

Definitive data and analysis for the mobile industry

Mobile Economic Impact Egypt

December 2018



The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with nearly 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

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Economic impact of the mobile ecosystem in 2017



Total impact

In 2017 the mobile ecosystem generated **6.6% of GDP** or \$15.7 billion in value added.

The economic impact is expected to raise from \$15.7 to \$19.1 billion by 2022, primarily due to increased take-up and usage of mobile internet

The size of the content, apps and services part of the mobile ecosystem is expected to expand, meeting increased usage of mobile internet.



Employment

Firms in the mobile ecosystem created almost **60,000 direct jobs** in 2017

Their activity also supported the indirect employment of over 75,000 people, bringing total job creation to 135,000.

This includes formal and informal employment, the latter being primarily associated to distribution and retail of mobile devices and services



Public funding

The contribution of the mobile ecosystem to public funding equalled **5.5% of government tax revenue** (\$1.7 billion)

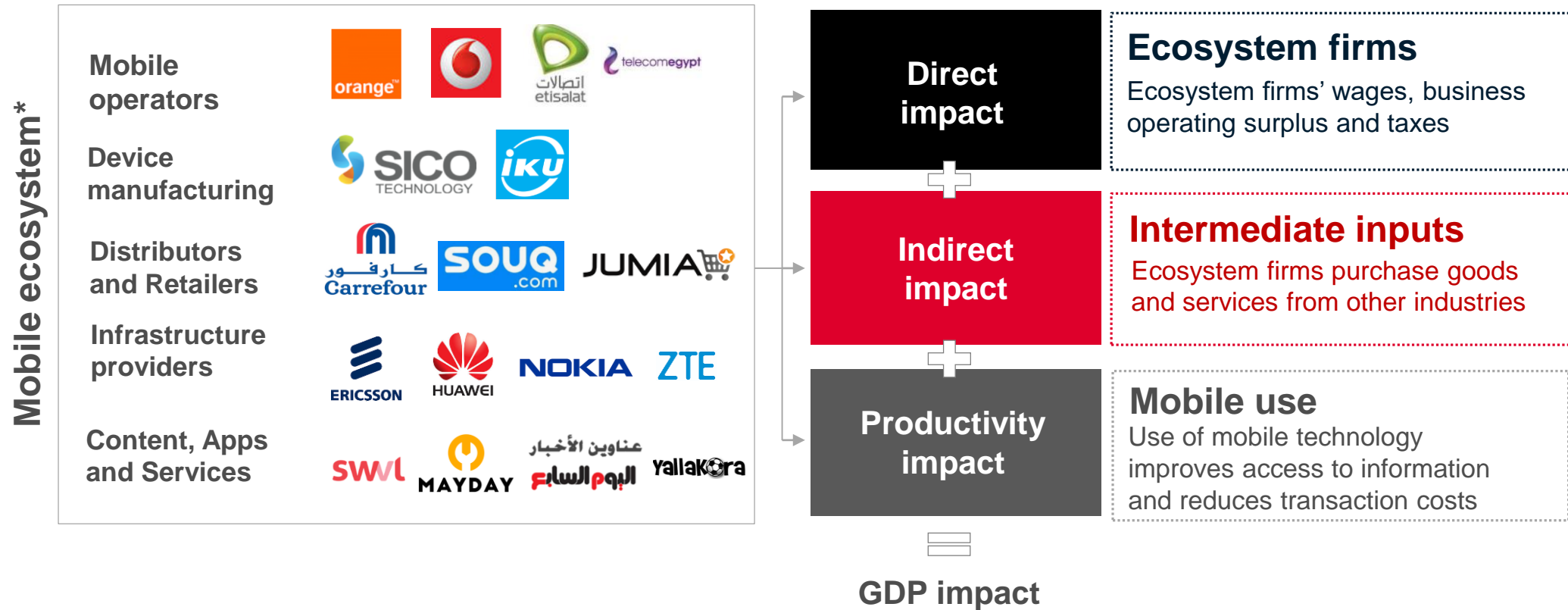
More than half of the value added directly created by the mobile industry is kept by the government

Over a third of all tax payments are sector-specific taxes, which consumers and operators pay on top of general taxation.

