GSMA



The Mobile Economy Middle East and North Africa 2026

GSMA

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more at **gsma.com**

GSMA 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.

www.gsmaintelligence.com

info@gsmaintelligence.com

Copyright © 2026 GSMA

Contents

Executive summary 2

1. The economic impact of the mobile industry 6

1.1 Macroeconomic outlook 7

1.2 Mobile's contribution to the economy 8

2. Trends shaping the mobile industry 12

2.1 5G: new launches broaden adoption 13

2.2 AI: sovereign ambitions and key opportunities for operators 16

2.3 Threat environment: resilience moves up the agenda 19

3. Mobile industry impact 22

3.1 Closing the coverage and usage gaps 23

3.2 Access to healthcare and education 25

3.3 Reducing climate emissions 26

3.4 Digital identity and the mobile economy 27

4. Industry enablers 29

4.1 Sector-specific taxation and fiscal policy 30

4.2 Investment and monetisation 32

4.3 Coverage and quality 34

Executive summary



Mobile connectivity is becoming a core pillar of economic diversification and digital transformation across the Middle East and North Africa (MENA). The region combines some of the world's most advanced 5G markets in the Gulf with large populations in other markets that remain excluded from mobile internet. Closing this divide – while building the infrastructure needed for AI, cloud services and the next generation of networks – will shape MENA's ability to convert digital investment into broader growth.

In 2025, mobile technologies and services generated $380 billion of economic value across MENA, equivalent to 5.8% of regional GDP. The mobile ecosystem supported 2.2 million jobs and contributed $40 billion to public finances. By 2030, mobile's economic contribution is forecast to reach $470 billion, growing faster than the wider economy as 5G, IoT, cloud and AI raise productivity, enable new business models and support diversification beyond oil and gas.

The transition to advanced networks in the region is accelerating but remains uneven. 5G accounted for 9% of connections in 2025 and is expected to reach 40% by 2030, with the Gulf Cooperation Council (GCC) states leading on adoption, 5G standalone (SA) networks and 5G-Advanced capabilities. Operators are forecast to invest $88.9 billion between 2025 and 2030, even as revenue growth remains moderate. This increases the importance of monetisation through fixed wireless access, enterprise services, IoT, network APIs and satellite integration, as well as policy frameworks that sustain investment.

Inclusion and resilience are equally important. In 2025, 48% of MENA's population used mobile internet, while 49% lived within coverage but remained offline and 3% were outside mobile broadband coverage. Device affordability, digital skills and locally relevant content remain the principal barriers to adoption. At the same time, conflict-related disruption, cyberthreats and physical damage to digital infrastructure have made network redundancy, secure cross-border disaster recovery and protection of critical infrastructure central to the region's digital agenda.

$380bn

In 2025, mobile technologies and services generated $380 billion in economic value or 5.8% of GDP, and will grow at a CAGR of 4.4% to reach $470 billion by 2030

2.2m jobs

The mobile ecosystem supported 2.2 million jobs in 2025, including approximately 1.2 million direct jobs and 1 million indirect jobs

Key trends shaping the mobile ecosystem

5G evolution

Adoption rises rapidly as capabilities diverge across markets

5G connections are forecast to rise from 9% of the regional total in 2025 to 40% by 2030. The GCC states are moving towards 5G SA and 5G-Advanced, while many markets in North Africa and the Levant remain focused on extending coverage and migrating users from legacy technologies.

AI and cloud infrastructure

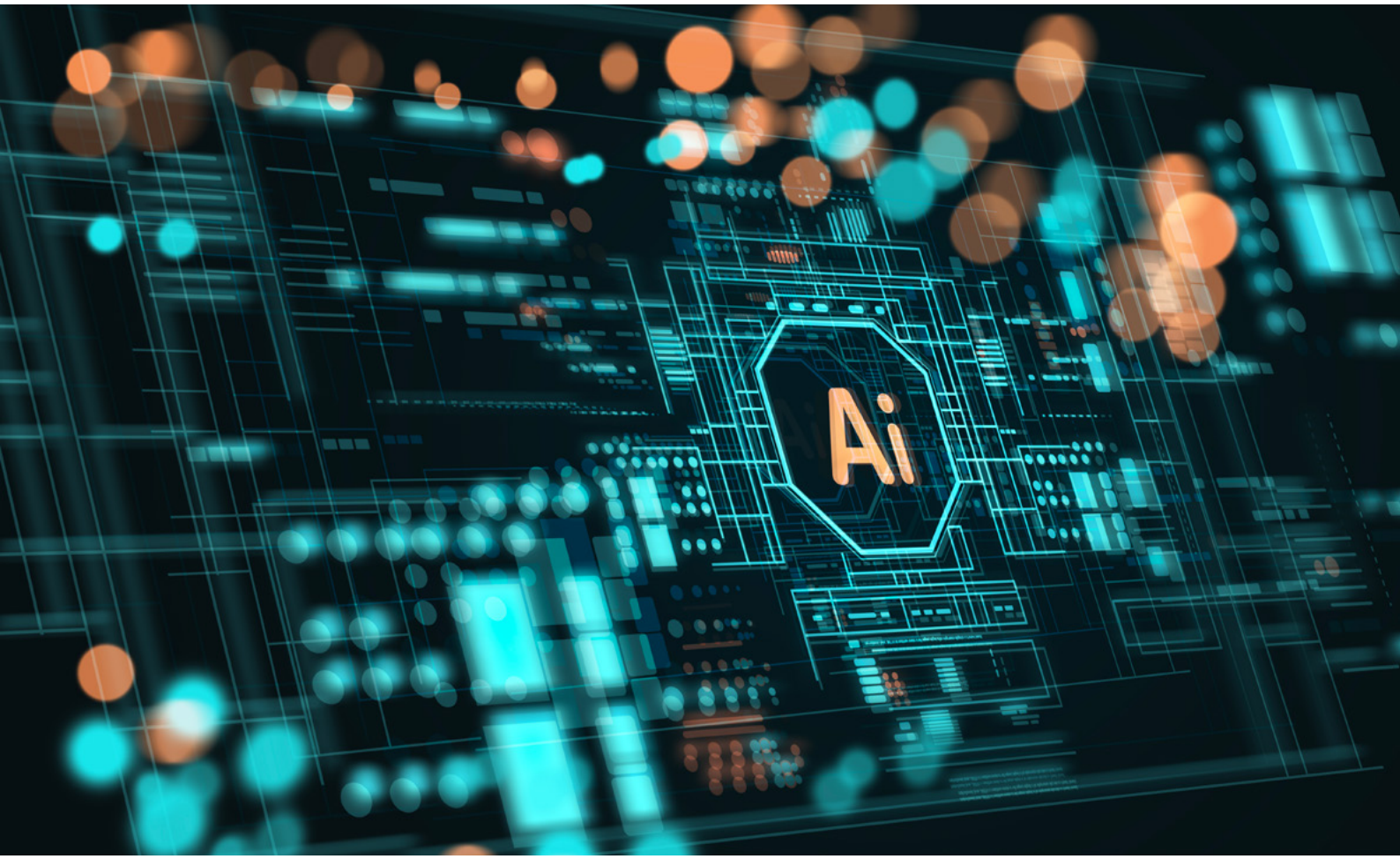
Sovereign compute investment creates a new role for operators

The GCC states are investing in AI compute and data centres on a global scale, while markets in North Africa and the Levant are developing smaller sovereignty-led projects. Operators possess fibre, data-centre assets, a licensed local presence and government relationships, putting them in a position to connect, host and commercialise AI services.

Security and resilience

Digital infrastructure must withstand cyber and physical disruption

AI-enabled fraud, state-linked cyber activity and physical attacks on data centres and networks are raising operational and financing risks. As such, operators require fraud-prevention tools, diversified cable routes, multi-region redundancy, tested continuity plans and data rules that permit secure disaster recovery without weakening sovereignty.



Policies for innovation and growth

The policy challenge in MENA is to sustain investment while making connectivity more affordable, inclusive and resilient. Sector-specific taxes, high spectrum costs and fragmented regulatory fees can weaken operator investment incentives and raise the cost of devices and services. Policymakers should focus on investment-led competition, predictable licensing and a more neutral fiscal framework.

Spectrum policy will be decisive for sustainable investment and affordable connectivity. Regulators should publish long-term roadmaps, make sufficient low- and mid-band spectrum available, set conservative prices, provide long licence terms and account for coverage obligations when determining fees. Low-band spectrum remains essential for rural and indoor coverage, while additional mid-band capacity will be needed to support traffic growth, 5G-Advanced and future 6G services.

A broader policy package should redirect universal-service funding towards measurable reductions in the usage gap; support affordable devices, digital skills and local content; enable infrastructure sharing and new 5G business models; and integrate satellite services as a complement to terrestrial networks. Governments should also treat telecoms and data centres as critical infrastructure, require tested resilience and restoration plans, expand access to renewable power and permit tightly governed cross-border disaster-recovery arrangements. Together, these measures would strengthen the investment case, widen participation in the digital economy and make MENA's connectivity infrastructure more dependable in both normal conditions and emergencies.

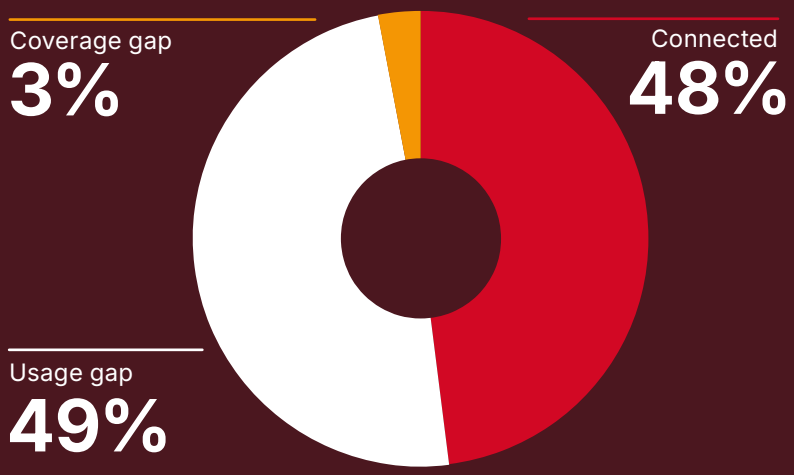


The Mobile Economy MENA

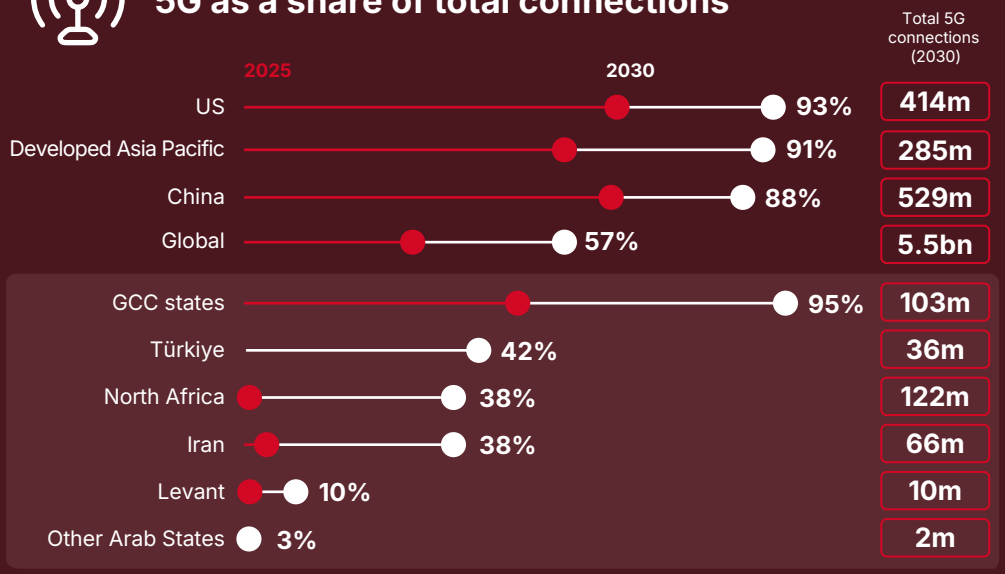
State of mobile internet connectivity

2025

MENA has near-universal coverage, with the coverage gap narrowing to nearly 3%. However, the usage gap remains a challenge. Affordability programmes and digital skills initiatives have helped to address usage gaps and support wider adoption.



