# Intelligence





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.

For more information, please visit the GSMA corporate website at <a href="https://www.gsma.com">www.gsma.com</a>

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# Intelligence

GSMA Intelligence is the definitive source of global mobile operator data, analysis and forecasts, and publisher of authoritative industry reports and research. Our data covers every operator group, network and MVNO in every country worldwide – from Afghanistan to Zimbabwe. It is the most accurate and complete set of industry metrics available, comprising tens of millions of individual data points, updated daily.

GSMA Intelligence is relied on by leading operators, vendors, regulators, financial institutions and third-party industry players, to support strategic decision-making and long-term investment planning. The data is used as an industry reference point and is frequently cited by the media and by the industry itself.

Our team of analysts and experts produce regular thought-leading research reports across a range of industry topics.

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# **Summary**

#### Part 1

#### **State of industry**

Pakistan is an emerging mobile economy, with three mobile broadband connections for every ten citizens

According to the GSMA Mobile Connectivity Index, improving mobile infrastructure should be a priority to improve Pakistan's current score of 37

Whilst Pakistani consumers are not as active as the average Asian consumers on mobile use, they are more likely to use mobile financial services

#### Part 2

#### **Economic impact in 2018**



# សុំហុំ Employment

Public funding

In 2018 the mobile ecosystem generated <u>5.4% of GDP</u> or \$17 billion in value added.

This is forecasted to increase up to **\$24 billion** in 2023, due to productivity benefits from increasing mobile internet penetration.

Firms in the mobile ecosystem created <u>320,000 direct jobs</u> in 2018

Their activity also supported the indirect employment of over **130,000 people**.

The mobile ecosystem's contribution to public funding equalled \$2.2 billion, close to 5.9% of government tax revenue.

Over 60% of the value added by the mobile ecosystem is retained by the government in the form of taxation.

# Pakistan

Pakistan 37

Mobile Connectivity
Index 2017

Asia Pacific **59** 

Total mobile spectrum **256 MHz** 

Sub-1GHz spectrum **85 MHz** 



Penetration, 2018

76% Mobile Penetration

31% Mobile Internet Penetration



**Economic Impact** 

2018

\$17 billion

5.4% GDP

2023

\$24 billion

6.6% GDP



**Jobs Impact** 

2018

**450,000** direct and indirect jobs



**Fiscal Impact** 

2018

**\$2.2 billion** fiscal contribution

**Source** GSMA Intelligence



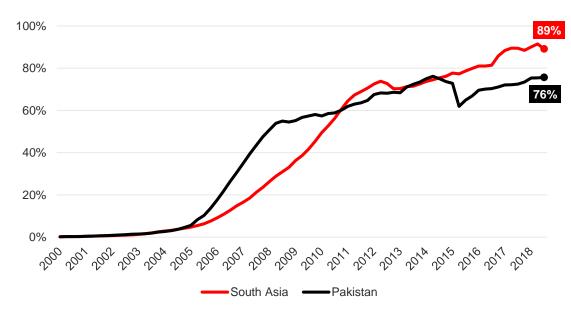


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#### **Penetration**

#### Mobile connections penetration

Connections as % of population

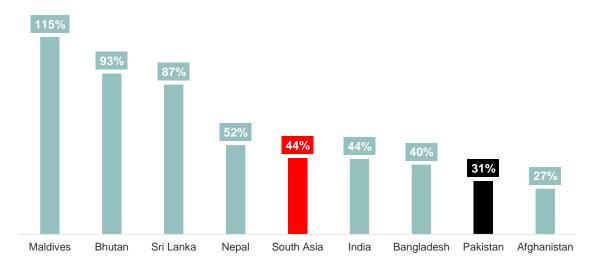


After an initial period of acceleration, mobile penetration broadly tracks rates seen elsewhere in South Asia.

In 2015, penetration dropped by 10 percentage points due to the new SIM registration process implemented by the Government.

