaid Subscription	84
Exhibit A6: Automatic National Calls from a Postpaid Fixed Private Phone (Peak) ...	84
Exhibit A7: Automatic National Calls from a Postpaid Fixed Private Phone (Off Peak)	85
Exhibit A8: Manual National calls from Postpaid Fixed Line	85
Exhibit A9: National Calls from Téléboutiques, Payphones and Public Cabins.....	85
Exhibit A10: Télécartes	86
Exhibit A11: Reduced Tariff Intervals for Fixed Line Automatic Calls	86
Exhibit A12: Tariffs of Satellite Communication	86
Exhibit A13: Fixed Line Prepaid Forfaits Plafonnés El Manzil	86
Exhibit A14: Communication Tariffs for Fixed Line Prepaid Monthly Subscription "El Manzil"	87
Exhibit A15: Fixed Line Prepaid Card "Kalimat"	87
Exhibit A16: Fixed Line Prepaid Card for International Calls "Kalimat International"	87
Exhibit A17: Tariffs of Communication using "Kalimat" Fixed Prepaid Cards	88
Exhibit A18: Méditel Personnel Postpaid Tariffs	88
Exhibit A19: Méditel Subscription - Forfait Premium	89
Exhibit A20: Méditel Subscription -Forfait Plafonné.....	89
Exhibit A21: Méditel's Postpaid Offer for Families "NOUS".....	90
Exhibit A22: MédiJAHIZ Rouge and MédiJAHIZ FUN	90
Exhibit A23: MédiJAHIZ Amis et Famille Card.....	90
Exhibit A24: Méditel Recharge Cards	91
Exhibit A25: Méditel Corporate Offer NeO.....	91
Exhibit A26: Méditel's SMS Tariffs	91
Exhibit A27: Maroc Telecom's Postpaid for Individuals, Forfaits Particuliers.....	92
Exhibit A28: Division of Communication in Forfaits Particuliers	92
Exhibit A29: Maroc Telecom's Controlled Fixed Prices, Forfaits Maîtrisés.....	92
Exhibit A30: Maroc Telecom's "Classic" Postpaid Subscription	93
Exhibit A31: Maroc Telecom's Reductions on Monthly Postpaid Consumption	93
Exhibit A32: Maroc Telecom's Postpaid Offer "Mouzdaouij"	93
Exhibit A33: Maroc Telecom's Jawal Recharge Cards.....	94
Exhibit A34: Maroc Telecom's Prepaid Card "Jawal Classique"	94
Exhibit A35: Minutes Included in Recharge Cards for Jawal Classique According to Destination	94
Exhibit A36: Maroc Telecom's Prepaid Card "Jawal Jeune"	95
Exhibit A37: Minutes Included in Recharge Cards for Jawal Jeune according to Destination	95
Exhibit A38: Tariffs of Service Calls for Jawal Classique and Jawal Jeune.....	95
Exhibit A39: Maroc Telecom's Corporate Offer "Intenso"	96
Exhibit A40: Maroc Telecom's Corporate Offer "Extenso"	96
Exhibit A41: Maroc Telecom's SMS National Tariffs	97
Exhibit A42: Maroc Telecom's SMS International Tariffs	97

Exhibit A43: Maroc Telecom GPRS Rates of Data Transmission.....	101
Exhibit A45: Maroc Telecom's Jawal Roaming Partners.....	101
Exhibit A46: Maroc Telecom's GPRS Roaming Partners.....	101
Exhibit A47: Maroc Telecom's Roaming Partners Implementing Short Number Service.....	102
Exhibit A48: Méditel's National Coverage- Principal Cities and Localities Covered..	103
Exhibit A49: Méditel's National Coverage - Principal Routing Axes Covered.....	105
Exhibit A50: Countries and Operators with which Méditel's MédiJAHIZ Roaming is Operational.....	107
Exhibit A51: Méditel's Roaming Agreements	107
Exhibit A52: Countries and Operators with which Méditel SMS is Operational	110
Exhibit A53: Maroc Telecom's Roaming Partners	112
Exhibit A54: International Tariffs of Globalstar North Africa	115