5G as a share of total connections



95%

5G adoption in the GCC states is higher than the global average and is expected to reach 95% by 2030.

Other MENA countries will remain below the global average for 5G adoption through to 2030. Future growth will depend on supportive investment conditions and improved affordability of 5G-enabled devices.

Operator revenues and investment

Revenues

2025 **$79.5bn**

2030 **$96.1bn**

Investment

Capex for the period 2025–2030

$88.9bn

Mobile-sector tax contribution

2025 **$40bn**

5% The mobile ecosystem accounts for 5% of all tax revenues raised in MENA

01

The economic impact of the mobile industry



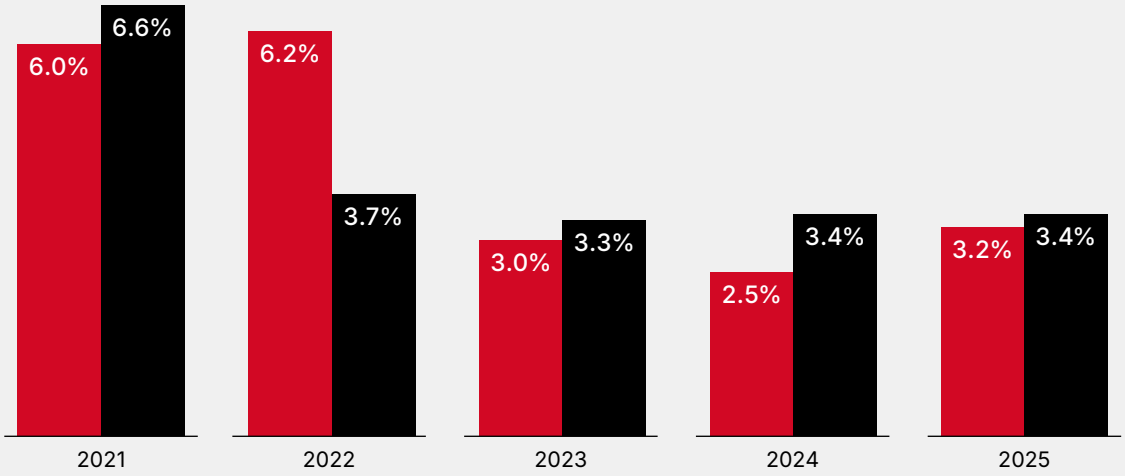
1.1
Macroeconomic outlook

In 2025, the Middle East and North Africa (MENA) economy performed similarly to the global average, with a growth rate of 3.2%, recovering from the previous year of 2.5%. The recovery was supported by strong non-oil activity in the Gulf economies and resilient domestic demand across the region, with inflation easing in most countries. Conflict in parts of the region continued to weigh on the economies directly affected and on their neighbours.

Labour markets remain the region's main structural challenge: more than half of the population in MENA is aged under 30; youth unemployment is among the highest in the world; and female labour force participation is the lowest of any region. However, the young and increasingly digitally connected population is also one of the region's greatest assets, providing a large pool of future workers, entrepreneurs and consumers of digital services. With limited fiscal flexibility and continued dependence on oil and gas, the policy agenda centres on diversification, private-sector development and reforms that raise productivity, with digitalisation increasingly at its core.

Figure 1

Real GDP growth in MENA and globally



Source: GSMA Intelligence using WEO–IMF April 2026 data

Technology investments underpin economic growth

Technology is one of the engines of economic growth, and MENA is quickly becoming a significant destination for investment in digital infrastructure. Governments across the region see AI, cloud computing and data centres as a priority for competitiveness, and large-scale investments are positioning the region as an emerging hub of the global digital economy.

For example, in 2025 the UAE announced Stargate UAE, a 1 GW AI computing cluster in Abu Dhabi, developed by G42 with OpenAI, Oracle, Nvidia, Cisco and SoftBank. In Saudi Arabia, the Public Investment Fund launched Humain in 2025 to develop AI infrastructure and services. Humain and Amazon Web Services (AWS) announced a partnership worth more than $5 billion to build a dedicated data-centre facility, known as an AI Zone, in the country. These commitments highlight the scale of investment being mobilised in the region to support the next wave of AI-enabled growth.

The mobile sector plays a transformative role in MENA by providing the fast, reliable and secure connectivity that underpins the digital economy. With a young, digitally engaged population and some of the world's most advanced 5G networks in the Gulf, the MENA region is well placed to benefit from mobile-enabled technologies. As 5G expands across the region and the adoption of IoT, cloud services and AI accelerates, mobile connectivity will support diversification, efficiency gains and productivity improvements across the economy.

1.2
Mobile’s contribution to the economy

Mobile technologies contributed $380 billion of economic value in 2025

In 2025, mobile technologies and services generated 5.8% of GDP across MENA, a contribution that amounted to $380 billion of economic value added. The greatest benefits came from the productivity effects reaching $240 billion, followed by the direct contribution of the mobile ecosystem generating $110 billion.

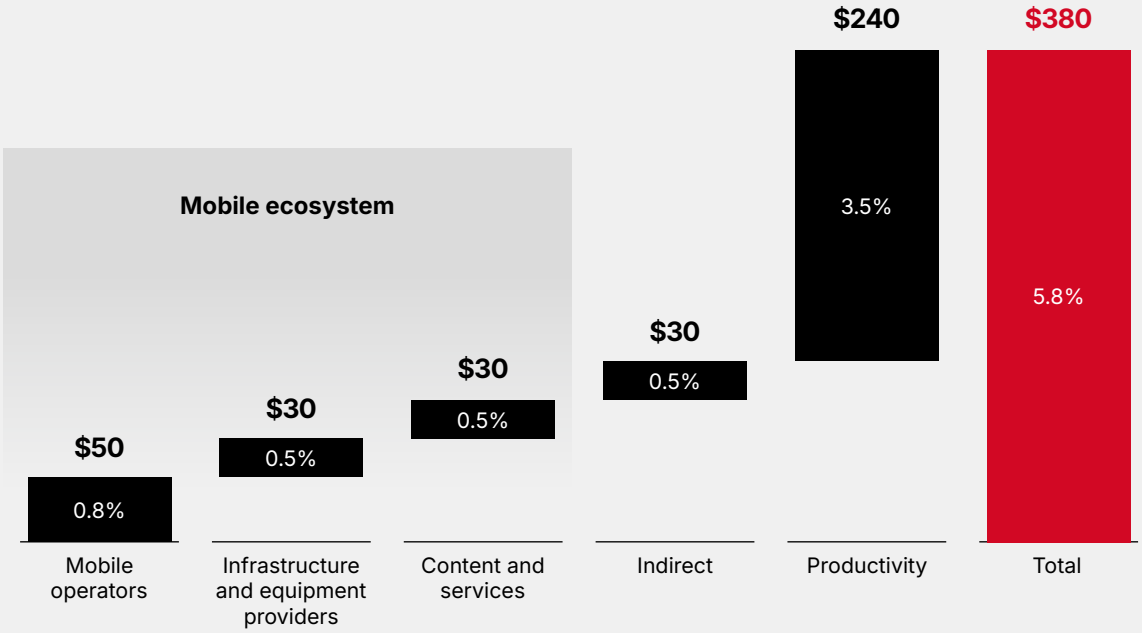
The impacts of mobile technologies include connectivity and digital transformation. Connectivity refers to the use of mobile technologies, while digital transformation involves the integration by enterprises of technologies enabled by mobile infrastructure, such as IoT, edge computing and AI.

The mobile ecosystem is formed of three categories: mobile operators; infrastructure and equipment; and content and services. The infrastructure and equipment category encompasses tower companies, network equipment providers, device manufacturers and IoT suppliers. Meanwhile, the content and services category encompasses content, mobile application and service providers, distributors and retailers, and mobile cloud services.

Figure 2

MENA: economic contribution of mobile, 2025

Billion, percentage of GDP



Note: Totals may not add up due to rounding.
Source: GSMA Intelligence

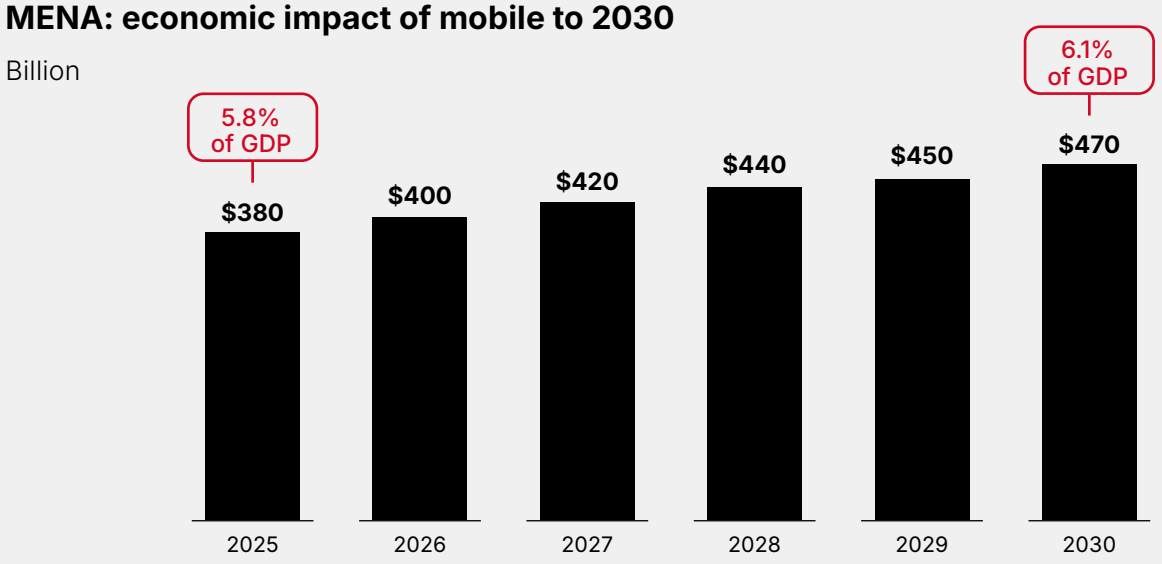
Mobile's economic contribution will reach $470 billion by 2030

By 2030, mobile's contribution to the MENA economy will reach $470 billion, driven by productivity and efficiency gains from the continued expansion of mobile services and adoption of digital technologies. Between 2025 and 2030, mobile's contribution is expected to grow at a compound annual growth rate (CAGR) of 4.4%, slightly above the expected regional GDP growth of 3.7% over the same period. This indicates that mobile will outpace the wider economy and become an increasingly important contributor to growth and diversification.