#### Mobile broadband connections penetration

Connections as % of population, Q4 2018

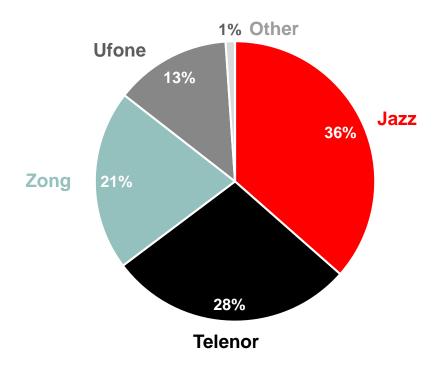


However, Pakistan lags behind its South Asian neighbours in terms of mobile broadband connections, with only three mobile broadband connections for every ten people.

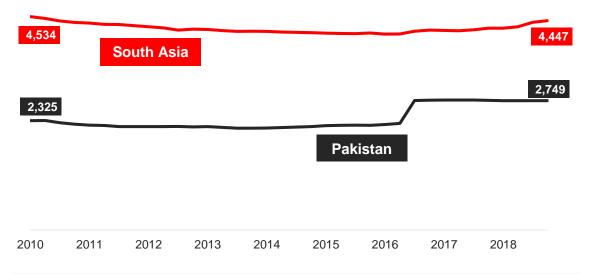




**Jazz** is the market leader in Pakistan with over one third of all mobile connections. However, competitors **Telenor** and **Zong** are major players as well. **Ufone** provides significant fourth-player competition.



#### Herfindahl-Hirschman Index: measure of market concentration



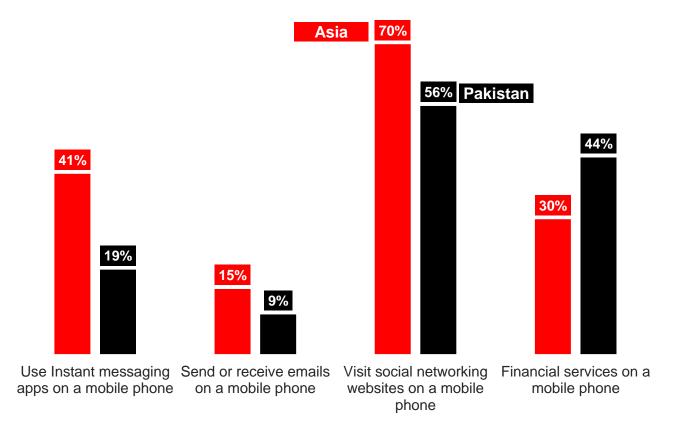
Pakistan has a significantly less concentrated market than typical in South Asia. There was one case of major market consolidation in recent years: Mobilink and Warid merged at the end of 2015 to form Jazz, the current market leader.





#### Consumer use of services on a mobile phone

Percentage of all mobile users



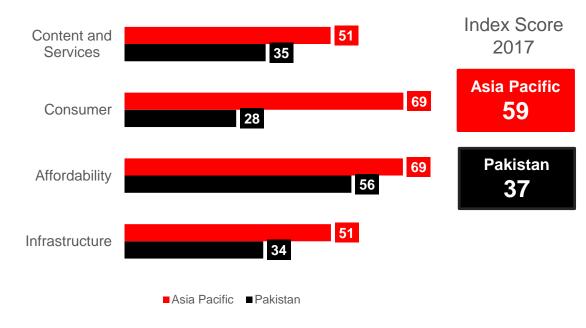
- According to the GSMA Intelligence Consumer Survey (2017), only 19% of Pakistani mobile users access instant messaging apps on a mobile phone, in comparison to 41% of users across Asia on average
- Social Networking is much more popular in Pakistan, however – 56% of users access social networking websites on a mobile phone
- But Pakistani consumers are much more active in mobile banking than other Asian consumers
- 44% of Pakistani mobile users access financial services on a mobile phone – this is greater than the 30% average across the Asia region





#### Mobile Connectivity Index

Score of enablers, ratings based on data for 2017



The score of each enabler can range from 0 to 100

- Pakistan scores 37 on overall connectivity, according to the GSMA Mobile Connectivity Index. This is in the lower end of the global and regional average – the latter of which is 59.
- Pakistan's key areas of improvement are infrastructure and consumer readiness in addition to content and services
- In particular, Pakistan scores low on infrastructure because of limited network coverage, below-average network performance and a poor availability of spectrum for mobile network operators.

