



# Operator business services: UAE forecast 2020–2025



Karim Yaici

## About this report

This report analyses the demand for telecoms and ICT services by micro, small, medium-sized and large enterprises, expressed in terms of revenue, the number of connections or users and the average revenue per user (ARPU).<sup>1</sup>

The report highlights that data, ICT and IoT services play an important role in driving operator business revenue as legacy voice service revenue continues to decline.

It quantifies the market for fixed and mobile voice and data services, IoT connectivity services and ICT services such as unified communications (UC) and hosted voice, security, co-location and hosting, and cloud services.

The report is based on several sources, including data from the UAE Telecommunications Regulatory Authority (TRA), the UAE Ministry of Economy, operator reporting, Analysys Mason's surveys on business telecoms and ICT usage, and third-party reports.

### WHO SHOULD READ THIS REPORT

- Operators that want to identify key areas for revenue growth, both in terms of enterprise segments and individual services.
- Vendors that are considering targeting the enterprise market.
- Third-party service providers that are seeking to collaborate with operators.

<sup>1</sup> For the complete data set, see Analysys Mason's [DataHub](#).

<sup>2</sup> See service taxonomy in the 'Forecast methodology and assumptions' section of this report.

### REPORT COVERAGE

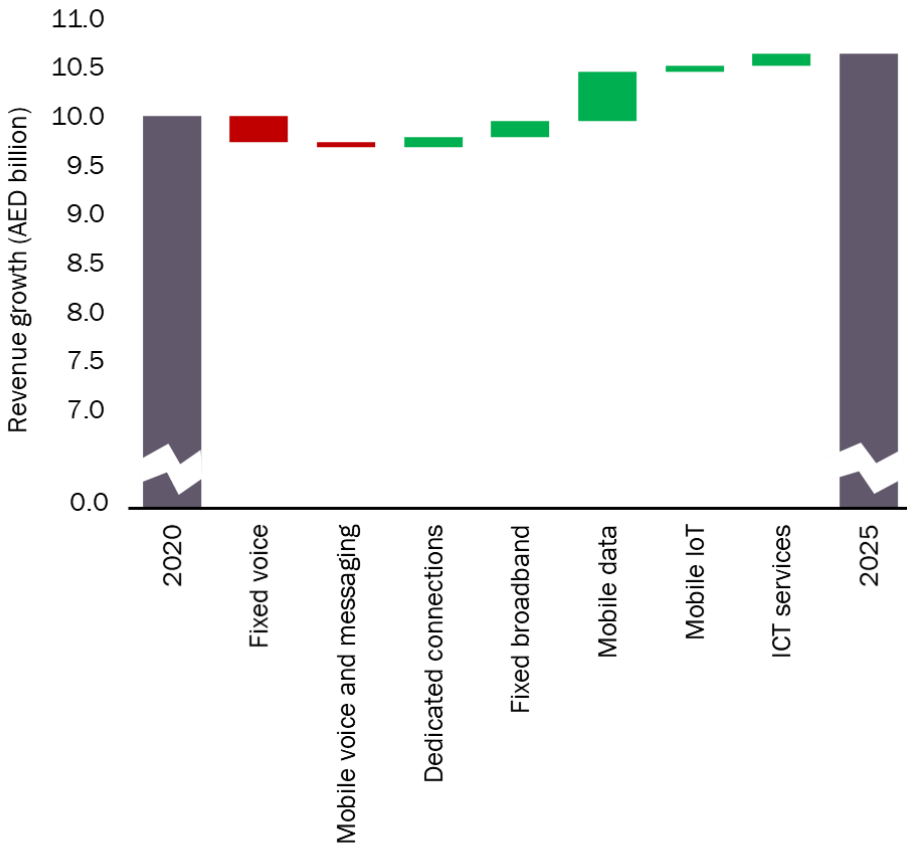
Geographical	Services <sup>2</sup>	
<b>Countries modelled individually:</b> <ul style="list-style-type: none"> <li>▪ UAE</li> </ul>	<b>Mobile:</b> <ul style="list-style-type: none"> <li>▪ Voice</li> <li>▪ Messaging</li> <li>▪ Handset data</li> <li>▪ Mobile broadband</li> <li>▪ IoT connectivity</li> </ul>	<b>ICT:</b> <ul style="list-style-type: none"> <li>▪ UC and hosted voice</li> <li>▪ Security</li> <li>▪ Co-location and hosting</li> <li>▪ Software-as-a-service (SaaS)</li> <li>▪ Infrastructure-as-a-service and platform-as-a-service (IaaS/PaaS)</li> <li>▪ Enterprise mobility</li> <li>▪ Desktop management</li> </ul>
<b>Enterprise size</b>	<b>Fixed:</b> <ul style="list-style-type: none"> <li>▪ Narrowband voice</li> <li>▪ VoBB</li> <li>▪ ADSL/SDSL, vDSL, FTTP/B, cable modem, FWA, other fixed broadband</li> <li>▪ Dedicated connections: below 100Mbit/s, 100Mbit/s and up to 1Gbit/s, and at least 1Gbit/s</li> </ul>	
<b>Segments:</b> <ul style="list-style-type: none"> <li>▪ Micro (0–9 employees)</li> <li>▪ Small (10–49 employees)</li> <li>▪ Medium (50–249 employees)</li> <li>▪ Large (250+ employees)</li> </ul>		



Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason [DataHub](#) to view the latest data associated with this report.

# Executive summary: operator business revenue will increase over the forecast period, driven by growing demand for fixed broadband and mobile data connectivity

Figure 1: Change in telecoms operator retail revenue from businesses by service type, UAE, 2020–2025<sup>1,2</sup>



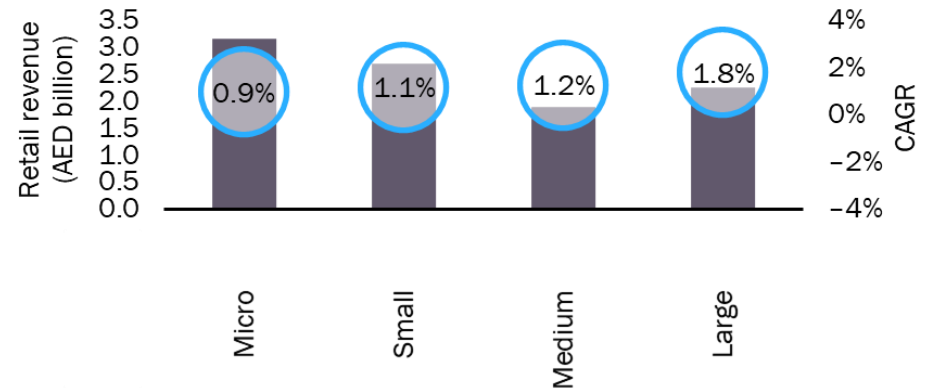
Source: Analysys Mason

Figure 2: Connections for businesses and CAGRs by type of connection, UAE, 2020–2025<sup>2</sup>

Connection type	Connections (thousand)		CAGR	
	2020	2025	2016–2020	2020–2025
Mobile handsets	1170	1490	3.4%	5.0%
Mobile broadband	340	362	4.1%	1.3%
Mobile IoT	900	3500	31.1%	31.2%
Fixed voice	870	840	-2.1%	-0.7%
Fixed broadband	148	163	0.3%	1.9%
Dedicated connections	32	34	-0.2%	0.9%

Source: Analysys Mason

Figure 3: Telecoms operator retail revenue from businesses in 2020 and CAGR for 2020–2025 by enterprise size, UAE<sup>2</sup>



Source: Analysys Mason

<sup>1</sup> Red denotes a decrease, and green an increase.

<sup>2</sup> See the 'Presentation of results' slide in the 'Forecast methodology and assumptions' section of this report for full definitions of the aggregate categories presented in the figures.

# Operator business revenue in the UAE will grow during the period to 2025 after recovering from the dip in demand and investments caused by COVID-19 in 2020

Operators' retail revenue from businesses in the UAE is forecast to increase at a CAGR of 1.2% between 2020 and 2025.

Operator business revenue for telecoms and ICT services is estimated to grow from AED10 billion in 2020 to AED11 billion in 2025. It currently accounts for around 31% of the total operator revenue. We expect the share to remain relatively flat over time.

Revenue from fixed data services (broadband and dedicated connections), which represents around half of the operators' business revenue, will increase by 5.5% during 2020–2025, helping to offset a decline in fixed voice revenue.