Firms can use digital technologies to automate processes, make better use of real-time data and raise the level of output per worker. Beyond efficiency gains, mobile connectivity lowers the barriers to starting and scaling a business, supports new business models and markets, and helps the region's young and growing labour force find productive jobs. Together, these effects can help the region turn its investment in digital infrastructure into sustained progress.

Figure 3

MENA: economic impact of mobile to 2030



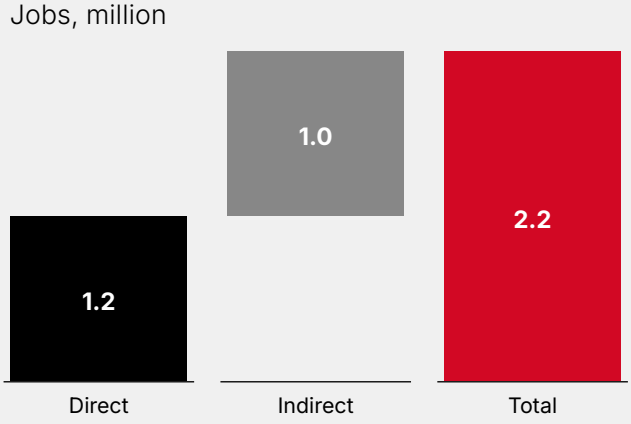
Source: GSMA Intelligence

The mobile ecosystem in MENA supported 2.2 million jobs in 2025

Mobile operators and the wider mobile ecosystem provided direct employment to 1.2 million people in MENA. In addition, the economic activity in the ecosystem generated 1 million jobs in other sectors, meaning that 2.2 million jobs were directly or indirectly supported.

Figure 4

MENA: employment impact of mobile, 2025



Source: GSMA Intelligence

The fiscal contribution of the mobile ecosystem reached $40 billion in 2025

Taxes constitute the major share of government revenues around the world. In 2025, tax revenues in MENA reached $800 billion, or 12% of the regional GDP, similar to the previous year. The mobile sector in MENA made a substantial contribution to the funding of the public sector, with $40 billion raised through taxes on the sector in 2025. A large contribution was driven by handset VAT, sales taxes and excise and customs duties ($15 billion).

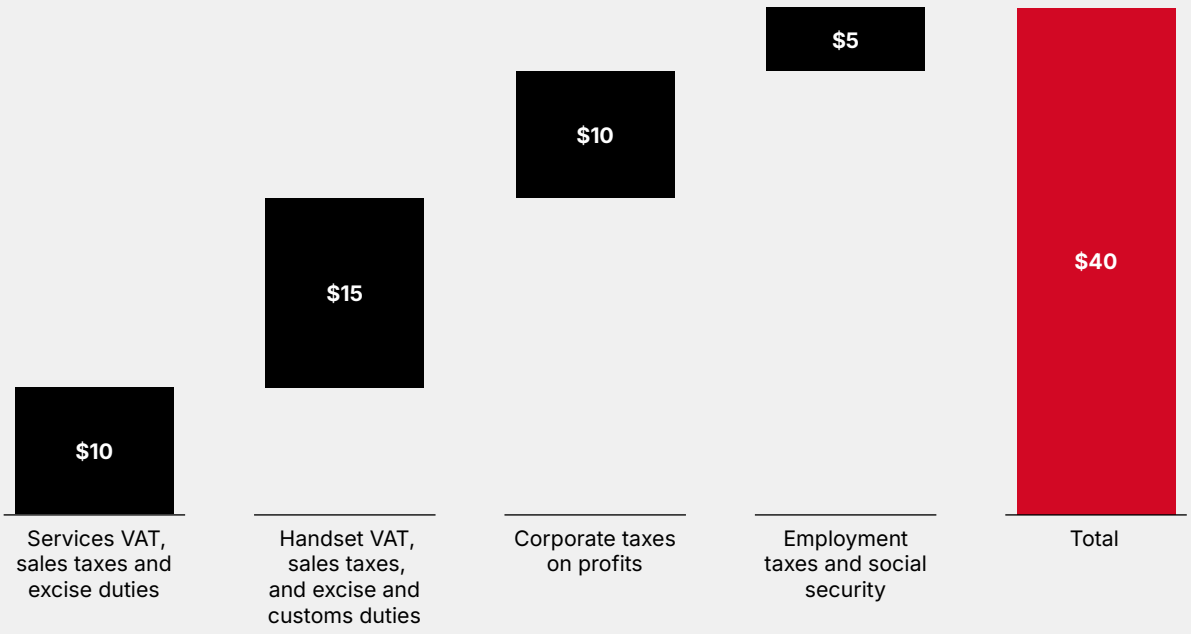
For MENA economies, the key opportunity is to broaden the tax base and strengthen non-oil revenues. Mobile-enabled services can support this shift by making it easier for individuals and businesses to register, file taxes, make payments and interact with public authorities. They can also help tax administrations reduce compliance costs and improve service delivery.

In parallel, the expansion of digital payments, e-invoicing and mobile money increases transaction traceability and supports more effective revenue collection. This is particularly relevant in MENA, where a large share of economic activity outside the Gulf remains informal and cash-based. By bringing more transactions and small businesses into the digital economy, mobile technologies can help governments widen the tax base, reduce compliance gaps and build more resilient public revenues that depend less on oil and gas.

Figure 5

MENA: fiscal contribution of mobile, 2025

Billion



Source: GSMA Intelligence

The contribution of 5G and its ecosystem

As 5G networks expand and complementary technologies such as AI continue to mature, the scale of impact will be shaped not only by infrastructure availability, but also by investment in digital skills, innovation capacity and the integration of advanced technologies into production processes.

The economic value of digital transformation will come from two main channels:

- **External value creation:** The creation of new revenue streams and business models that expand markets and stimulate additional demand.
- **Internal value enhancement:** Measurable gains in productivity, cost efficiency and operational performance within firms.

In MENA, manufacturing and services are projected to account for almost half of the projected benefits of mobile. In manufacturing, advanced connectivity can enable automation, real-time monitoring, predictive maintenance and more resilient supply chains, supporting the region's ambition to build competitive non-oil industries. In services, mobile-enabled technologies can improve customer experience, automate processes and create new digital business models.

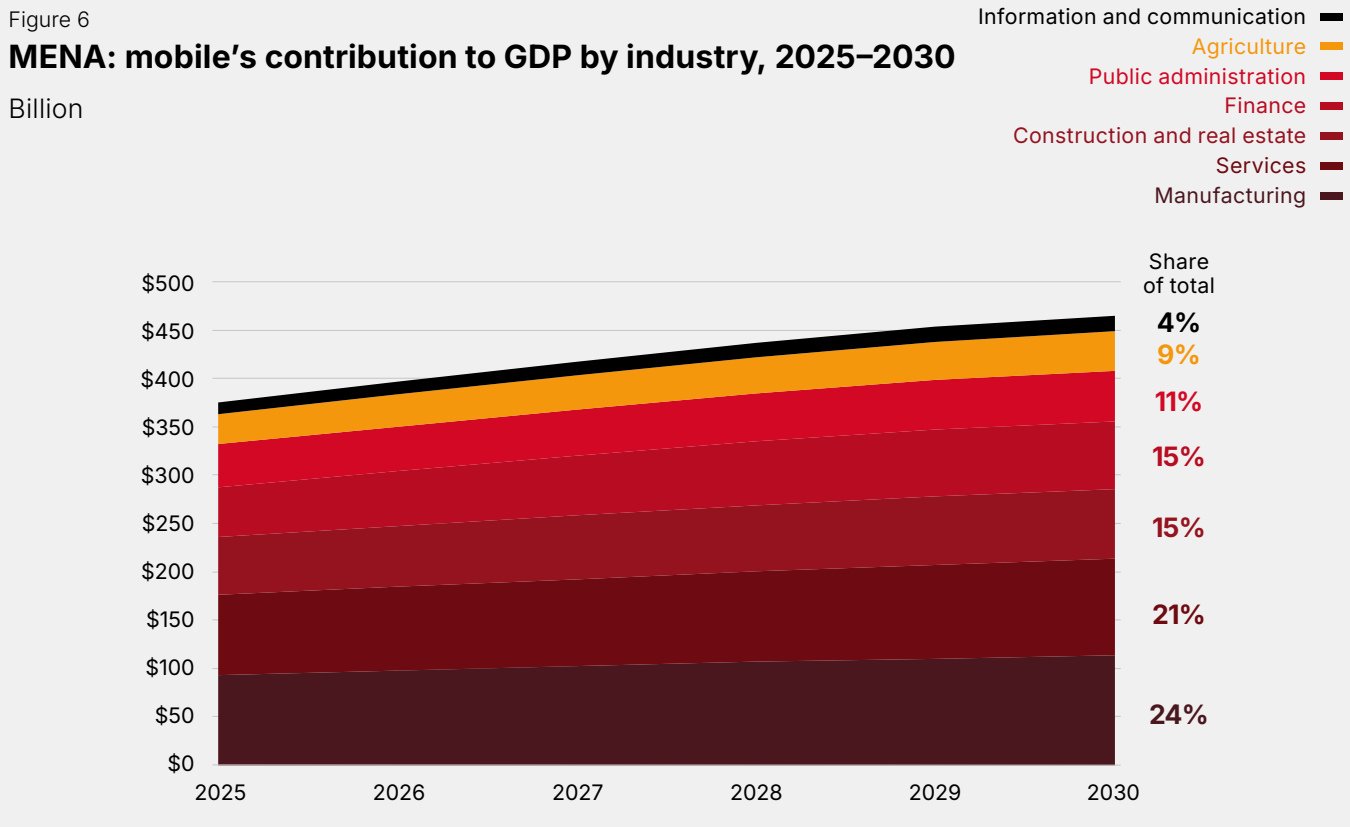
Construction and real estate will also make substantial contributions, at 15% of the projected benefits by 2030. Large infrastructure and urban development programmes across the region create opportunities for connected construction sites, smart buildings and smart city services. At the same time, the rapid expansion of digital payments and fintech is transforming financial services and extending access to them. In public administration, 5G and related technologies can support more efficient digital government services, emergency response, public safety and infrastructure management.