# Intelligence

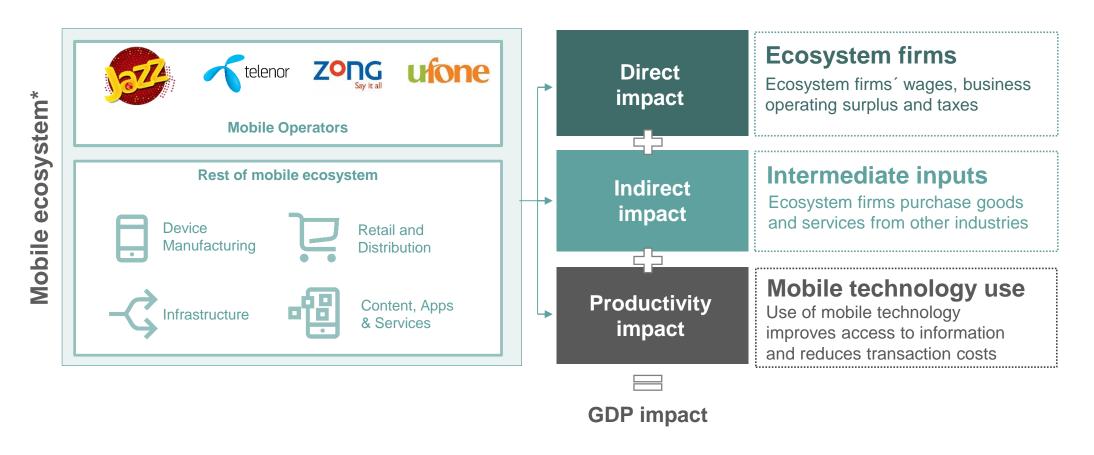
# 2. Economic impact of the mobile ecosystem

Mobile Economic Impact: Pakistan



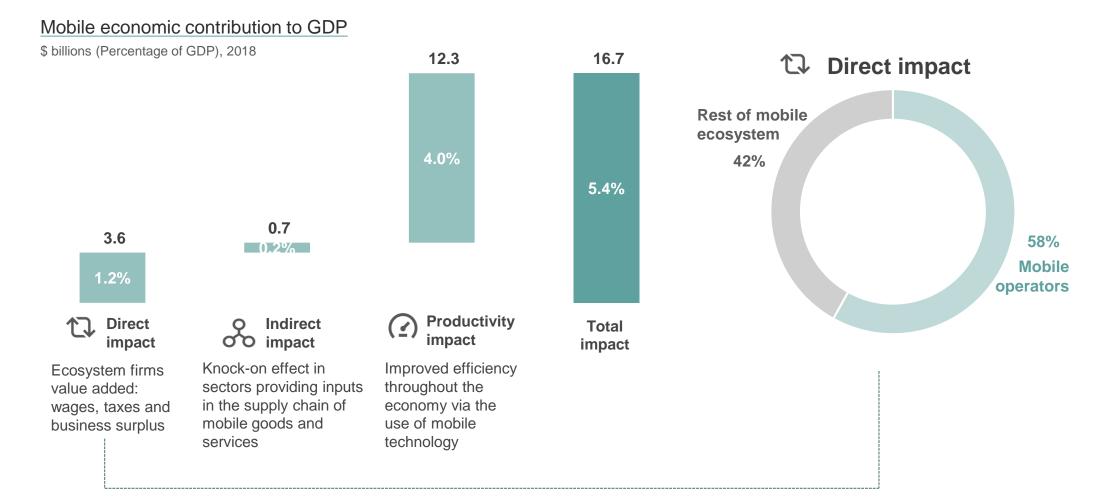
#### The mobile industry makes an important contribution to Pakistan's economy

