

Mobile Telecom

Building Connections



March 2017

Industry

- ◆ 4 Cellular players
- ◆ To date 10 Cellular, 16 Long Distance, 84 fixed Loop, 103 wireless local loop, 533 Class Value Added Services and 554 land Mobile licences are issued by PTA.

Teledensity in Pakistan

Teledensity (Fixed + WLL + Mobile)	
Year	Total Teledensity* (%)
FY10	68.40
FY11	72.00
FY12	74.90
FY13	79.89
FY14	62.90
FY15	70.81
Jan-17	71.66

Market share

		Cellular Sims (Number of Active SIMs)					
Period		Mobilink	Telenor	Zong	Ufone	Warid	Total
Subscribers	FY11	33,378,161	26,667,079	10,927,693	20,533,787	17,387,798	108,894,518
Share		31%	24%	10%	19%	16%	100%
Subscribers	FY12	35,953,434	29,963,722	16,836,983	23,897,261	13,499,835	120,151,235
Share		30%	25%	14%	20%	11%	100%
Subscribers	FY13	37,121,871	32,183,920	21,177,156	24,547,986	12,706,353	127,737,286
Share		29%	25%	17%	19%	10%	100%
Subscribers	FY14	38,768,346	36,571,820	27,197,048	24,352,717	13,084,823	139,974,754
Share		28%	26%	19%	17%	9%	100%
Subscribers	FY15	33,424,268	31,491,263	22,102,968	17,809,315	9,830,620	114,658,434
Share		29%	27%	19%	16%	9%	100%
Subscribers	FY16	39,118,521	38,020,771	25,251,329	19,833,670	11,017,174	133,241,465
Share		29%	29%	19%	15%	8%	100%
Subscribers	Jan-17	51,534,764	39,586,053	27,496,157	18,478,378	-	137,095,352
Share		38%	29%	20%	13%	-	100%

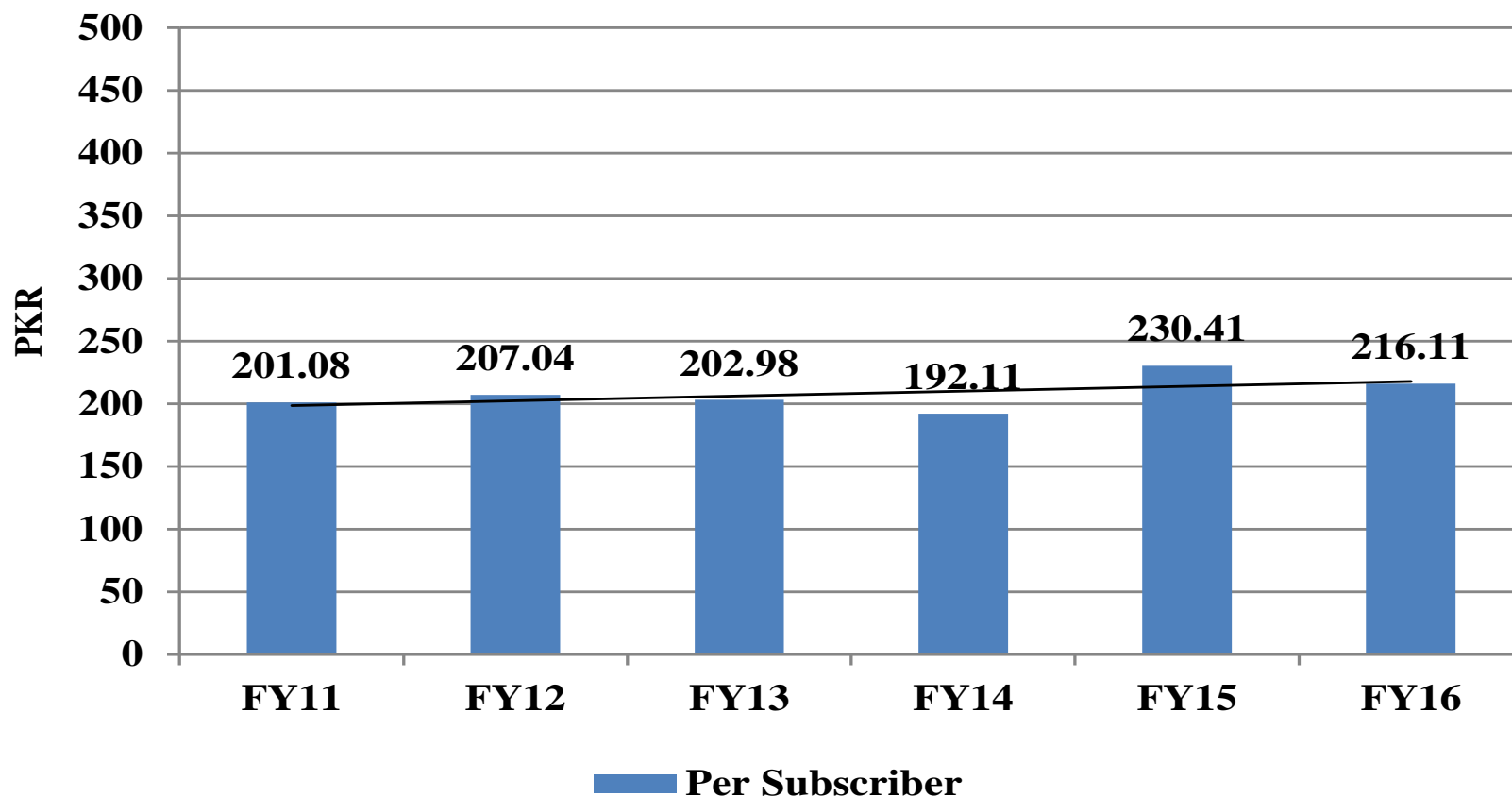
- Mobilink - the market leader – merged entity market share is 38%.
- Telenor and Warid gained 2% and 1%, respectively. Zong remained same, whereas, Ufone lost 1% share.