Agriculture is projected to account for 9% of the benefits in MENA, a larger share than in more advanced regions, reflecting the sector's importance for employment and food security, particularly in North Africa. In a region facing severe water scarcity, connected sensors, precision irrigation and data-driven farm management can raise yields while making better use of scarce water resources.

Overall, the distribution of impact highlights how mobile technologies can support productivity gains across the whole economy, helping MENA reduce its dependence on hydrocarbons and move towards more diversified and sustained long-term growth.

Figure 6

MENA: mobile's contribution to GDP by industry, 2025–2030



Source: GSMA Intelligence

02

Trends shaping the mobile industry



2.1
5G: new launches broaden adoption

5G accounted for 9% of mobile connections in MENA in 2025 and is forecast to reach 40% by 2030. Over the same period, the share of 4G is expected to fall from 70% to 52%. Most 5G connections will remain concentrated in the GCC states, reflecting earlier network launches, while many other MENA markets launched 5G between 2023 and 2026. The UAE, Kuwait and Qatar recorded the region's highest 5G adoption, while most markets outside the GCC remained at an earlier stage of adoption.

The level of 5G adoption in MENA was below that of most developed regions, as well as Asia Pacific, in 2025. But the expected increase to 40% adoption by 2030 would place it broadly alongside Latin America and Asia Pacific and well ahead of Sub-Saharan Africa. Meanwhile, the GCC states, most of which launched 5G in 2019, reached 49% adoption in 2025 and are forecast to reach 95% by 2030, compared with 88% in Europe and a global average of 57%.

There has been a new wave of 5G launches in MENA in the last 12 months. Morocco, Algeria and Libya all switched on 5G between November 2025 and January 2026. Türkiye's three operators launched simultaneously in April 2026 following a $3.53 billion spectrum auction. Most of these launches followed new spectrum assignments in the 3.5 GHz band and come with licence-based coverage obligations, which should accelerate 5G population coverage. As a result, the regional 5G ecosystem is set to broaden, with a larger addressable base of 5G users potentially leading to more device affordability policies, enterprise use cases and the eventual move to 5G standalone (SA) in the next phase of the ecosystem evolution.

Table 1: Commercial 5G launches in MENA in the last 12 months

Market	Operators and launch date	Spectrum	Coverage
Morocco	Maroc Telecom, Orange Maroc and Inwi (November 2025)	New licences awarded by ANRT in July 2025 for a total of MAD2.1 billion ($213.9 million), including 120 MHz for Maroc Telecom and 70 MHz each for Orange Maroc and Inwi	Licence obligations of 45% population coverage by the end of 2026 and 85% by 2030. Orange Maroc has launched 5G in around 100 cities
Algeria	Mobilis, Djezzy and Ooredoo (December 2025)	New licences awarded by ARPCE for DZD63.9 billion ($492 million), including 3.5 GHz assignments for all three operators, with additional 2.6 GHz spectrum for Mobilis and Ooredoo once refarmed	Rollout has started in eight pilot wilayas (provinces), with nationwide coverage required within six years (by 2031)
Libya	Almadar Aljadid (January 2026)	Not announced	Initial launch in central Tripoli, with citywide and nationwide coverage to follow in stages
Türkiye	Turkcell, Türk Telekom and Vodafone Türkiye (April 2026)	400 MHz in the 700 MHz and 3.5 GHz bands was auctioned in October 2025 for $3.53 billion	Phased rollout across all 81 provinces from launch, with a government target of full coverage within two years

Source: GSMA Intelligence based on operator and regulator announcements

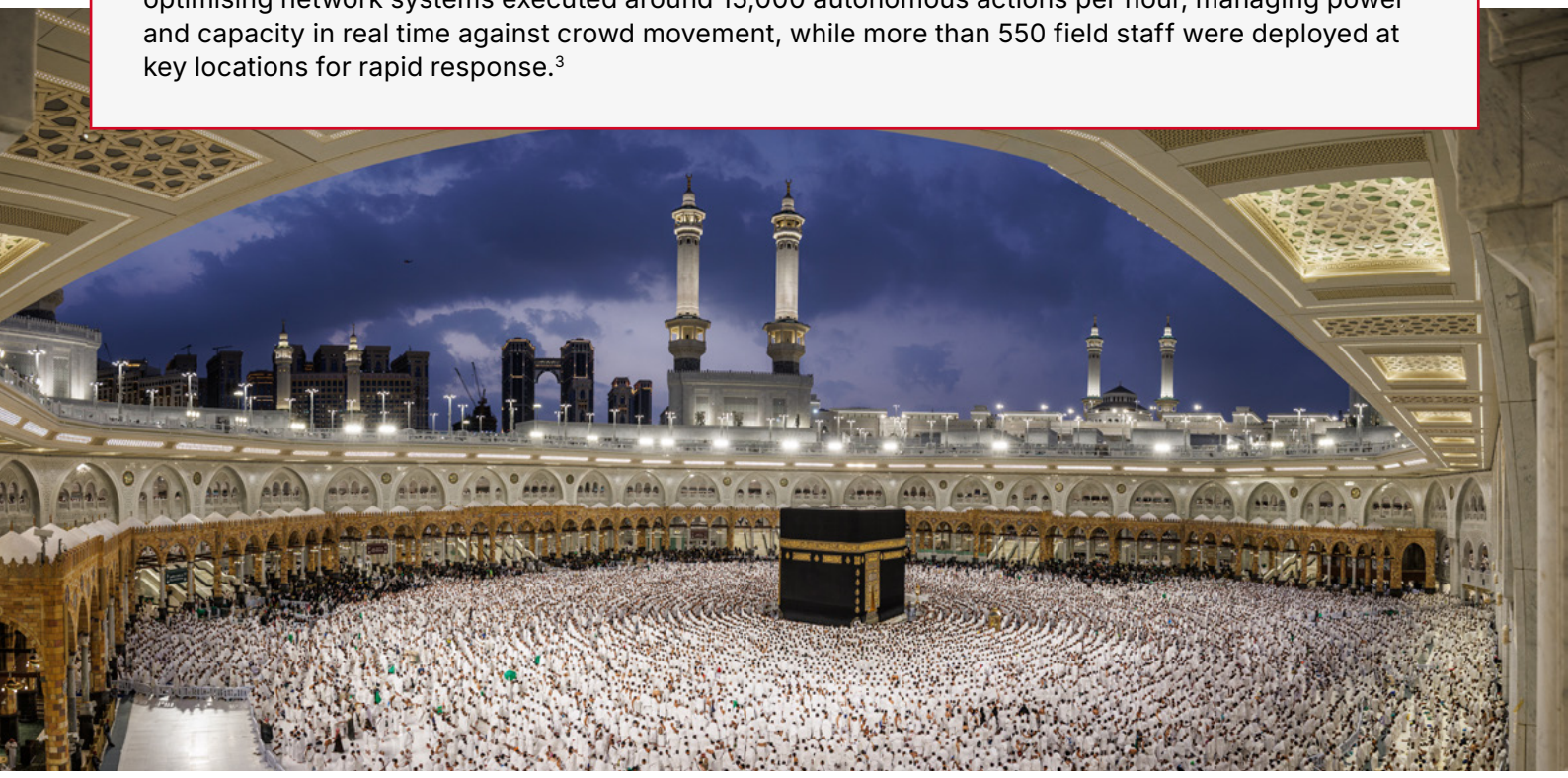
GSMA Intelligence's 5G Connectivity Index places the GCC states among the global leaders, alongside the Nordic countries, developed Asia Pacific, China and the US. Kuwait, the UAE and Qatar achieved the top three positions in the index overall, with high scores on affordability, spectrum and experience. Bahrain, Saudi Arabia and Oman respectively ranked 15th, 20th and 33rd overall. While Saudi Arabia recorded average 5G download speeds of 314 Mbps in 2025,[1] the country scored lower in the network pillar of the index mainly due to its lower 5G network coverage by population.

MENA markets are likely to converge gradually in basic 5G availability, but continue diverging in adoption rates, 5G SA deployment and 5G-Advanced capabilities. Most MENA markets now have commercial 5G, following launches over the past few years. The GCC states have deployed 5G SA networks and 5G-Advanced capabilities, while most other MENA markets remain focused on non-standalone deployments and broader coverage.

Demonstrating the value of 5G during Hajj 2026

Hajj, which brought 1.7 million pilgrims to Makkah and the holy sites in May 2026, is one of the most demanding operating environments for a mobile network due to the density of the population in limited geographic areas of the rituals. The equivalent of an entire city's population moves between sites on a fixed schedule, with multiple peak demand periods during the day. The 2026 season showed how far Saudi networks have moved from managing congestion to delivering performance.

On the Day of Arafah, the holiest day of the rituals, networks in Makkah and the holy sites handled 20 million voice calls, with average mobile internet speeds of 375 Mbps throughout the day and a daily data consumption of 1.3 GB per person, more than twice the global average.[2] STC Group reported a 42% increase in total data traffic compared to the previous Hajj season – with 5G accounting for more than half of the usage on the Day of Arafah – in addition to an 8% increase in simultaneous users, a 13% increase in average download speeds and a halving of latency. On the first day of Eid Al-Adha, 5G traffic on STC's network was 60% higher than a year earlier. AI and self-optimising network systems executed around 15,000 autonomous actions per hour, managing power and capacity in real time against crowd movement, while more than 550 field staff were deployed at key locations for rapid response.[3]



1. Mobile quality of service and market status: Saudi Arabia case study, GSMA Intelligence, 2026
2. "CST Reveals Key Telecom Indicators in Makkah and the Holy Sites on May 26, 2026", Saudi Press Agency, May 2026
3. "stc Group Delivers Exceptional Data and Voice Traffic on First Day of Eid Al-Adha", Saudi Press Agency, May 2026



Investment and returns

Operators in MENA face growing pressure to finance substantial infrastructure requirements even as revenue growth remains moderate. They are forecast to spend $88.9 billion on capex between 2025 and 2030, while revenues are forecast to rise from $79.5 billion in 2025 to $96.1 billion in 2030, equivalent to a CAGR of approximately 3.9%. This places greater emphasis on monetisation alongside continued network investment. GSMA Intelligence identifies fixed wireless access (FWA), enterprise services, IoT and satellite integration as important monetisation routes for MENA operators. The figures below highlight the opportunity in some of these areas:

- **FWA:** 5G FWA household penetration is forecast to reach 16.5% in Saudi Arabia by 2030, while for other MENA markets it is expected to reach up to 10%.
- **Enterprise and APIs:** Zain Group's new growth verticals, led by B2B, fintech and network APIs, generated 12% of revenue in Q1 2026, with group revenue up 6% to $1.86 billion. Its Dizlee API platform grew revenue by 51% in 2025 across 289 live services.[4]
- **Digital services:** e& grew consolidated revenue by 23% to AED72.9 billion ($19.85 billion) in 2025, while e& enterprise recorded revenue of AED857 million in Q2 2026 from demand for cloud, cybersecurity and IoT solutions.[5]
- **IoT:** Around 86% of operators in MENA offer IoT services.