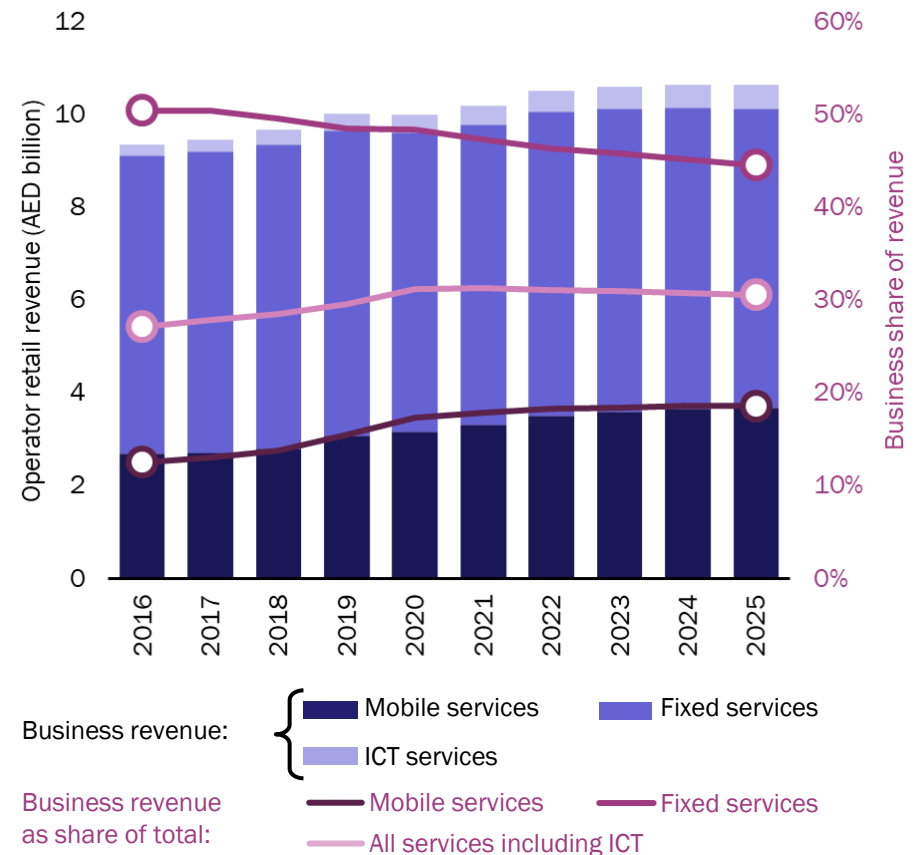
Revenue from mobile handset services will be the second-largest contributor to operators' business revenue. Growth will be driven by demand for mobile data services and the increased business share of mobile handsets with the increased importance of mobility, especially for micro-enterprises as they shift from consumer to business subscriptions.

ICT services (such as security and cloud) will also contribute to the overall growth and will benefit from increased government investments (in preparation for Expo 2020<sup>1</sup>) and the push to modernise the economy. Major development projects were delayed in 2020 due to COVID-19, but there are already signs of recovery. Therefore, we expect that business activity will resume and enterprise demand for ICT services will pick-up accordingly.

<sup>1</sup> The World Expo 2020 event is designed to showcase achievements of nations and will be hosted by Dubai from October 2021.

<sup>2</sup> See the 'Presentation of results' slide in the 'Forecast methodology and assumptions' section of this report for full definitions of the aggregate categories presented in the figures.

Figure 4: Telecoms operator retail revenue from businesses by service type and share of total market, UAE, 2016–2025<sup>2</sup>



Source: Analysys Mason



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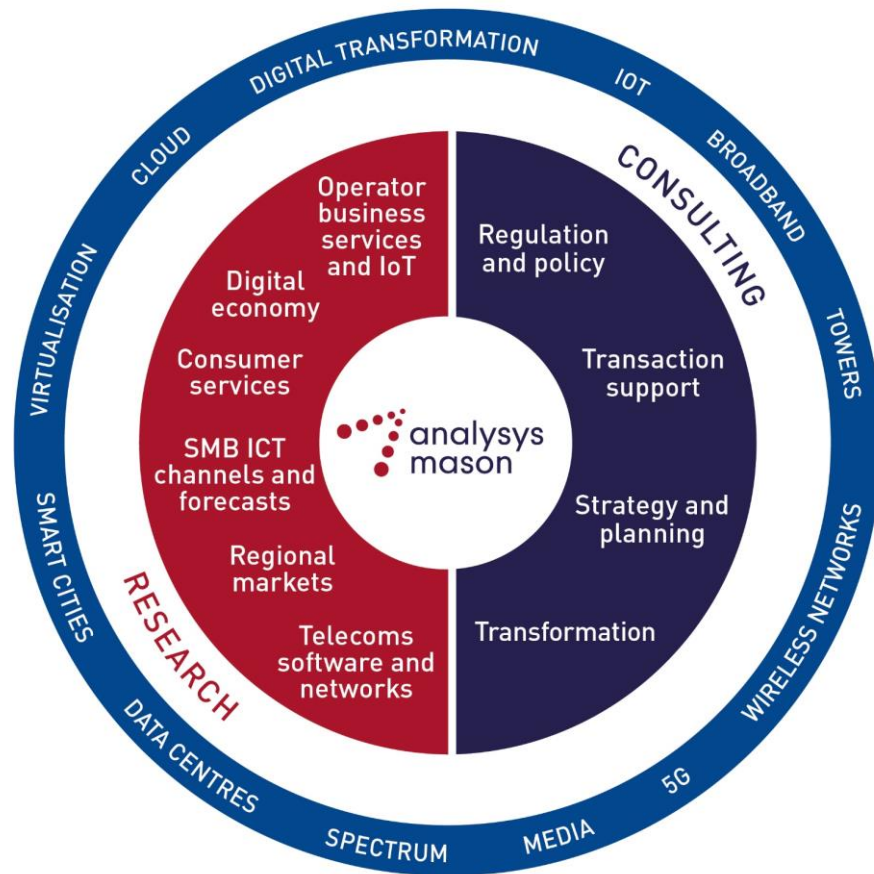
## About the author