Economic impact of the mobile ecosystem in 2017

The mobile industry makes an important contribution to Egypt's economy

The economic value generated by the mobile ecosystem is through its direct, indirect and productivity impacts

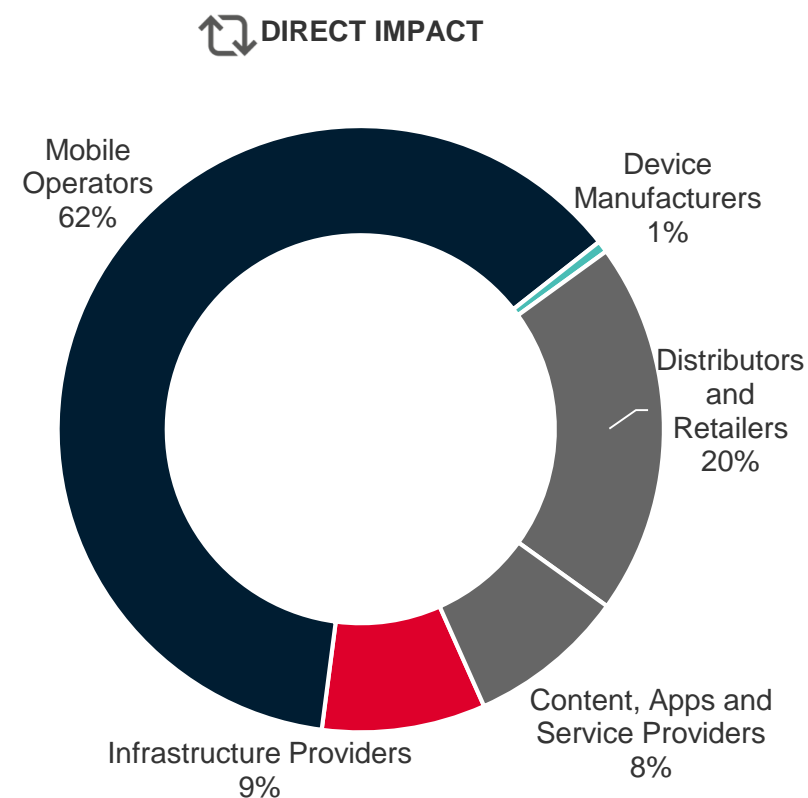
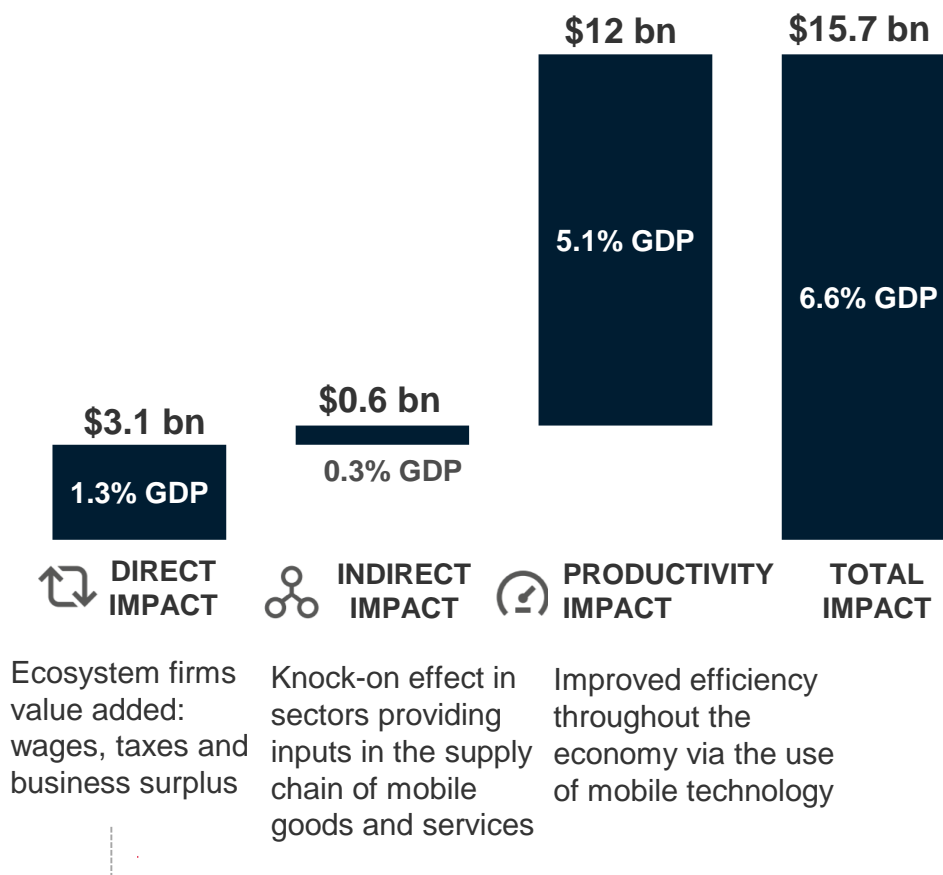