3G/4G Subscribers

Operator	Technology	Jun-14	Dec-14	Jun-15	Dec-15	Jun-16	Dec-16	Jan-17	Share in the total Cellular subscribers as at end-Jan17
Mobilink	3G	3,656,345	1,795,549	3,656,345	7,248,761	8,919,218	12,326,033	11,875,228	8.7%
	4G	-	-	-	-	-	-	700,486	0.5%
Telenor	3G	4,162,616	2,268,860	4,162,616	6,373,498	8,371,991	9,897,252	10,114,292	7.4%
	4G	-	-	-	-	-	-	152,645	0.1%
Zong	3G	2,898,094	1,661,286	2,898,094	4,752,974	5,988,197	7,134,497	7,475,904	5.5%
	4G	105,128	2,242	105,128	282,701	680,620	2,274,157	2,855,336	2.1%
Ufone	3G	2,570,283	1,952,584	2,570,283	4,293,739	5,223,096	5,305,094	5,095,611	3.7%
Warid	LTE	-	-	106,211	214,046	347,132	637,363	-	0.0%
Total 3G/4G		13,392,466	7,680,521	13,498,677	23,165,719	29,530,254	37,574,396	38,269,502	27.9%

➤ Mobilink - largest share in 3G subscribers and Zong largest share in 4G subscribers out of total cellular subscriber base

Average Revenue Trend per Month





Telecom Revenues

(PKR mln)

	Cellular	Local Loop	LDI	WLL	VAS	Total
2009-10	236,047	61,464	44,964	2,880	10,202	355,557
2010-11	262,761	58,342	34,195	4,978	7,052	367,327
2011-12	298,510	63,805	32,675	5,861	11,175	412,026
2012-13	311,145	80,661	38,572	5,617	3,526	439,521
2013-14	322,683	88,831	43,631	6,279	4,123	465,547
2014-15	317,016	80,813	40,765	3,874	7,078	449,546
2015-16	345,537	76,981	26,545	5,208	2,101	456,371

LDI: Long Distance International

WLL: Wireless Local Loop

VAS: Value Added Services

Telecom Revenues

(PKR mln)