The next wave of investment will reflect different priorities across MENA markets. Advanced markets, particularly in the GCC, will invest in 5G SA core networks, 5G-Advanced and additional mid-band spectrum, including the upper 6 GHz band.[6] Outside the GCC, priorities will remain broader, including 5G coverage and migration of users to 5G. Egypt's February 2026 spectrum award illustrates the scale of the catch-up investment needed: the country's four operators agreed to pay $3.5 billion for 410 MHz of spectrum, doubling their spectrum holdings for the next phase of network deployment.

4. "Zain Group Q1'2026 revenue up 6% to USD 1.86 billion; Net profit soars 51% to USD 260 million, a 15-year high", Zain, May 2026; "FY 2025 marks a year of exceptional growth for Zain Group; Revenue up 14% to reach 16-year high of KD 2.3 billion (USD 7.44 bn); Net income soared 103% to reach 13-year high of KD 239 million (USD 777m)", Zain, February 2026
5. "e& delivers record revenue and net profit in FY 2025", e&, February 2026
6. The State of 5G 2026, GSMA Intelligence, 2026



2.2
AI: sovereign ambitions and key opportunities for operators

Cloud and AI infrastructure

AI infrastructure has become central to economic diversification in the Gulf, while markets in North Africa and the Levant are building smaller, sovereignty-led AI capacity. The 2026 regional conflict has added physical risk that weighs heavily on all aspects of the economy, including AI-related sectors. Nonetheless, several MENA countries are continuing with their plans to build AI compute at scale.

GCC states

The GCC countries are positioning themselves as a global AI infrastructure hub, supported by strong energy infrastructure and rapidly growing digital agendas. The UAE–US AI Campus in Abu Dhabi plans to provide 5 GW of AI data-centre capacity. Its first phase will be the 1 GW Stargate UAE cluster, with the initial 200 MW due in 2026.

In Saudi Arabia, planned data centres projects with capacity of up to 1 GW have been announced by STC Group's data-centre subsidiary Center3, in partnership with Humain, an AI company owned by the Saudi Public Investment Fund (PIF). Humain is also targeting 1.9 GW of data-centre capacity by 2030 and 6.6 GW by 2034. For context, Saudi Arabia's installed data-centre capacity stands at 467 MW as of Q1 2026, up from 68 MW in 2021. In Qatar, Ooredoo launched sovereign AI cloud services in July 2025, built on Nvidia Hopper GPUs and hosted in local data centres.

Global cloud providers have made large commitments as well:

- **Microsoft** is planning to invest $15.2 billion in the UAE between 2023 and 2029, including more than $4.6 billion already spent on AI and cloud data centres.
- **AWS** is investing more than $5.3 billion in a Saudi Arabian cloud region, first announced in March 2024 and now scheduled to launch in December 2026, which will supply up to 50 MW of capacity in Saudi Arabia's first AI Zone with Humain by 2028.
- **Oracle** committed $1.5 billion in February 2023 to expand cloud capacity in Saudi Arabia. Its second Saudi region, hosted by STC's Center3 in Riyadh, opened in August 2024.

The GCC states are also updating their AI governance and adoption frameworks alongside infrastructure investment. The Oxford Insights Government AI Readiness Index 2025, which assesses 195 governments across six pillars, including AI infrastructure and public-sector adoption, ranks Saudi Arabia 1st in MENA across all six pillars and 15th globally, while the UAE ranks 23rd globally. This position has supported access to advanced AI accelerators. For example, in November 2025, the US Commerce Department authorised G42 in the UAE and Humain in Saudi Arabia to purchase up to 35,000 Nvidia Blackwell GB300 chips each, subject to security and reporting requirements.

Levant and North Africa

Markets in North Africa and the Levant are pursuing smaller programmes that aim to capitalise on strong connectivity offerings to introduce local compute capacity, such as the following:

- **Egypt:** Vodafone Business announced partnerships with Elsewedy Electric and Cassava Technologies to establish Africa Data Centres Egypt, which will enable 20 MW of capacity over its first three years and is designed to scale up to 200 MW. Under a separate partnership, Vodafone Business and Cassava Technologies will develop Egypt's first sovereign AI data centre.
- **Morocco:** At GITEX Africa 2026, a consortium that included Nvidia and Naver announced the $1.2 billion Nexus AI Factory near Casablanca to provide sovereign compute services across Europe, the Middle East and Africa.
- **Jordan:** Orange Jordan opened a 5 MW data centre in May 2025. Separately, Mindstream Energy is developing the Al-Risha sovereign AI campus near one of Jordan's natural gas fields to combine on-site power generation with modular AI data centres. The project is expected to launch with an initial capacity of 70 MW in Q2 2027, with the aim to scale up to around 400 MW at a later stage.

Differences in investment scale and project size reflect a regional pattern: Gulf projects are often treated as sovereign-capital investments serving long-term national agendas, while projects in North Africa and the Levant are more frequently anchored in regional connectivity advantages and the renewable-energy mix.

The role of operators

Operators in MENA are moving beyond internal operational AI use cases towards revenue-generating endeavours. Globally, 45% of operators now see AI monetisation as a strategic priority, and partnerships with hyperscalers, AI platform providers and IT companies are shortening the time to market and reducing capital risk.

On average, operators in MENA have an AI deployment Intensity of 1.7 AI deployments per operator, compared to 1.5 AI deployments per operator in Europe. Operators hold assets that can support AI and sovereign-AI deployments, including a licensed local presence, data-centre facilities, fibre networks and access to scalable power connections. Their established relationships with government customers can also help secure anchor demand.

Operators are also redesigning their corporate vehicles to allow for effective funding of their future AI endeavours. Several operators are restructuring data-centre assets to attract capital investments, such as Ooredoo and STC Group:

- **Ooredoo** spun out its data-centre business as Syntys in March 2025, following an investment from Iron Mountain. With an initial investment of $1 billion, Syntys aims to scale up capacity to over 120 MW.
- **STC Group** launched Center3 as an independent subsidiary to consolidate and operate its international digital infrastructure assets, including data centres. It has since become the host partner for Oracle's Riyadh cloud region and holds a 49% stake in the data-centre joint venture with Humain.

AI solutions for enterprises are being deployed by operators as part of their expanding digital services portfolios because they expect to see tangible benefits on their overall revenue from increased enterprise AI adoption. Operators will still maintain their essential role as reliable and secure connectivity providers serving both sides of the equation: connecting sovereign AI infrastructure in the region and carrying the AI payloads to this infrastructure.

AI and data sovereignty

Governments across the region have increasingly been requiring sensitive data to be processed within their country borders and to be subject to their data protection regimes. This has the effect of favouring local hosting and gives national operators a role as a champion that global providers cannot fully replicate. For instance Ooredoo positions its Qatar AI cloud around keeping data within national borders, in line with the Qatar National AI Strategy.

Recent regional events have shown that concentrating national compute and data in a small number of facilities can create significant resilience risks. Physical attacks during the recent regional conflict made data centres a recognised category of infrastructure risk in the region.

On 1 March 2026, drone strikes directly hit two AWS facilities in the UAE, and a strike near an AWS facility in Bahrain caused physical damage to its infrastructure. Both incidents caused outages to several important digital services such as banking, payments and ride hailing. In response to these increased risks, investors have not looked to halt projects; instead, some investors are considering restructuring their data-centre projects around new safety and business continuity standards:

- It was reported by Reuters in September 2026 that the UAE is reviewing the design of its 5 GW campus in Abu Dhabi and that it will likely become a network of data centres spread across the country rather than a single 10-square-mile site. G42, which leads the project, said work was progressing as planned and that project specifics are subject to continuous review in line with the standards expected of critical infrastructure.
- The CEO of Brookfield Asset Management confirmed during a Bloomberg interview that its $20 billion data-centre partnership with the Qatar Investment Authority would still proceed, citing that Brookfield is a long-term investor in the Middle East.

The conflict is also increasing the cost of capital. Insurance coverage for political violence in the Gulf has become more expensive and capacity has reduced. Insurance capacity has fallen from around $1 billion before the war to around $200 million after it began, while a $1 million policy that used to cost $1,000–2,200 a year before the conflict cost $20,000–120,000 in May 2026.[7] Howden Re, an insurance research firm, reported that premiums had risen from 1% of insured value to roughly five times more within the first week of the conflict. Meanwhile, market intelligence firm IDC expects higher financing and construction costs and supply-chain friction to delay data-centre projects. It also expects multi-availability zone architecture to become the new minimum standard for cloud users in the region.

As such, there are architectural implications that need to be considered. For critical workloads, organisations should consider redundancy across multiple risk zones and, where legally and operationally feasible, across MENA sub-regions. Greater emphasis should also be placed on disaster recovery and the physical hardening of data-centre infrastructure. These measures will add costs, however, and may lead investors to reconsider planned capacity expansions.

Recent regional events have shown that concentrating national compute and data in a small number of facilities can create significant resilience risks

7. "War insurance premiums surge in the Gulf", AGBI, May 2026



2.3
Threat environment: resilience moves up the agenda

A targeted region

Generative AI is lowering the cost of scams for malicious actors, while scam-as-a-service offerings are becoming more common. In the UAE, seven in 10 residents encountered a scam in 2025 and one in three lost money. Victims were scammed an average of 2.8 times during the year, and residents encountered a scam roughly every three days. 70% of victims were affected by shopping scams, 67% by investment scams and 66% by unexpected-money scams.[8] The UAE Cyber Security Council reported that fraudulent messages had increased by around 35% in 2025 over the preceding year.

Of the 42 markets included in the Global Anti-Scam Alliance's 2025 survey, which found $442 billion in losses, Saudi Arabia had the second-highest average loss per victim, behind Austria, while Egypt was among the 10 lowest markets.[9] Saudi Arabia does not publish official data on total losses to scams, but scammers face up to seven years' imprisonment and fines of up to SAR5 million ($1.33 million) under the country's Anti-Financial Fraud and Breach of Trust Law. The Saudi Central Bank's Counter-Fraud Framework, in force since June 2023, requires banks to run fraud-detection systems around the clock with real-time payment data so that suspect transfers can be stopped before funds move.

In a 2024 GSMA Intelligence survey of operators in North Africa, nearly half of them rated IoT-related threats as very high, and three quarters rated mobile device vulnerabilities as high or very high. Additionally, 80% saw a heightened risk in financial services and healthcare.[10]

8. "Scams Hit UAE Residents Every Three Days on Average, New Research Finds", Global Anti-Scam Alliance, January 2026
9. Global State of Scams 2025, Global Anti-Scam Alliance, 2025
10. Telco security landscape and strategies: Northern Africa, GSMA Intelligence, 2024

Conflict-related cyber activity

The regional conflict in MENA has raised the level of state-linked cyber activity. A joint advisory by the US Cybersecurity and Infrastructure Security Agency (CISA), the Federal Bureau of Investigations (FBI) and partner agencies, first published in April 2026 and updated in July, describes ongoing exploitation of internet-connected operational technology by state-related actors. Security researchers list the telecoms sector as among the priority targets, consistent with long-standing activity by hacking groups such as MuddyWater.

