REALISING JORDAN'S MOBILE FUTURE



28 APRIL 2014
AMMAN, JORDAN

ROLE OF THE GSMA

WE ARE THE GLOBAL INDUSTRY VOICE SHAPING THE FUTURE OF MOBILE

INDUSTRY FORUM

Enabling industry collaboration and consensus

POLICY ADVOCATE

Promoting policies that foster growth and investment

MARKET THINK TANK

Delivering insight and analysis from global industry data

BUSINESS CATALYST

Serving the global mobile ecosystem through events such as Mobile World Congress

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GSMA BY THE NUMBERS

MEMBERSHIP

800
mobile operators in over 220 countries

230 associate members

MOBILE REACH

6.6 billion
mobile connections

3.2 billion
individual subscribers

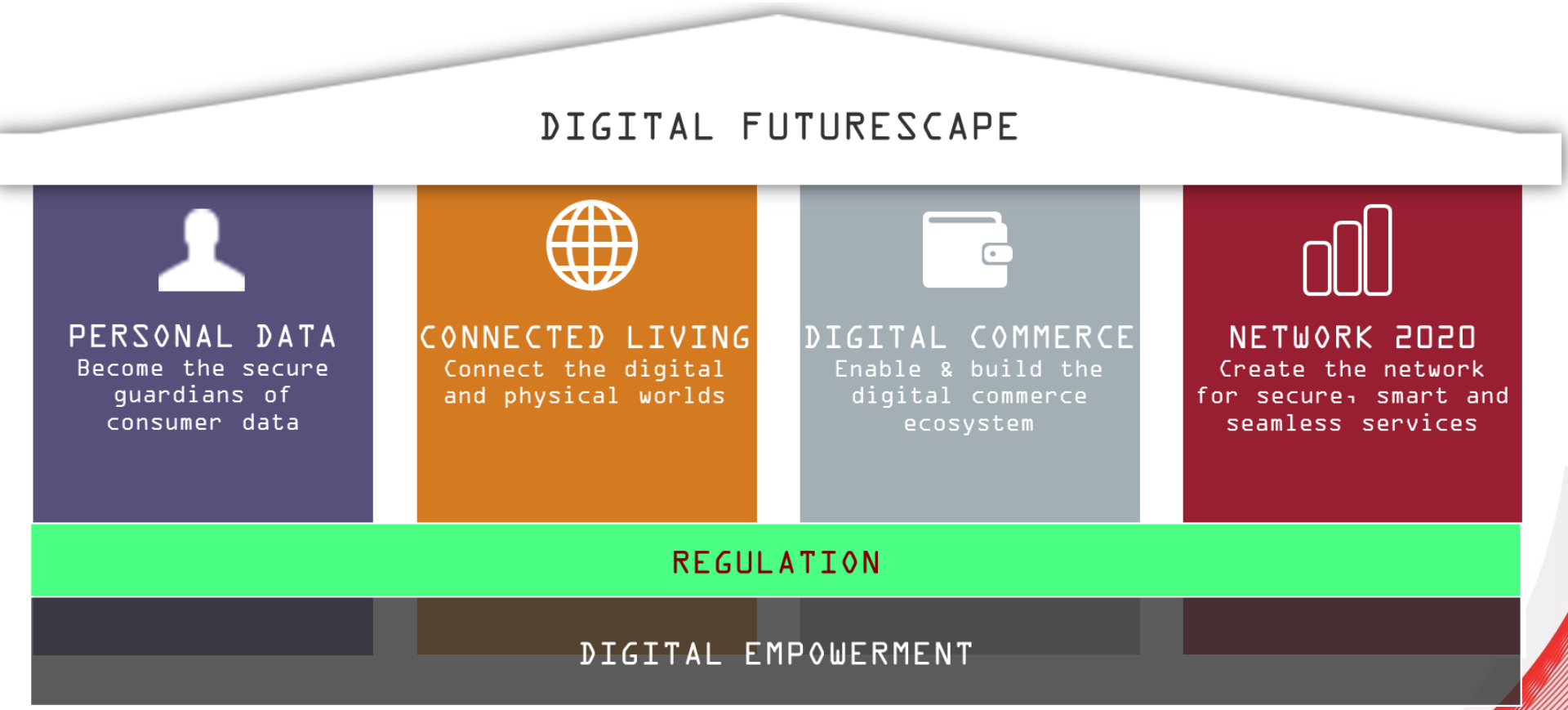
PRESENCE

Offices in
9 countries
serving every region

Staff based in
26 countries
representing
36 nationalities

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AN EVOLVING MOBILE ECOSYSTEM



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MOBILE: CONNECTING YOUR WORLD

Video - Connecting Your World

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THANK YOU FOR YOUR ATTENTION!

Enjoy the rest of the programme…

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Creating the right framework for investment to accelerate the digital economy

Amman, Jordan - April 28, 2014

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WORLDBANK: BROADBAND = GAME CHANGER

With some of the highest rates of unemployment and the most youthful populations in the world, MENA countries have a formidable challenge to create and sustain economic and social opportunities for their people.

MOBILE BROADBAND is a potential game-changer, enabling new solutions and innovative approaches that could help the region meet some of its pressing challenges.

“Broadband is a **GENERAL PURPOSE TECHNOLOGY** (GPT) with pervasive productivity impacts on multiple sectors of the economy (energy, water, industrial production, services, transport, and so on). Broadband has a similar impact on the transformation of the economy as previous GPTs have had in the past, including the printing press, steam engines, and electricity.”

WORLD BANK, FEBRUARY 2014

Thank you

