

Machine to Machine (M2M)

Regulatory Viewpoint

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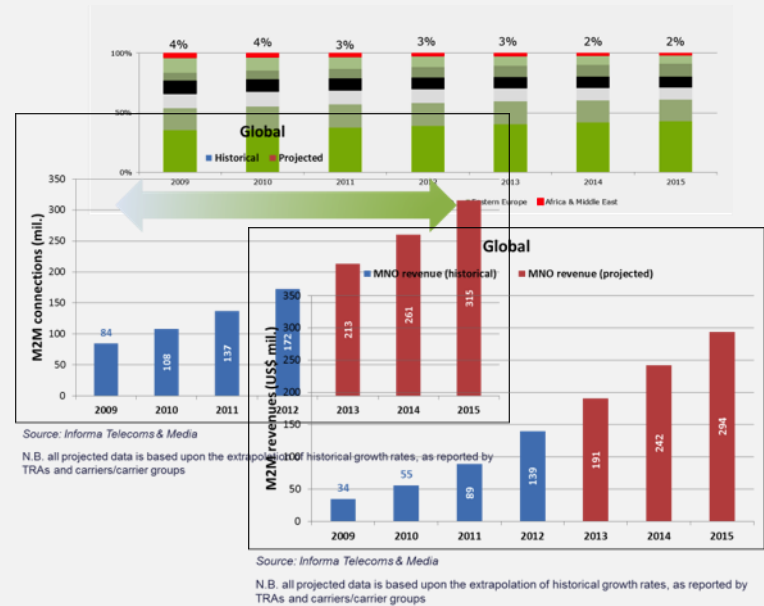
M2M solutions address the needs of specific vertical sectors and involve machines to *communicate* to other machines



M2M is a "Glocal" business with global players in the competitive forefront: the ME lags behind the rest of the world