Submarine cables

MENA hosts several important submarine-cable routes, with 16 cables passing through the Bab el-Mandeb Strait at the southern end of the Red Sea. Egypt's cable landings make it a major transit route between Europe, Africa, Asia and the Middle East, and the government is developing a national data-centre strategy to capture more value from that traffic.

The Strait of Hormuz is a smaller but important corridor that hosts at least five commercial submarine cable systems transiting through the strait. These cables carry less than 1% of global international bandwidth, but they link the Gulf markets to international routes. In May 2026, the cables came under the scope of the regional conflict when Iranian officials stated that Iran would impose fees on them.[11]

Due to these conditions, operators and investors in the region are diversifying routes and increasing resiliency, with more focus on terrestrial links that reduce dependence on maritime chokepoints. For example, Ooredoo's Fibre in the Gulf project is a planned $500 million corridor from the Gulf of Oman through the Strait of Hormuz, then overland through Iraq and Turkey to France. Meanwhile, WorldLink, an Emirati–Iraqi consortium, is funding a $700 million hybrid route from the UAE to Iraq's Al-Faw peninsula and overland to Turkey.

Sovereign data protection and cross-border data transfer

The larger markets in MENA have enacted comprehensive data-protection regimes, broadly modelled on the EU General Data Protection Regulation (GDPR). While there are differences between their rules on cross-border transfer, they all involve tighter controls on data leaving the country, including the below:

- **Saudi Arabia:** The Personal Data Protection Law came into force in September 2023. Cross-border transfers are permitted only to destinations that the Saudi Data and AI Authority (SDAIA) assesses as adequate. As there is no published adequacy list, organisations must rely on one or more of the acceptable safeguard mechanisms provided by the regulations.
- **UAE:** Federal Decree-Law No. 45 of 2021 permits transfers to jurisdictions approved by the UAE Data Office as providing an adequate level of protection. Otherwise, transfers are permitted under a contract that binds the recipient to the law's standards, with the data subject's explicit consent, or on listed necessity grounds.
- **Qatar:** Law No. 13 of 2016 on Protecting Personal Data Privacy, issued in November 2016, was the first standalone data-protection law adopted by a GCC state.
- **Jordan:** Personal Data Protection Law No. 24 of 2023, published in the Official Gazette in September 2023, came into effect in March 2024. Transfers abroad are prohibited where the recipient's level of protection is lower than the law requires, subject to listed exceptions, including the data subject's explicit consent.

The sovereign objectives behind data localisation are understandable and can increase demand for in-country hosting. However, concentrating data in a small number of facilities may increase exposure to physical disruption and catastrophic loss, such as in the case of AWS's data centres in the UAE and Bahrain, where data could not be restored after the March 2026 strikes.

11. "'One of the World's Most Critical Digital Bottlenecks': How the Iran War Could Threaten Global Internet Access", Time, May 2026

Industry responses

Alongside the GSMA Fraud and Security Group, which runs 26 active workstreams, the GSMA Open Gateway is helping to combat fraud by standardising network application programming interfaces (APIs), a fast-growing defence against fraud. By March 2026, Open Gateway included 86 operator groups representing more than 300 networks and 80% of mobile connections worldwide, with more than 60 channel partners commercialising the APIs. The GSMA's first MENA Open Gateway hackathon, which ran from July to October 2026, required teams to combine CAMARA network APIs with AI to build solutions to regional problems.

The GSMA also provides a common security toolset for its members:

- **Network Equipment Security Accreditation Scheme (NESAS):** Audits and tests network equipment and vendors against a security baseline.
- **Mobile Cybersecurity Knowledge Base (MCKB) and GSMA Baseline Security Controls:** Offers guidance on mobile security risks and a baseline for network security risk assessment.
- **Telecommunication Information Sharing and Analysis Centre (T-ISAC):** Shares real-time cyber risk data and indicators of compromise between operators.

Operators in MENA have also launched several initiatives in response to increased cyber activity and data-protection requirements. Ooredoo and Vodafone Qatar jointly launched Number Verification and SIM Swap APIs for developers at MWC Doha 2025, with further identity and fraud-prevention APIs planned for 2026. STC, Du and e& had earlier launched One-Time Password and SIM Swap APIs in Saudi Arabia and the UAE.



03

Mobile industry impact



3.1
Closing the coverage and usage gaps

Mobile networks are the main way of accessing the internet for most of MENA's population, as well as being the platform through which governments extend access to healthcare, education and identity services. However, coverage and adoption of mobile internet varies widely across the region. In 2025, 48% of MENA's population subscribed to mobile internet. A further 49% lived within mobile broadband coverage but did not use it (the usage gap), while the remaining 3% were still not covered (coverage gap).

This leaves MENA's usage gap well above the global figure of 38% at the end of 2025, while MENA's coverage gap remained equivalent to the global average. Mobile internet adoption reached 91% of the population in the GCC's high-income markets, compared with 43% in MENA's low- and middle-income markets. This difference is caused by several barriers, with device affordability being a major contributor.

Device affordability

In MENA, an entry-level internet-enabled handset costs up to 26% of average monthly GDP per capita, rising to 64% for the poorest 20% of the population in some MENA countries.[12] In comparison, an entry-level device cost 44% of monthly GDP per capita across low- and middle-income countries worldwide by the end of 2025. Rising memory chip costs are expected to push these figures even higher. It is also worth noting that 27% of mobile internet users in MENA were still on 3G handsets or feature phones in 2025, which greatly limits the services they can reach.[13]

Operators are addressing the affordability barrier with various measures, such as device financing, refurbishment programmes and manufacturer partnerships. For example, at MWC Barcelona 2026, Turkcell agreed with Samsung to offer 650,000 5G smartphones through its sales channels, including 100,000 locally manufactured Turkcell-exclusive devices. This followed a separate 2025 agreement for 100,000 locally produced 5G smartphones.

Instalment plans are a common approach across the region. STC offers interest-free split payments on devices in partnership with buy-now-pay-later provider Tamara. This is open to customers over 18 years old with a national ID or iqama (residency permit) and a Saudi bank card. While such schemes do not lower the handset entry price and are mostly aimed at customers who can already afford a device, they can still make smartphones more accessible by easing the financial burden of obtaining a smartphone for the unconnected.

> **MENA's usage gap of 49% was well above the global figure of 38% at the end of 2025**

12. An entry-level device in conflict-affected MENA countries such as Yemen costs 293% of monthly GDP per capita.
13. The State of Mobile Internet Connectivity 2026, GSMA, 2026

Network migration, rural coverage and legacy sunsets

Migrating users from 3G to 4G and 5G can improve service capability and support adoption and inclusion, while complementary network expansion is required to close the remaining coverage gap. A 4G handset is the preferred minimum entry point for accessing many digital services. By June 2026, 313 completed, planned or ongoing 2G and 3G switch-offs had been identified across 89 countries and territories, of which the Middle East accounted for 25. In some cases, regulators mandated the transition, such as in Qatar, where the regulator paired a 31 December 2025 deadline for ending 3G services with a ban on importing handsets that support only 2G and 3G.

Alongside the technology migration, operators are continuing to invest in coverage expansion. For instance, Zain KSA added around 1,000 sites in 2025 and extended 5G to 94 cities and 700,000 more people.[14] The remaining coverage gap in MENA is concentrated in rural, mountainous and desert areas. To address this, operators are combining solar-powered sites with satellite backhaul, such as in the case of Orange, which operates in Egypt, Jordan, Morocco and Tunisia. The operator is deploying 15,000 fully solar-powered sites for off-grid villages over three years and is targeting 85% 4G population coverage across its Africa and Middle East footprint.[15]

Satellite technology is also being integrated for coverage extension and back-up capacity. In October 2025, Space42 and e& UAE signed a memorandum of understanding on standards-based 5G non-terrestrial network (NTN) and direct-to-device (D2D) services. In the same month, STC Group signed a 10-year commercial agreement with AST SpaceMobile for D2D satellite broadband across Saudi Arabia and selected regional markets, with a $175 million prepayment for future services.



14. Zain Group, Annual Report 2025, Zain, 2025
15. In Africa and the Middle East, Orange

3.2
Access to healthcare and education

Healthcare and humanitarian connectivity

Operators across MENA are building digital health platforms with healthcare providers, ranging from hospital digitalisation to cloud-based telemedicine. For example, Vodafone Business supports the digitalisation of Egypt's university hospitals. In October 2024, it reported that its solutions served 314 hospitals and over 6 million people, with a target of 26 million citizens over the following years. Meanwhile, Telecom Egypt and KareXpert launched a cloud-based healthcare platform hosted on a national cloud, integrating hospital management, electronic medical records and billing.

Connectivity during crises is becoming crucial for human safety and dignity. As such, the GSMA has launched dedicated programmes to address this, alongside similar commitments from operators. The GSMA's Humanitarian Connectivity Charter commits signatory operators to prepare for and respond to emergencies, while in 2025 the GSMA launched the Connectivity for Refugees initiative to map displaced people's connectivity needs and design operator–humanitarian partnerships in priority countries. Mobile money extends the same support to displaced people. For example, ZainCash in Iraq, with the permission of the Central Bank of Iraq, accepts documents issued by the UN Refugee Agency (UNHCR), including certificates expired by up to a year, to open beneficiary wallets for refugees and asylum-seekers that can then be used beyond humanitarian assistance.

Education and digital skills

Instant Network Schools, run by the Vodafone Foundation with UNHCR, is one of the largest connectivity-based education programmes in MENA and provides solar-powered classroom kits with tablets, connectivity and curriculum content in local languages. Egypt now hosts 70 of the schools following the opening of 22 more in November 2025, which puts the country on course to become the programme's largest hub in Africa. Across Egypt and five other countries in Sub-Saharan Africa, the programme has in total reached more than 382,000 students, as well as 6,800 teachers, with a target of 500,000 students by the end of 2026.

Programmes that improve digital skills also support education as well as technology adoption. Orange Digital Center, a global initiative that combines a free coding school, a fabrication laboratory and a startup accelerator, opened in Tunisia in 2019 and in Jordan, Morocco and Egypt in 2021. Across the programme's 14 countries in Africa and the Middle East, with support from the German development agency, GIZ, these centres trained more than 38,000 young people, of whom 40% were women. More than 4,600 of the people trained subsequently found paid internships, jobs or even started an IT-related business. In Tunisia alone, Orange had already trained 18,000 young people in digital skills in the decade to 2019 through its coding school and 27 partner universities.