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BROADBAND AND ECONOMIC DEVELOPMENT

DOMESTIC PRODUCTIVITY
Broadband infrastructure and services contribute directly to domestic productivity and competitiveness. In particular, mobile broadband may have a greater impact on poorer countries by reducing economy-wide inefficiencies.

Broadband drives competitiveness in manufacturing through information technology (IT)-enabled supply chains: broadband powers the most relevant innovations in the production processes likely to shape the future of manufacturing (e.g., digital modelling, simulation and visualization, big data analytics, social and collaborative technologies, and just-in-time supply).

REGIONAL TRADE DEVELOPMENT
broadband enables trade development and integration. **FOR EVERY PERCENTAGE POINT INCREASE IN THE NUMBER OF INTERNET USERS, THERE IS A BOOST IN EXPORTS OF 4.3 PERCENTAGE POINTS.**

Thank you

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BROADBAND AND ECONOMIC DEVELOPMENT

CONDUIT OF FOREIGN DIRECT INVESTMENT

Availability of reliable and reasonably priced broadband Internet access is a key determinant in foreign direct investment (FDI) decisions.

Low- cost and high-quality broadband reduces transaction costs and enables flexible firm locations. **An econometric study targeting Arab and other emerging economies found a strong correlation between broadband development in a competitive environment and FDI**.

NEW EMPLOYMENT FRONTIERS

As such, broadband is strategic to the MENA region, characterized by high unemployment, including among youth, women, and graduates. Broadband helps allocate activities more efficiently between workers tackling complex, highly dynamic tasks and more traditional workers. Broadband also expands the frontiers of traditional jobs, enabling new job and income opportunities

Thank you

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HIGH TAXES ON MOBILE ARE HARMFUL

- Mobile telecoms is a significant contributor to national economies
  - Direct contribution to GDP
  - Mobile services stimulate activities in the wider economy further boosting GDP
  - Provides sustainable employment opportunities
  - Improves productivity of employees and businesses
  - Social benefits (e.g. m-money)