* Selected firms

Economic impact of the mobile ecosystem in 2017

1. Total contribution to GDP

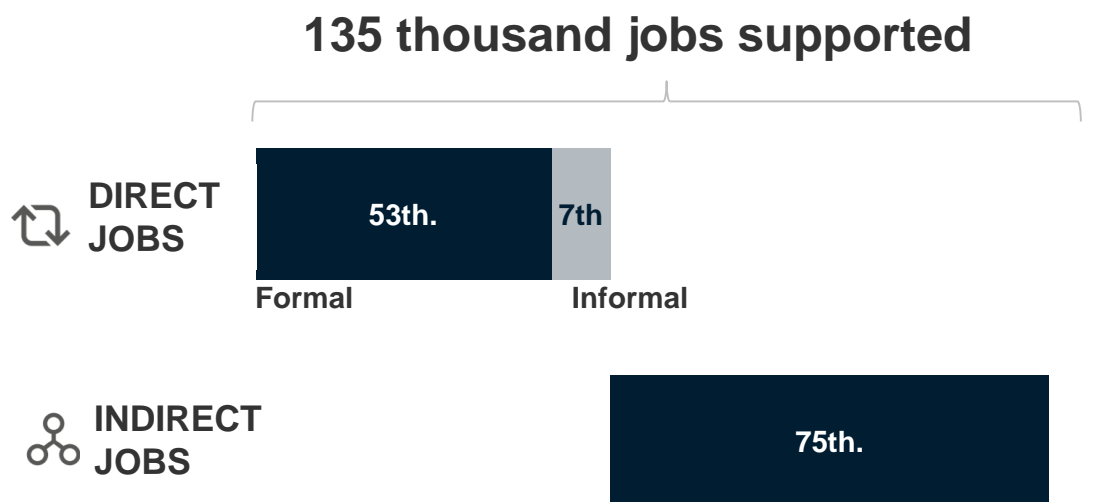
Economic impact in \$bn, and as a proportion of GDP