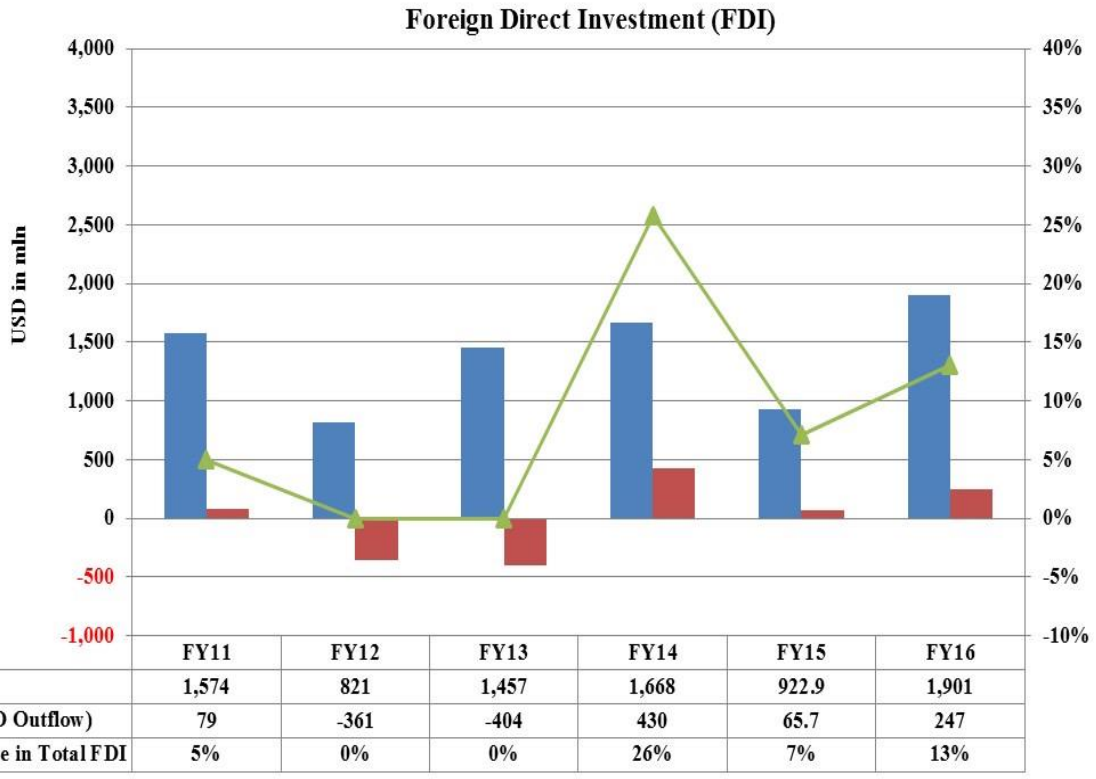
	Cellular	Local Loop	LDI	WLL	VAS	Total
2009-10	66.4%	17.3%	12.6%	0.8%	2.9%	100%
2010-11	71.5%	15.9%	9.3%	1.4%	1.9%	100%
2011-12	72.4%	15.5%	7.9%	1.4%	2.7%	100%
2012-13	70.8%	18.4%	8.8%	1.3%	0.8%	100%
2013-14	71.8%	19.8%	9.7%	1.4%	0.9%	104%
2014-15	70.5%	18.0%	9.1%	0.9%	1.6%	100%
2015-16	75.7%	16.9%	5.8%	1.1%	0.5%	100%

➤ Cellular mobile segment continues to have the largest share (FY16: ~76%; FY15: 71%).

➤ During FY16, the total telecom investment decreased by 28% on YoY.

Telecom Investment					
<i>(USD mln)</i>					
	Cellular	LDI	LL	WLL	Total
2010-11	359	132	19	10	519
2011-12	212	16	5	7	240
2012-13	570	2	16	12	600
2013-14	1,790	2	14	10	1,816
2014-15	978	12	4	7	1,001
2015-16	659	6	54	0	720

➤ During FY16, Telecom attracted FDI of USD 247mln – 13% of the total FDI received by Pakistan in that period.



Snapshot

- Recent Consolidation in the industry- Mobilink acquired 100% shares of Warid.
- As competitive landscape exists, average revenues per user (ARPU) have yet to stabilize.
- Business potential in value added services is expected to provide impetus to revenue growth to the market players, though time-line is uncertain.
- Intense competition among players is expected to keep EBITDA margins under pressure.
- After acquisition of 3G and 4G spectrum, wireless internet taken by the cellular operators
- Digital Mobile banking is in purview of the industry.

Bibliography

1. Pakistan Telecommunication Authority (PTA) : <http://www.pta.gov.pk/index.php?Itemid=1>

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