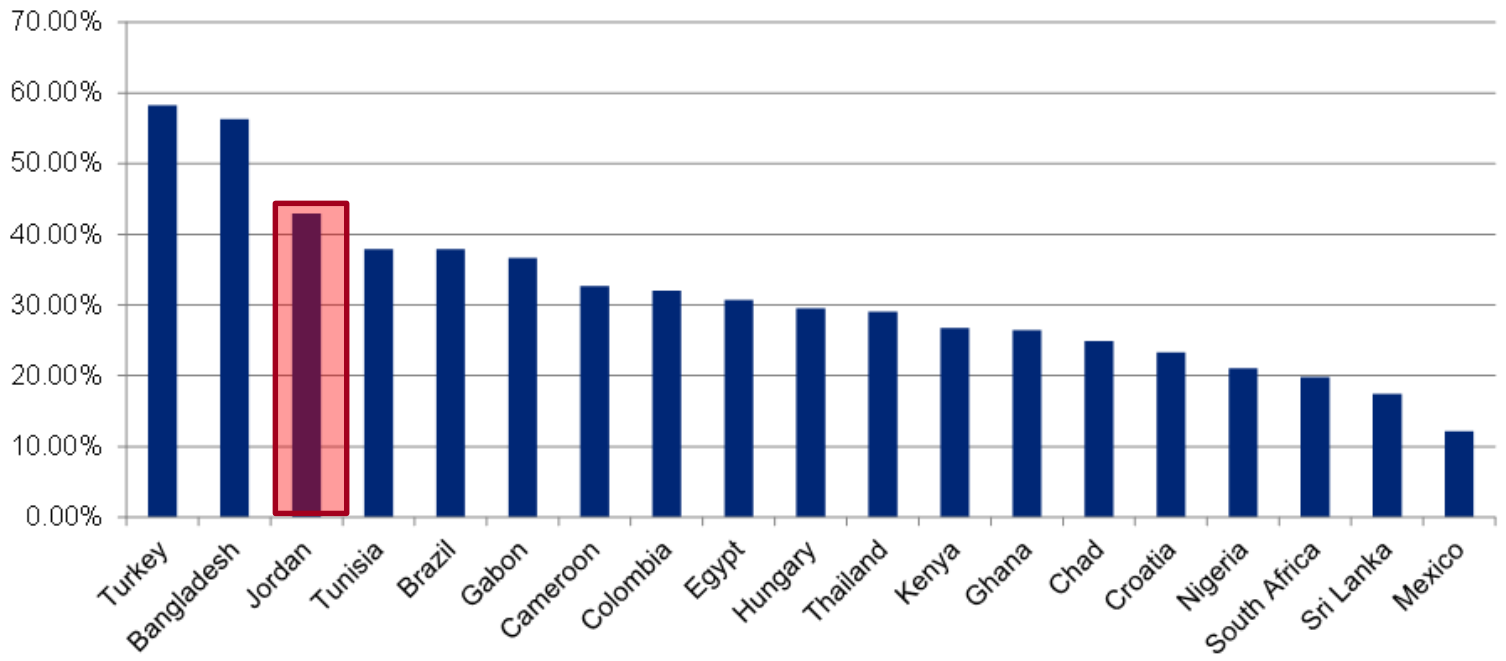
- Sector-specific taxes on mobile restrict mobile growth
  - Prevents consumer take-up of mobile services
  - Discourages consumer usage
  - Hinders investment in networks and services
- A balanced taxation structure across the economy encourages mobile growth and socio-economic development.