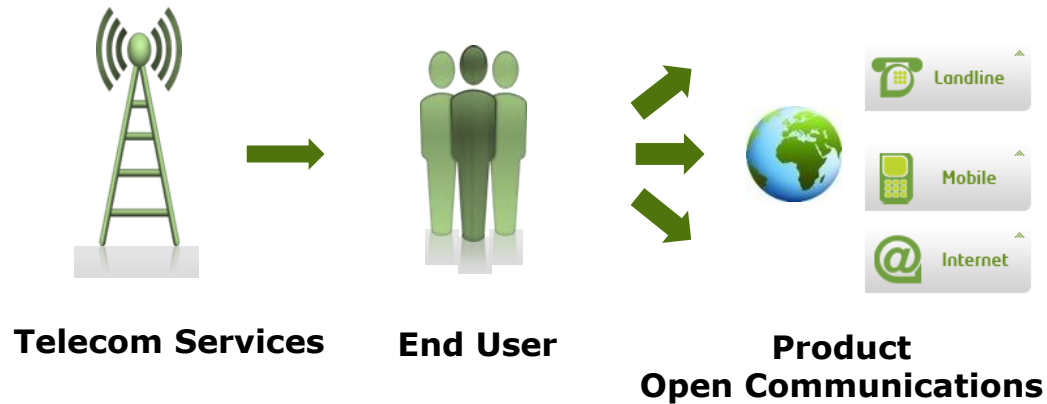
A FAST GROWING MARKET



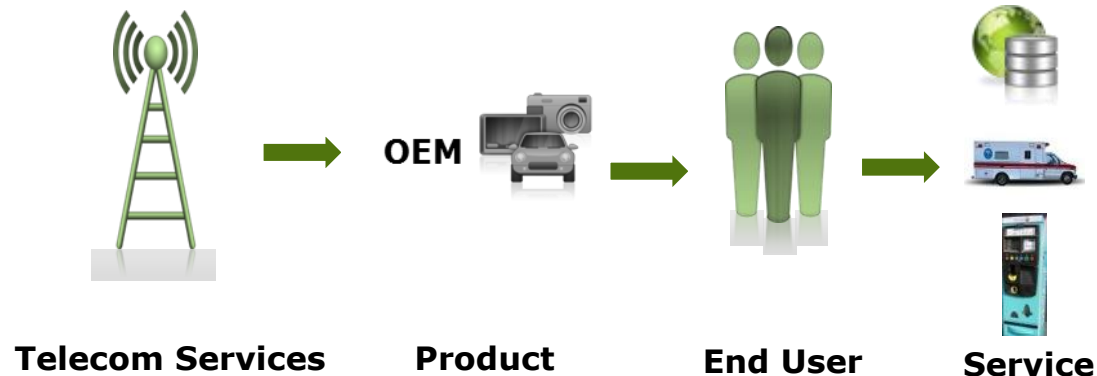
M2M are different from traditional telecom services...