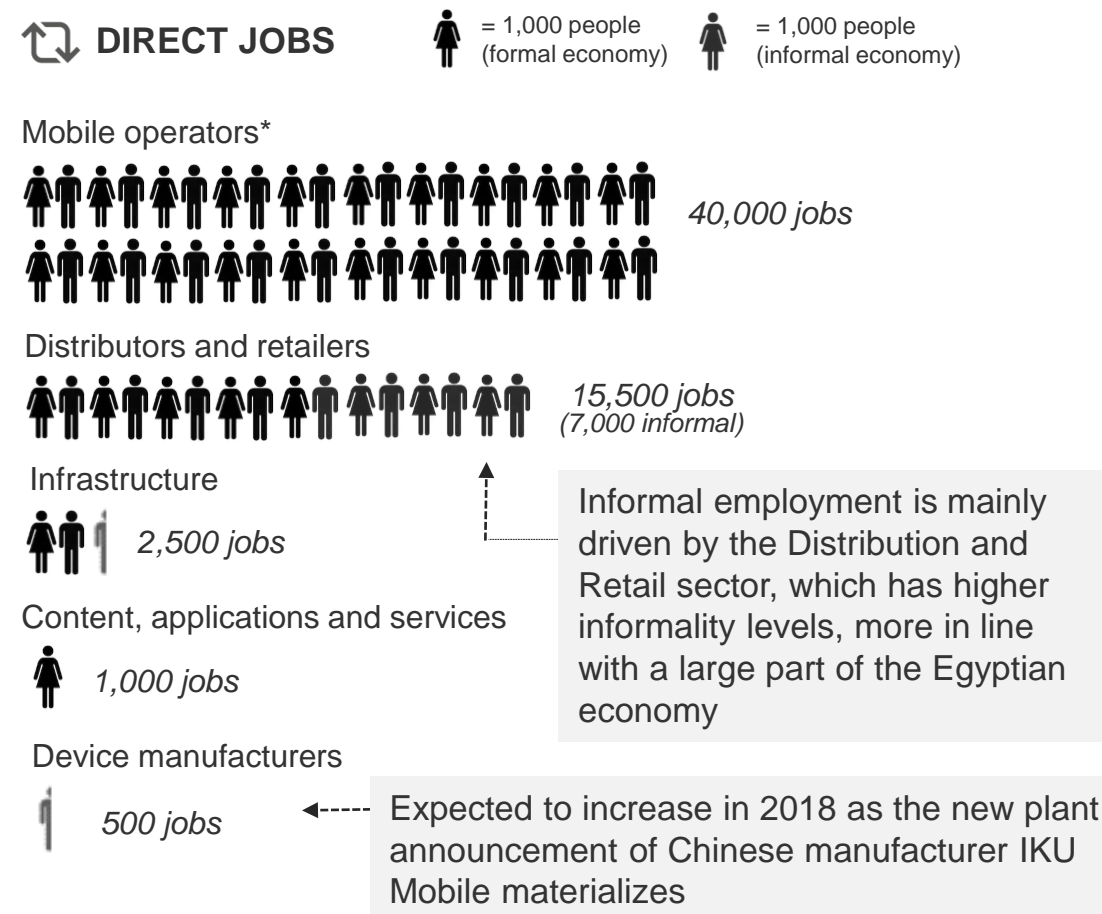
Source: GSMA Intelligence analysis

Economic impact of the mobile ecosystem in 2017

2. Employment impact

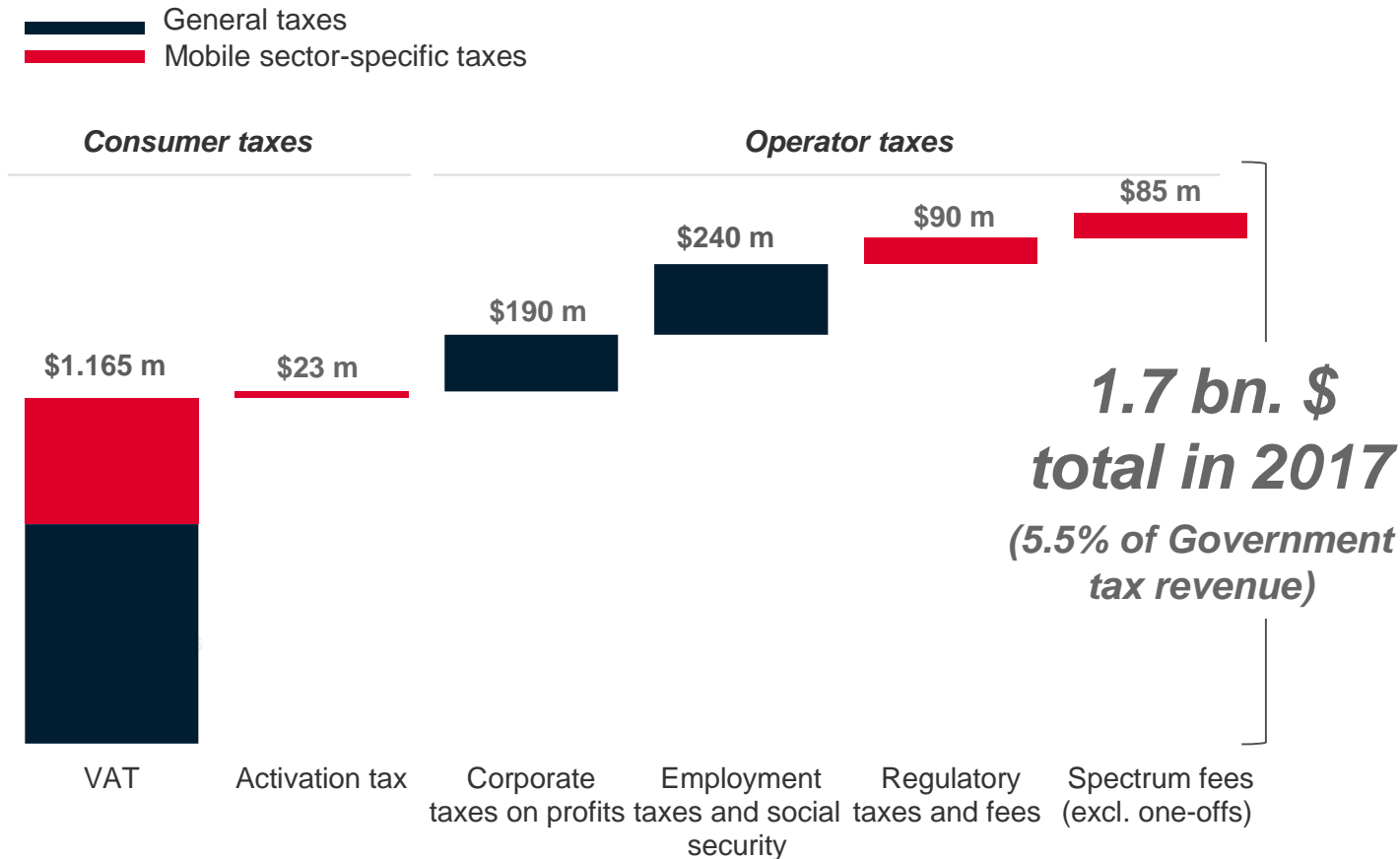


More than 40% of jobs were created directly in the ecosystem, and the rest was produced through the knock-on effect on the sectors that provide inputs for mobile goods and services



Economic impact of the mobile ecosystem in 2017





3. Contribution to public funding of the entire mobile ecosystem



- The tax contribution of \$1.7 billion means that **more than half of the value added directly created by the ecosystem is extra government revenue**
- The mobile ecosystem contributes 5.5% of government tax revenue – while revenues of the mobile ecosystem represent 1.3% of GDP.
- This includes payments of general taxes across the entire ecosystem, as well as sector-specific taxes and fees paid by consumers and mobile operators (excl. spectrum one-off fees).
- Taxes specific to the mobile industry, levied on consumers and operators account for 35% of the entire tax contribution. Most part of it is driven by the higher VAT rate that consumers pay on mobile services and devices

Economic impact of the mobile ecosystem

4. Forecast to 2022 (i)

	 Total impact	 Direct employment	 Indirect employment	 Public funding
2017	\$15.7 billion	60,000 direct jobs	75,000 indirect jobs	5.5% Government tax revenue \$1.7 billion
2022	\$19.1 billion	62,000 direct jobs	80,000 indirect jobs	6.8% Government tax revenue* \$ 2.1 billion

- Significant part of the increase in the total impact of the mobile ecosystem will be brought by productivity improvements, driven by increased take up of mobile internet in general, and 4G especially
- The increased impact will also be through an expansion of the mobile ecosystem - particularly in Content and Services, meeting increased usage of mobile internet

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