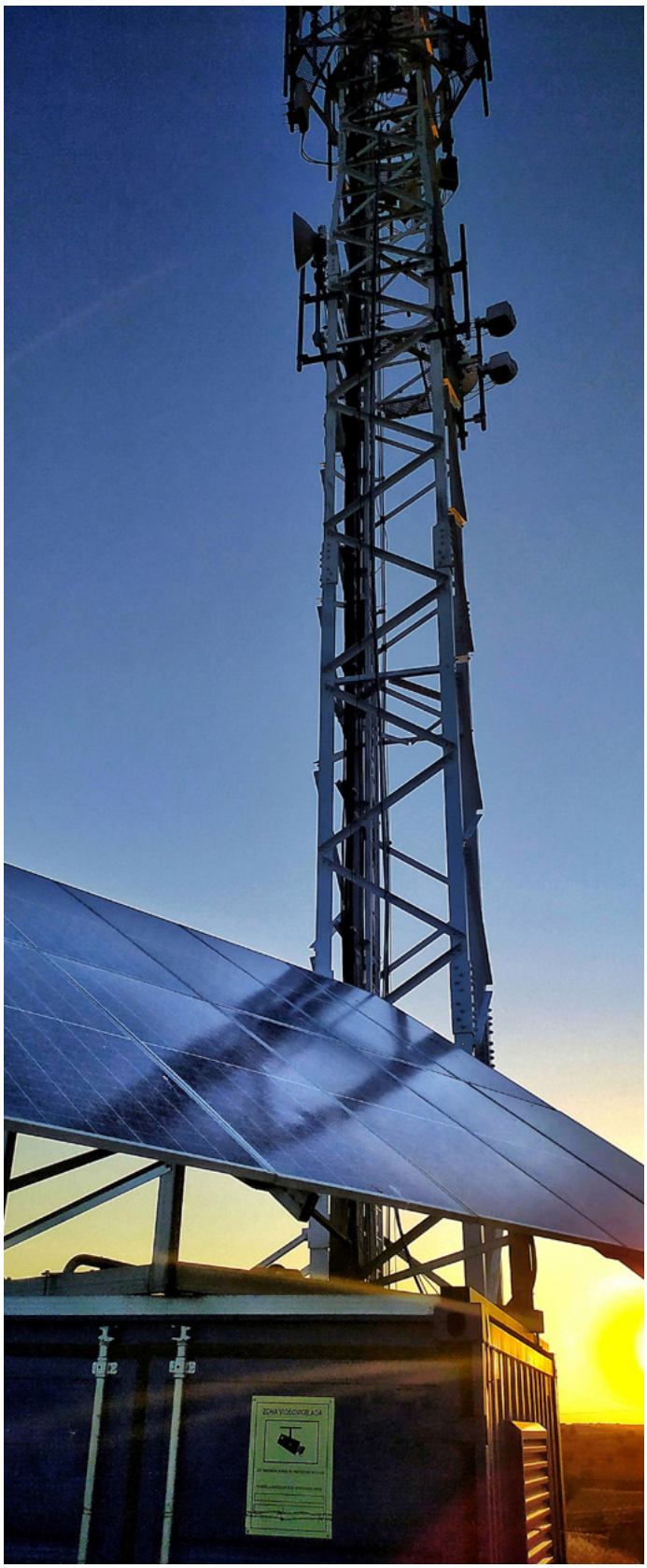
3.3
Reducing climate emissions

Globally, mobile operators cut operational emissions by 13% between 2019 and 2024, while connections grew by 10% and data traffic more than quadrupled in the same period. As of June 2026, 81 operators representing nearly half of global mobile connections had near-term science-based targets. Operators in MENA have made stronger progress, with operational emissions per connection falling by 23% between 2019 and 2024, even as electricity use per connection rose by 5%. This was supported by operators buying or generating 2.7 TWh of renewable electricity in 2024. Disclosure has also advanced: 40% of the region's connections were covered by CDP disclosures in 2025 and 37% by validated near-term science-based targets.[16]

Diesel is a distinct challenge in the region. MENA accounted for 28% of global operator Scope 1 emissions in 2024 despite accounting for only 8% of mobile connections, since diesel generators remain the main source of Scope 1 emissions where grid access is unreliable or where low fuel prices give operators little incentive to use grid electricity. As a result, Scope 1 emissions account for 21% of the region's operational emissions, a higher share than in most regions. Increasing the use of on-site solar and battery storage can reduce diesel consumption directly – renewable electricity remains the single largest driver of operational emissions reductions. The GSMA suggests that governments should accelerate the use of renewable energy by removing fossil fuel subsidies, streamlining clean-energy permitting and reforming electricity market design.[17]

There are examples of operators in the region already moving in this direction:

- **Turkcell** was the main contributor to the 9% reduction in operational emissions in MENA between 2019 and 2024 by sourcing all of its purchased electricity from renewables.[18]
- **Ooredoo Group** has set a target to cut energy intensity per gigabyte by 10% by 2029. Ooredoo Tunisia reduced energy intensity from 0.12 to 0.10 kWh/GB between 2024 and 2025 through network modernisation, while Ooredoo Qatar is converting 160 diesel-powered sites to clean energy. Additionally, Ooredoo has introduced CooL-LLM, an AI solution that cuts data-centre energy consumption by 20–30%. The solution won first place in the GCC Sustainability Hackathon in 2025.



16. Mobile Net Zero 2026, GSMA, 2026
17. Ibid.
18. Ibid.

3.4
Digital identity and the mobile economy

Digital identity in MENA is developing through several models, including national identity applications, regulated mobile-wallet know your customer (KYC), SIM-based electronic signatures and network-based verification APIs. The GCC states operate national digital-identity platforms at scale, while other markets in MENA are at different stages of development. In parts of North Africa and Iraq, mobile-wallet KYC provides a functional identification layer for financial services, while Türkiye offers a legally recognised mobile signature stored on the SIM.

GCC: national digital-identity platforms at scale

UAE Pass and Saudi Arabia's Nafath show the scale of national digital-identity platforms in the GCC region:

- **UAE Pass** has more than 11 million users and has enabled over 2.6 billion digital transactions, 600 million logins and 17 million document shares. More than 15,000 services are available through the app from over 350 entities, including more than 140 from the private sector, and the app credential carries legally binding electronic signatures. In a report from May 2026, the World Economic Forum highlighted UAE Pass as an effective example of shared national digital-identity infrastructure.[19]
- **Nafath** is operated by the National Information Center under the SDAIA. It provides single sign-on to government digital services and is used by banks as well as operators for customer onboarding.

For operators, the national credential replaces in-store SIM registration and enables eSIM activation and digital onboarding. Ooredoo became the first operator in Oman to integrate the government's Theqa digital identity into its onboarding in 2025.

Levant: digital identity is gaining legal parity

In Jordan, the government-issued Sanad digital identity has been acquiring legal standing in stages. The Sanad app, which uses iris biometrics, allows holders of a national ID to activate their digital identity fully remotely without visiting a service centre. In February 2026, the Central Bank of Jordan adopted the Sanad digital identity across all banks as an official accredited method of customer identification that is equivalent to the physical national ID for banking transactions. In May 2026, the amended Civil Status Law gave digital identity the same legal validity as the physical card for all purposes under Jordanian law. By this point, more than 2.6 million citizens had activated a digital identity, 600,000 of them since the start of 2026. The Central Bank's decision lets banks and payment providers accept digital identity in place of the physical card when onboarding customers.

Iraq has taken a payments-first route. Mobile money launched in 2016 with AsiaHawala (Asiacell) and Zain Cash, both licensed by the Central Bank of Iraq. As a result, operator wallets and their associated KYC records provide a functional identification layer for mobile-money services in Iraq, including for displaced people who open beneficiary wallets using UNHCR documents.

19. The GovTech Compass: Ten Principles for the Responsible Implementation of GovTech and Digital Public Infrastructure, World Economic Forum, May 2026

North Africa: mobile money as the identity on ramp

Egypt's financial inclusion has improved significantly, with 56.4 million people holding an active financial account in June 2026, equivalent to 79% of adults, up from 27% in 2016. Financial inclusion among women rose from 19% to 72.5% in the same period.[20] Mobile wallets appear to have contributed materially to this progress: the number of registered wallets reached 57 million in the first half of 2026, up 23% year on year, while transaction value reached EGP2.96 trillion (around $58 billion) over the six months, 56% higher than in the first half of 2025.[21] All four operators in Egypt offer mobile wallets, with Vodafone Cash accounting for the largest share (56%) as of Q1 2025, followed by e& Cash (21%), Orange Cash (19%) and WE Pay (4%). The Central Bank of Egypt's Instant Payment Network links the wallets to bank accounts, with InstaPay transfers accounting for 78% of deposits into wallets. However, wallet registrations should not be equated directly with new unique financially included adults because individuals may hold more than one wallet or also have a bank account.

Wallet onboarding in Egypt is tiered: a basic account can be opened against a SIM registration and a national ID number, while higher limits are unlocked by additional verification. Although cash withdrawals account for only 12% of transactions where money is taken out of wallets in Egypt, they account for 75% of the value, which indicates that wallets are used mainly to receive and withdraw money, rather than to pay. Globally, mobile money reached 2.3 billion registered accounts in 2025 and processed more than $2 trillion in transactions.[22]

Türkiye: the legal signature on the SIM

Türkiye has built one of the region's most widely used digital government platforms around a single national gateway. The e-Government Gateway (e-Devlet Kapısı) had 68.2 million registered users at the end of 2025, up from 25.8 million in 2015, and offered 9,170 services from central government institutions, universities, municipalities and private institutions. Users have logged in more than 25 billion times since its launch in 2008. Of these, 10.5 billion logins were through the mobile app, where users can authenticate with a mobile signature, alongside passwords, internet banking and the chip national identity card.[23]

The mobile-signature approach is a distinct model within the MENA region. It places mobile operators at the centre of the identity stack and is offered by Türk Telekom, Turkcell and Vodafone, each integrated with the e-Government Gateway. Turkcell, for example, stores the subscriber's qualified electronic certificate in a protected area of the SIM card, with the signature generated after the user enters a PIN. The resulting signature is legally equivalent to a handwritten signature. The service is used for e-Devlet applications, banking, finance and e-commerce, while certification is supervised by the telecoms regulator.

The operator's place in the identity stack

Operators are becoming essential in enabling digital identity and carry the crucial responsibility of verifying users through the network. The GSMA Open Gateway standardises several critical security features as APIs to enable operators to carry out their role in providing digital identity. By March 2026, the initiative included 86 operator groups representing more than 300 networks globally and 80% of mobile connections worldwide, with more than 60 channel partners commercialising the APIs.[24] STC and e& were among the 21 operators that founded the initiative in 2023. Meanwhile, Ooredoo and Vodafone Qatar commercially launched Number Verification and SIM Swap APIs in November 2025, among the first of such launches announced in the region, with further identity and fraud-prevention APIs planned for 2026. Operators have an essential role at each step of the digital identity journey. This includes providing the device and connectivity to access digital credentials, and delivering the network coverage needed for user verification. In markets where digital identity programmes are still in the early stages, operators can support essential customer KYC processes and records to enhance digital and financial inclusion.

20. "Statement on financial inclusion indicators to June 2026", Central Bank of Egypt, August 2026; "The Central Bank of Egypt Formulates the Second Financial Inclusion Strategy (2026-2030)", Central Bank of Egypt, February 2026
21. Report on the Usage Indicators of Mobile Wallets Operated by Telecom Companies, Q2 2026, National Telecommunications Regulatory Authority, 2026
22. "Mobile Money accounted for $2 trillion in transactions in 2025, doubling since 2021 as active accounts continue to grow", GSMA, March 2026
23. "e-Devlet Kapısı'na kayıtlı kullanıcı sayısı 68 milyonu aştı", Anadolu Agency, February 2026
24. "From Ambition to Execution: How Open Gateway Is Scaling the Global API Economy", GSMA, March 2026.