M2M and Telecom Services Comparison

Traditional Telco Model

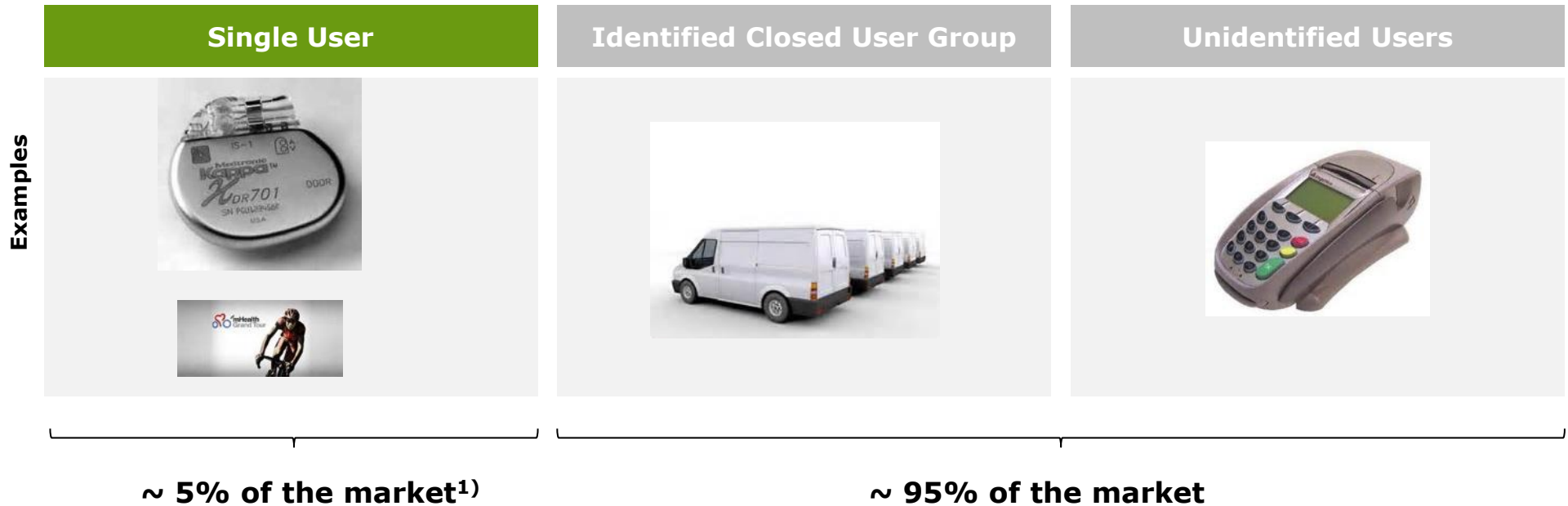


Original Equipment Manufacturer (OEM) Model



... and tend to serve closed user groups or unidentified random users

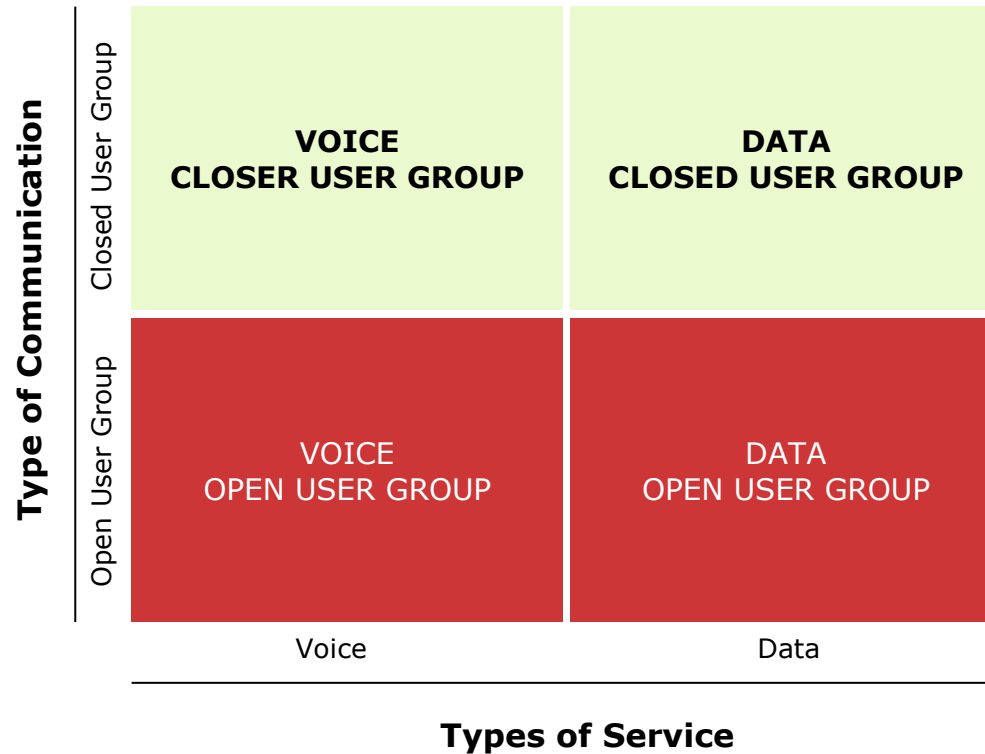
M2M Services per Type of Usage



1) 2021 M2M revenues based on Analysis Mason forecasts
Source: Analysys Mason, M2M device connections, revenue and ARPU: worldwide forecast, 2011–2021 Etisalat analysis