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



\* Selected firms

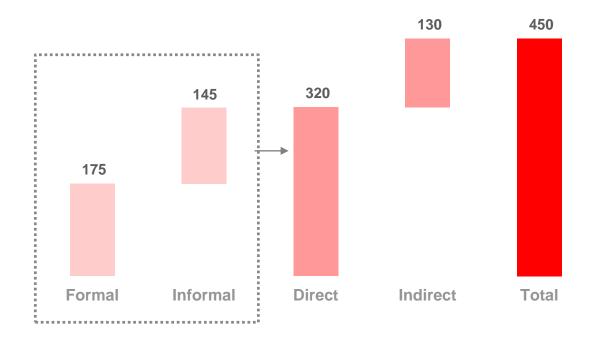






#### Mobile economic contribution to employment

Jobs (thousands), 2018

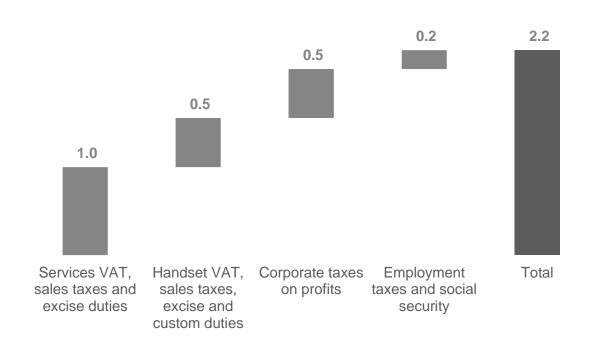


- In 2018, the mobile sector and related industries directly supported 320,000 jobs in Pakistan, of which 145,000 are estimated to be in the important informal economy.
- The mobile ecosystem buys goods and services from an extensive supply chain which in turn employs more staff. As these industries further interact with supply chains throughout the economy, this effect multiplies across Pakistan and supports a further 130,000 jobs.
- As a result in total the mobile ecosystem supports 450,000 jobs directly and indirectly.



#### Mobile ecosystem fiscal contribution to government revenue

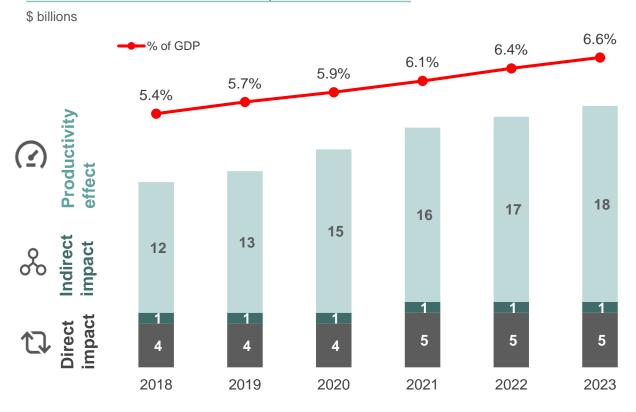
\$ billions, 2018



- The mobile ecosystem decisively contribute to the fiscal income of Pakistan, with a total of \$ 2.2 billion in direct and indirect taxes in the year 2018.
- Most of the revenues are obtained through direct taxes on mobile services and handsets, including VAT, sales taxes and excise duties.
- Corporate taxes and other indirect taxes, including employment related taxes, account for \$0.7 billion on 2018.

<sup>\*</sup>Excludes spectrum payments, regulatory taxes and fees that are not based on mobile operator's revenue

#### Mobile economic contribution, forecast to 2023



- The mobile ecosystem will continue to provide significant contributions to the Pakistani economy in the coming years
- This is mainly driven by the productivity impact, which will continue to increase due to the productivity gains by businesses using mobile internet and 3G/4G technology.
- By 2023, mobile internet (including 3G/4G) productivity impacts will account for \$7 billion of the total \$18 billion productivity impact in 2023.

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