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HIGH AND INCREASING MOBILE TAX BURDEN IN JORDAN

Cross-country comparison of mobile tax and fees burden



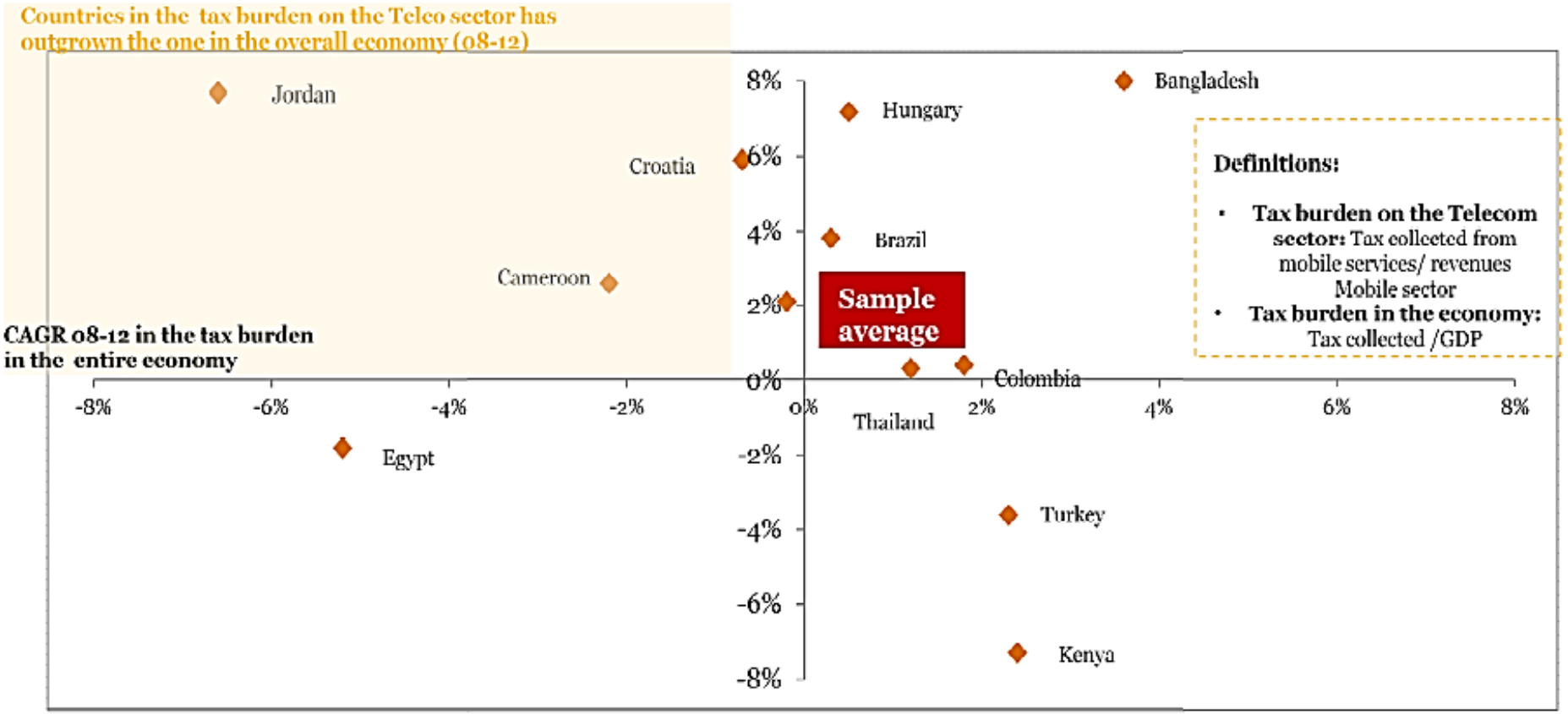
Source: Deloitte analysis (2013)
Note: Tax burden is calculated as a percentage of gross revenue

- The mobile tax burden increased at an average annual rate of over 7% in Jordan during 2008-12