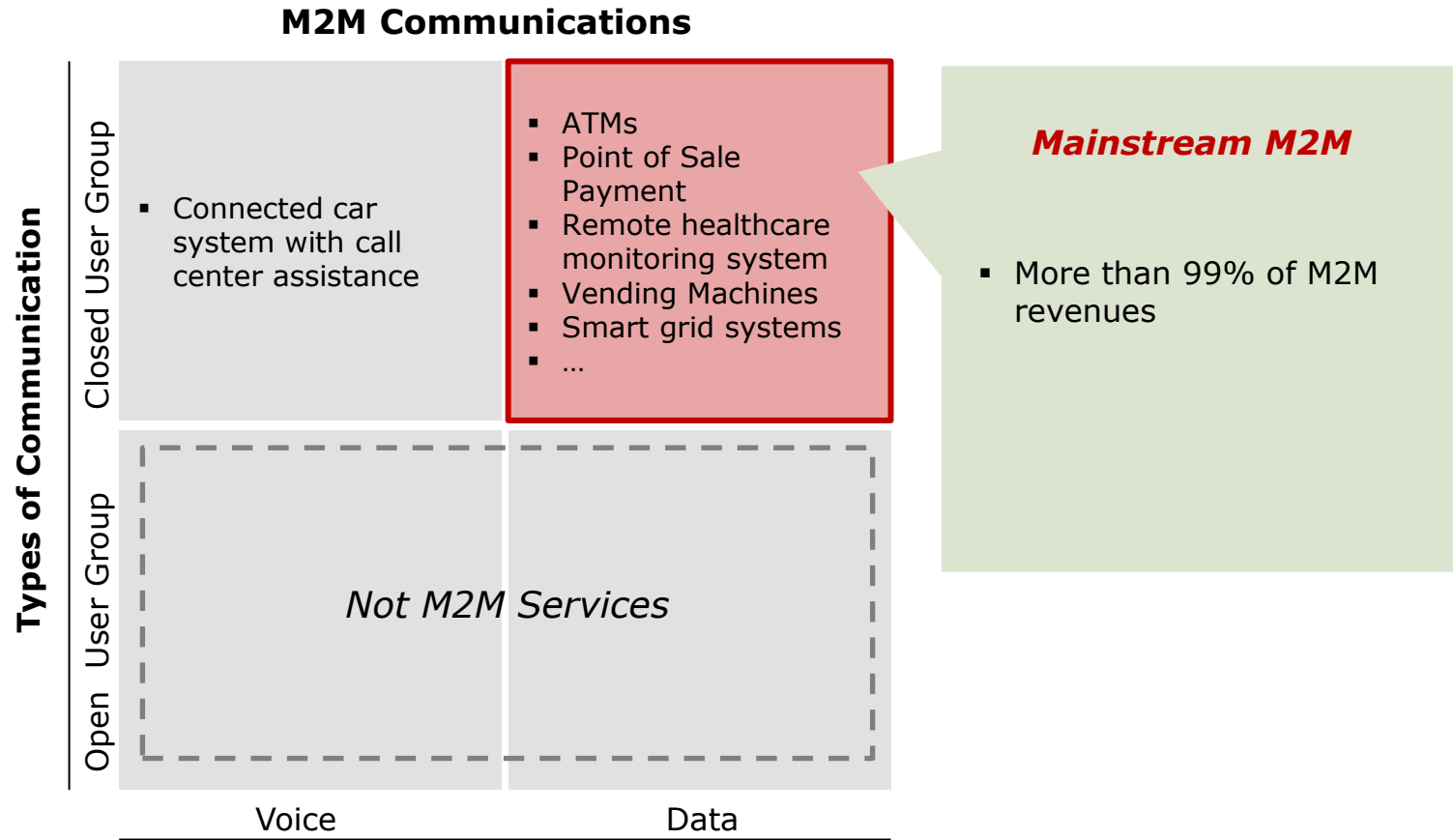
Regulation historically focused on end-to-end services from telcos, with distinctions between communication and service types...

Traditional Communications



Telecom operator = end service provider

... M2M are focused on data communications in closed user groups



OEM = end service provider

The applicability of traditional policies to M2M raises potential issues in five key areas