04

Industry enablers



Operators across MENA are forecast to invest heavily in networks through to 2030 despite moderate revenue growth. The investment case therefore depends partly on policy conditions, including sector-specific taxation, spectrum pricing, coverage obligations and resilience requirements.

Heavy sector taxes and fees on mobile reduce both the affordability of devices and services and operators' appetite for investment. Regulatory frameworks that measure success through the impact on retail prices alone may not provide the investment incentive needed for a healthy mobile sector, particularly with downwards retail price pressure.

4.1 Enabling sustainable investment

Sector-specific taxation and fiscal policy

The mobile sector contributed $40 billion to public finances in MENA in 2025, of which value-added tax (VAT), sales taxes, excise duties and customs duties on services and handsets accounted for $25 billion. Beyond general taxes, several markets – including Jordan, Egypt and Tunisia – also apply mobile-specific taxes or apply general taxes to mobile at higher rates:

- **Jordan:** Telecoms operators pay corporate income tax at 24% against a standard rate of 20%, while mobile services carry a special tax on top of the 16% general sales tax, which the GSMA recorded at 26%, alongside total fees of nearly 11% of operator revenues.[25]
- **Egypt:** Mobile services carry an 8% schedule tax in addition to 14% VAT, which brings the consumer tax rate on mobile to 22%.
- **Tunisia:** Telecoms operators pay corporate income tax at the higher 35% rate.

Taxes on services and handsets can reduce affordability in a region where an entry-level internet-enabled handset can cost up to 64% of monthly GDP per capita for the poorest users.[26] Higher sector taxes and sector-specific fees can also reduce operators' after-tax returns and investment capacity.

Governments can reduce operators' fiscal burden through five reforms, ranging from the removal of mobile-specific taxes to the neutral treatment of digital services:

- **Phasing out mobile-specific excises and special taxes on services:** This includes Jordan's special tax and Egypt's table tax. The GSMA's 2025 assessment of investment conditions in 13 MENA markets identified high and disproportionate sector-specific taxes as a shared barrier to network investment and named fair, investment-friendly taxation among its five priority reforms.[27]
- **Aligning corporate income tax on telecoms with the standard rate:** Higher rates on the telecoms sector compared to most other sectors lower the after-tax return on network investment.
- **Consolidating regulatory fees into a single cost-recovery fee:** In Egypt, operators pay several fees such as annual licence fees, R&D fees and universal-service fees based on adjusted licensed service revenues, alongside separate concession, renewal, regulatory works and spectrum fees.
- **Removing import duties and luxury classification on entry-level internet-enabled handsets:** Device cost is one of the largest adoption barriers, and zero-rating entry-level 4G and 5G devices would help to narrow the usage gap.
- **Taxing mobile operators and digital platforms neutrally:** Mobile operators are subjected to several regulatory and fiscal obligations, in contrast to several digital platforms that offer directly competing digital services using underlying mobile connectivity. Taxing similar service providers neutrally levels the playing field.

25. "Governments in the MENA Region should Champion Taxation Reforms for Greater Mobile Connectivity, Says New GSMA Report", GSMA, July 2017
26. The State of Mobile Internet Connectivity 2026, GSMA, 2026
27. "Driving Mobile Growth: GSMA Advocates for Policy Reforms to Enhance Investment in MENA", GSMA, April 2025



Investment and monetisation

Operators in MENA are forecast to spend $88.9 billion on capex between 2025 and 2030, while revenues are expected to grow from $79.5 billion to $96.1 billion, at a CAGR of around 3.9% a year. Operators also face a new wave of investment requirements in the coming years with the expected development of 6G.

The GSMA recommends that spectrum licensing should shift away from high upfront fees for new and renewed spectrum licenses and toward models that reward investment in underserved areas, with the design of the awarding mechanisms reflecting wider economic goals. The 2026 regional conflict has also added a second level of pressure. Insurance and financing costs for infrastructure in affected markets have risen sharply, while operators' networks are being treated as national critical infrastructure in practice (such as Zain reporting that its 5G-Advanced network in Kuwait supported the country during the regional crisis).[28]

The following regulatory measures would improve the investment case for operators:

- **Facilitating regulatory approvals for complex 5G monetisation schemes:** This will allow further commercial differentiation of 5G, especially for speed-tiered tariffs and enterprise slicing.
- **Enabling infrastructure sharing and tower infrastructure separation:** Passive and active sharing of infrastructure lowers the cost of coverage, especially in low-return areas.
- **Encouraging and facilitating the introduction of network APIs:** APIs can create additional revenue streams for operators. The GSMA Open Gateway APIs allow operators to sell verification, fraud-prevention and quality-on-demand services to banks and platforms.
- **Extending critical-infrastructure protection to telecoms:** Governments can designate networks and data centres as critical national assets, ensuring they are included in physical-protection planning, war-risk insurance arrangements and reconstruction financing, on the same basis as energy and water.

28. "Zain Group Q1'2026 revenue up 6% to USD 1.86 billion; Net profit soars 51% to USD 260 million, a 15-year high", Zain Group, May 2026

4.2
Effective and affordable spectrum management

The importance of harmonised mobile spectrum

As spectrum is a scarce resource, ensuring the timely availability of prime bands should be a priority to enable new technologies and support increasing traffic growth. This is crucial as countries prepare for 6G. The number of 6G connections could reach more than 5 billion by 2040, representing approximately half of all mobile connections globally. The GCC states are likely to start rolling out 6G networks from around 2030. The technology is expected to enable new and emerging use cases that could increase demand further over 2035–2040, with much heavier uplink requirements. This includes extended reality, image- and video-driven generative AI and potentially holographic communication.

Mid-bands for capacity

Countries in MENA as a whole are expected to require an average of 1.4–2 GHz of mid-band spectrum by 2035–2040, while the most densely populated areas will require up to 2.4 GHz. The GCC states, however, will require a higher average of 2.3–2.9 GHz (or 2.4–3.2 GHz in the most densely populated areas) due to greater data requirements.[29]

The next World Radiocommunication Conference (WRC) in 2027 will consider bands for the next phase of evolution, including the 4.5 and 7 GHz bands. However, as each of these bands have incumbent use, regulators and policymakers need to plan for increased mobile spectrum requirements now, considering the lead times required for international harmonisation, equipment development and network deployment. Beyond the WRC bands, reusing existing mid-bands, extending the 3.5 GHz band and allocating the upper 6 GHz band to mobile can all help countries in MENA achieve the future capacity needed. The UAE continues to lead global efforts to advance the role of the upper 6 GHz band in mobile evolution, with the first commercial upper 6 GHz network deployed in 2026.

Low bands for expansion

As network deployment accelerates in mid-bands, complementary low-band capacity will be essential to extend coverage into rural areas, enhance indoor performance and promote digital equality. Rural users spend twice as much time connected to low bands compared to urban users.[30] Without sufficient low-band spectrum, countries in MENA will struggle to address the digital divide, and those living in rural areas may be excluded from the latest digital technologies. There are numerous benefits for countries that prioritise access to more low-band spectrum for mobile. For example, an additional 50 MHz of sub-1 GHz spectrum is linked to a 7 percentage-point increase in 4G coverage and an 11 percentage-point increase in 5G coverage.[31] In most countries, the main low bands currently used for 5G are in the 600 and 700 MHz bands. In MENA, the 470–694 MHz range may provide new opportunities to deliver affordable, wide-area connectivity for all communities.

29. Vision 2040: Future Spectrum Needs, GSMA, 2026
30. Spectrum and Rural Connectivity, GSMA, 2026
31. Ibid.

Spectrum licensing priorities

Policies that enable investment in mobile networks can help countries achieve their digital ambitions and boost economic productivity. Spectrum licences with a longer duration give operators greater certainty to invest in their networks over the long term. Uncertainty can be further minimised by creating a presumption of renewal.

For licences approaching the end of their current terms, timely renewal decisions (ideally 3–5 years in advance of licence expiry) would help facilitate ongoing network investments and enable planning that ensures service continuity for end users.

Investment-enabling spectrum prices

Higher spectrum prices can slow the rollout of mobile networks and reduce the network quality experienced by consumers.[32] They can also be associated with higher retail prices in low- and middle-income countries.

Mobile network development will be accelerated if regulators:

- assign spectrum to users who will be able to use it for the maximum benefit to society
- set reserve prices conservatively to allow the market to determine a fair price and to reduce the risk of leaving spectrum unassigned
- limit ongoing attempts to recover the cost of spectrum management after auctions.

Meeting onerous coverage or quality-of-service obligations can lead to high spectrum cost. Regulators should therefore account for any set of obligations in spectrum pricing, ensuring fees reflect the associated costs to operators.

Enabling D2D

D2D describes connectivity between satellites and mobile handsets. It can supplement coverage for people who already have a mobile connection and offer connectivity to those who live outside terrestrial mobile coverage and can afford a device and service plan.

D2D can also expand resilience, especially during emergencies when there are terrestrial network outages. D2D's weaker signal and lower spectrum efficiency mean it cannot provide meaningful connectivity in populated areas such as cities and towns.[33] Its principal use is therefore likely to be in very sparsely populated, remote or intermittently occupied areas. In populated rural areas, low-band terrestrial mobile is likely to remain a more efficient way of delivering mobile broadband.

WRC-27 will consider the development of D2D. A critical part of the conversation will focus on enabling D2D cautiously while ensuring that there is no harmful interference to the terrestrial mobile services that so many people rely on.

32. Global Spectrum Pricing, GSMA, 2025
33. The Limits of D2D: Modelling the extent of D2D connectivity, GSMA, 2026



4.3
Coverage and quality

MENA has one of the world's highest levels of coverage by population, with an average coverage gap of only 3%. Nevertheless, more than 250 million people in MENA remain offline despite living within mobile broadband coverage. Closing this usage gap requires targeted action on device affordability, digital skills and locally relevant services, but focusing on network quality is an equally important enabling condition in bridging the usage gap, especially in the rural areas of some countries, where up to 27% of the population live. Sustained investment in network quality, technology upgrades, spectrum and fibre deployment can improve performance, particularly in rural areas.

The following measures can strengthen the investment environment:

- **Assign low-band spectrum for rural coverage at a low upfront cost:** This can be done in exchange for investment commitments, calibrated to what is achievable in low-density areas.
- **Design coverage and quality-of-service obligations that reward investment:** GSMA Intelligence research finds collaborative regulatory approaches to be more effective than hard sanctions for encouraging operators to invest and innovate.[34]
- **Direct universal-service funds toward underserved users and underserved areas:** This can finance device affordability, digital skills and local-content programmes for people who live within coverage but remain offline, thus increasing adoption and improving commercial results.

34. Mobile quality of service and market status: Saudi Arabia case study, GSMA Intelligence, 2026

GSMA Head Office
1 Angel Lane
London
EC4R 3AB
United Kingdom