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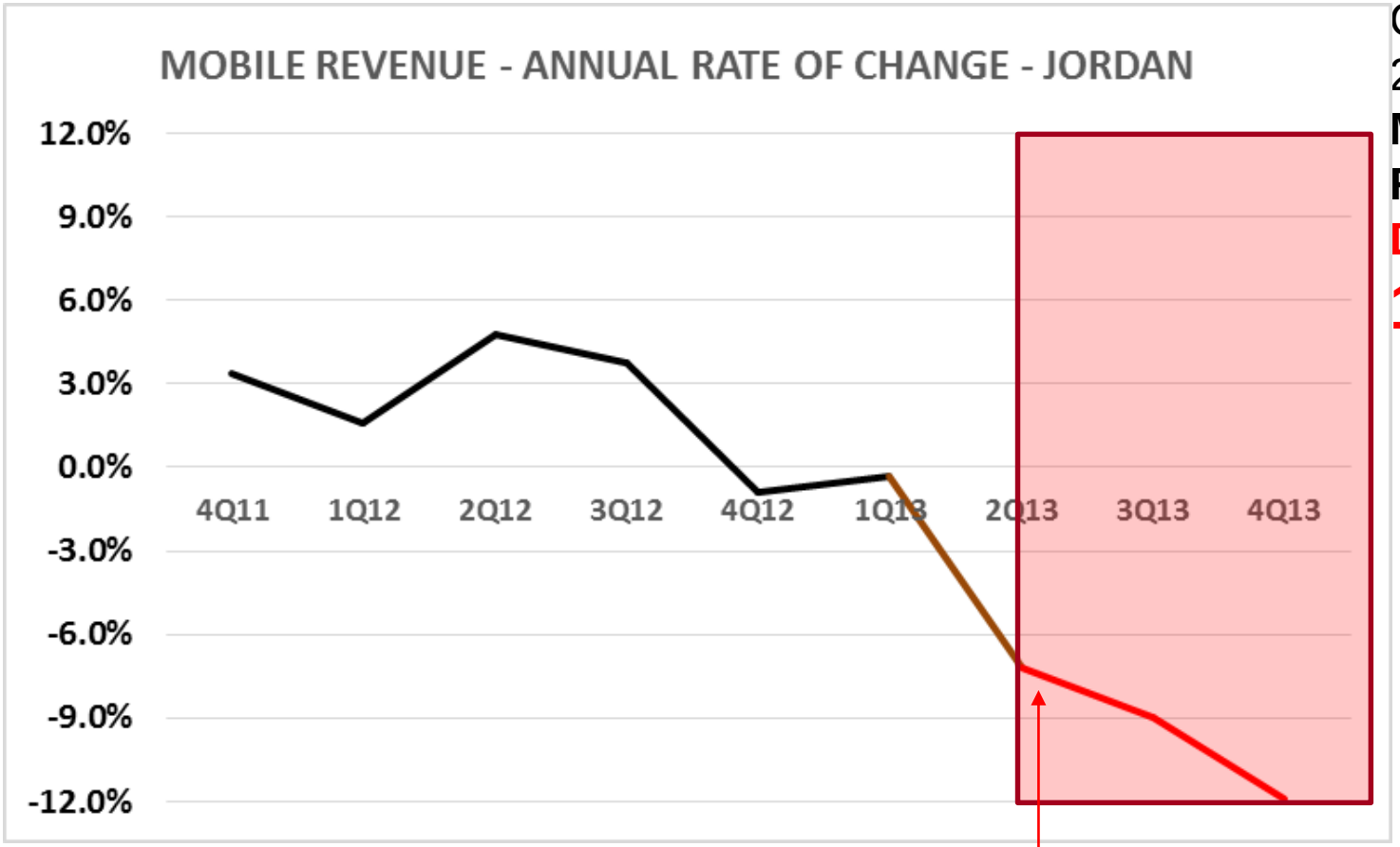
TAX ON MOBILE HAS OUTGROWN BROADER ECONOMY



Thank you

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JORDAN: RISE IN SALES TAX HAS HURT MOBILE



COMPARING 2H2013 to 2H2012:

MOBILE REVENUES DECLINED OVER

10%

MOBILE PENETRATION

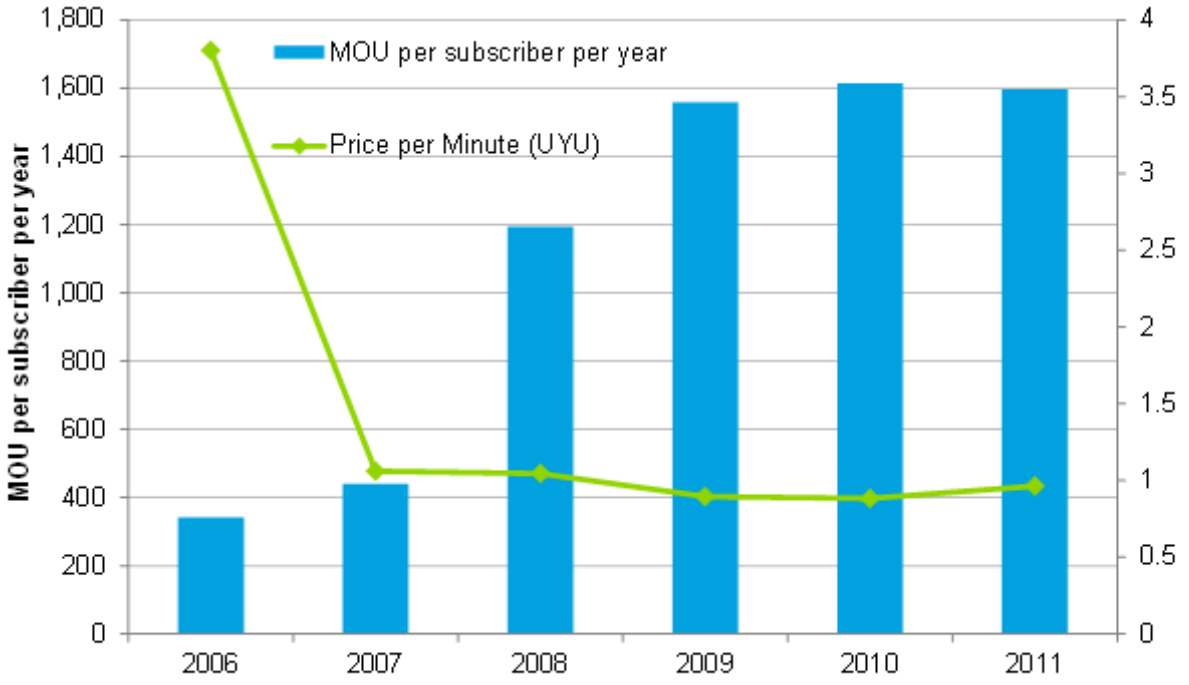
- 3.4 PP IN 4Q13

July 2013: Special Tax On Mobile Increase by 100% (12% - 24%)

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LOWERING MOBILE TAXES IS BENEFICIAL