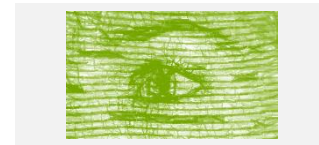
**SIM
Registration**



Roaming



**Resources
Management**



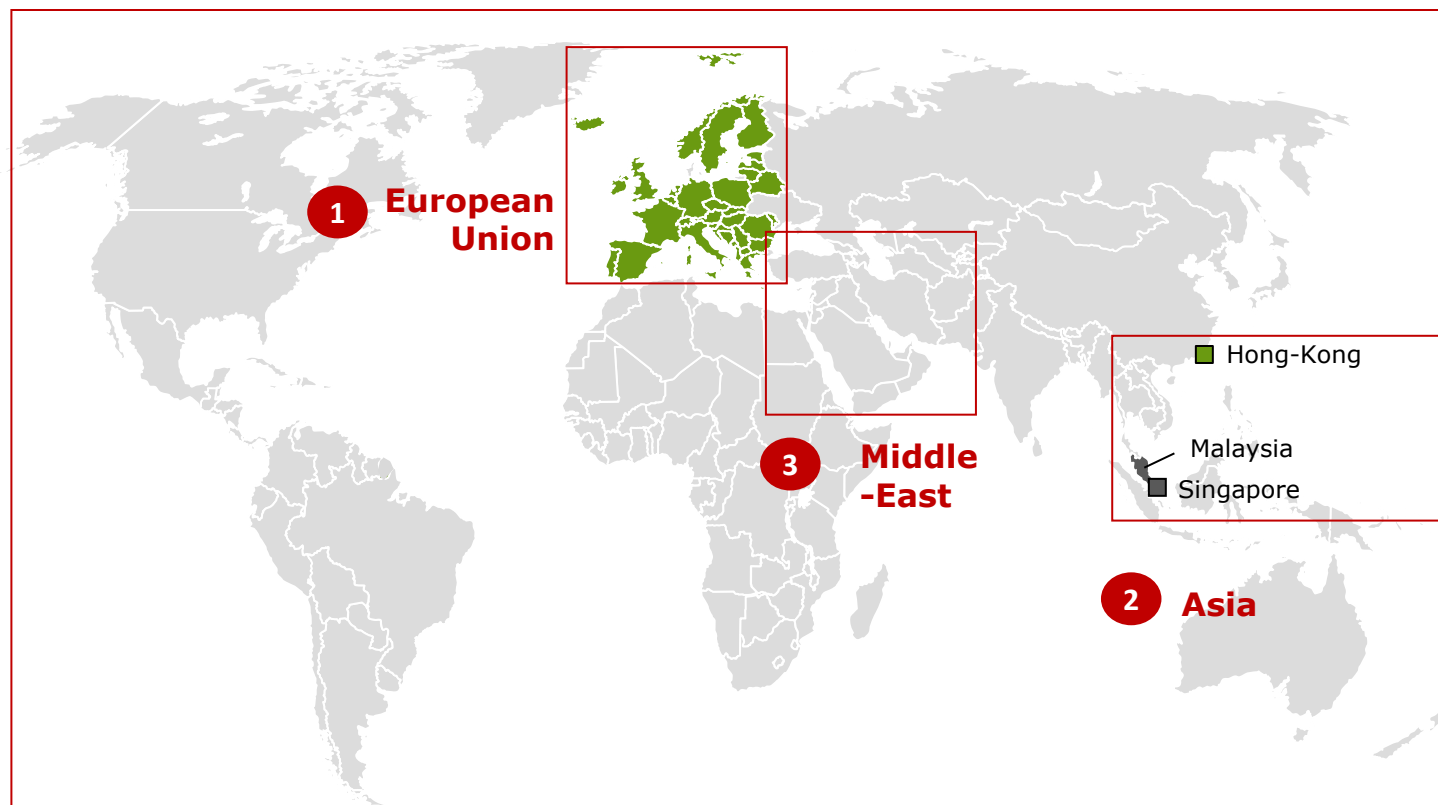
Security



**Personal
Data
Protection**

M2M regulation is currently under discussion; no clear global direction is foreseeable in the short term

M2M Regulation Overview



Grey box: M2M regulations Discussions not initiated

Green box: Ongoing discussions on the M2M regulatory Framework

Dark Grey box: M2M Regulations Issued

The market is at its embryonic stage in the ME; to promote growth... regulations and policies should be light touch



- **The M2M market is experiencing embryonic growth in the ME**

- global players are competing in the local market
- OEM are exploring the market's capability and requirements



- **The M2M are not traditional telecom services**

- no direct contractual contact with the user, Telcos are enablers
- impersonal services are common
- often have low usage data in closed network communications



- **Transparency and light touch polices to promote the industry should be preferred**

- a light-touch transparent regulatory and policy framework should be preferred to the mere application of telecom regulations
- the cost of implementing some forms of regulations could inhibit ICT business growth