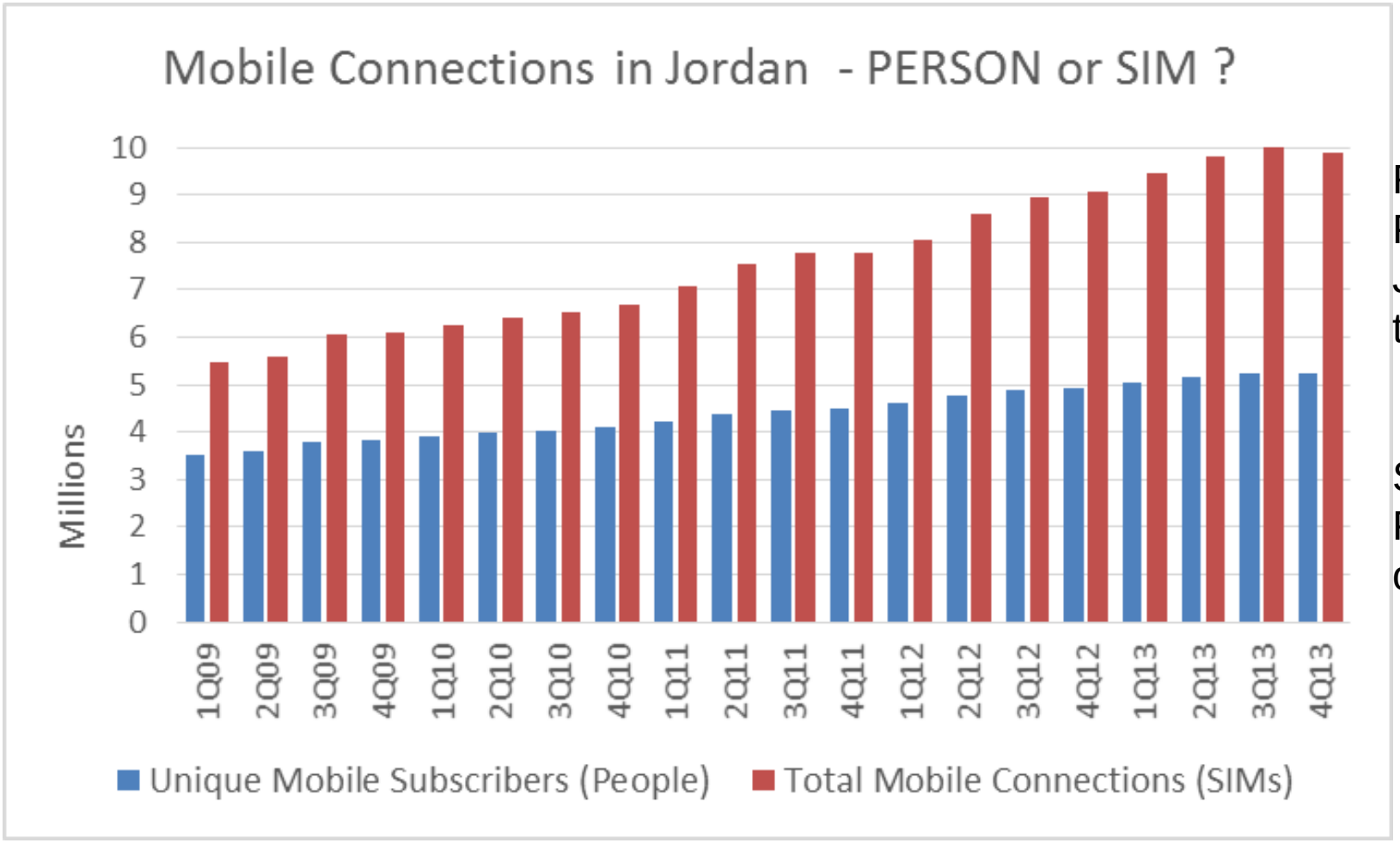


- 2007: Uruguay government abolished airtime tax
- Penetration doubled in the next four years
- 4x increase in minutes of use

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MUCH INVESTMENT STILL REQUIRED TO DRIVE GROWTH



Real Mobile Penetration in Jordan closer to 70%

SIM Penetration is over 130%

Thank you

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MOBILE TO DELIVER VALUE TO ADJACENT INDUSTRIES

Adjacent Industries

Illustrative and not exhaustive



Example of elements of the mobile proposition

- New connected devices
- Machine to Machine
- Cloud Services
- Existing connected devices
- Mobile Broadband
- Vertical applications

Example of operator assets to go beyond connectivity

- Operator Billing
- Mobile Identity
- Location

Thank you

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EXAMPLE: MOBILE-ENABLED SMART CITY

- Smart City makes extensive use of ICT, including mobile networks, to improve the quality of life of its citizens in a sustainable way.

- Smart City combines and shares data sets captured by intelligently-connected infrastructure, citizens and vehicles

  - to generate new insights and provide ubiquitous services
  - enable people to access info about city services, move around easily,
  - improve the efficiency of city operations,
  - enhance security
  - fuel economic activity
  - and increase resilience to natural disasters

1. Utilities/Smart Metering
2. Transport/Traffic Management
3. Financial Inclusion/Digital Commerce
4. Health informatics and patient monitoring
5. Agricultural processes
6. Industrial processes
7. mGovernment Services

Thank you

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