**Karim Yaici (Senior Analyst)** leads Analysys Mason's Africa and Africa regional research programme. His primary areas of specialisation include operators' digital strategies, new telecoms opportunities such as IoT, and consumer trends in growth markets. Prior to joining Analysys Mason, Karim was an associate analyst at Ovum, where he authored reports on mobile accessories and mobile applications. Prior to that, he worked as a research engineer at the Institute for Communication Systems and Vodafone in the UK. Karim holds an MSc in Information Systems Management from the University of Southampton and a PhD in human-computer interaction from the University of Surrey.

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### Research

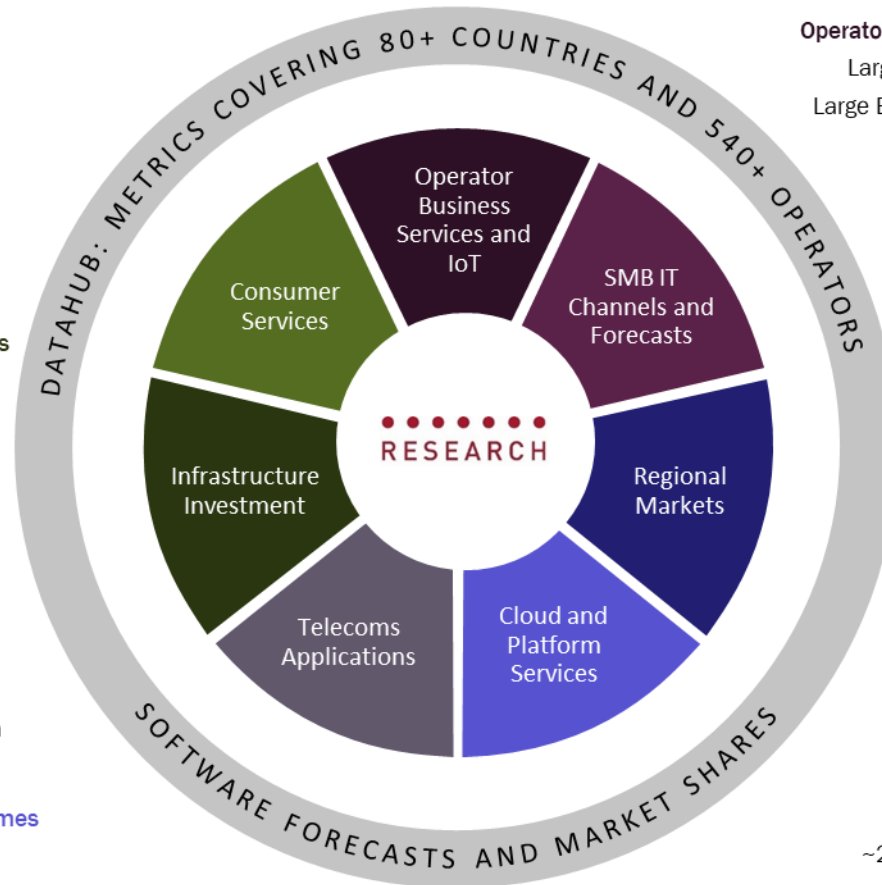
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  - Fibre Infrastructure
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- 
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  - Next-Generation Wireless Networks
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  - Data, AI and Development Platforms
  - Media Platforms



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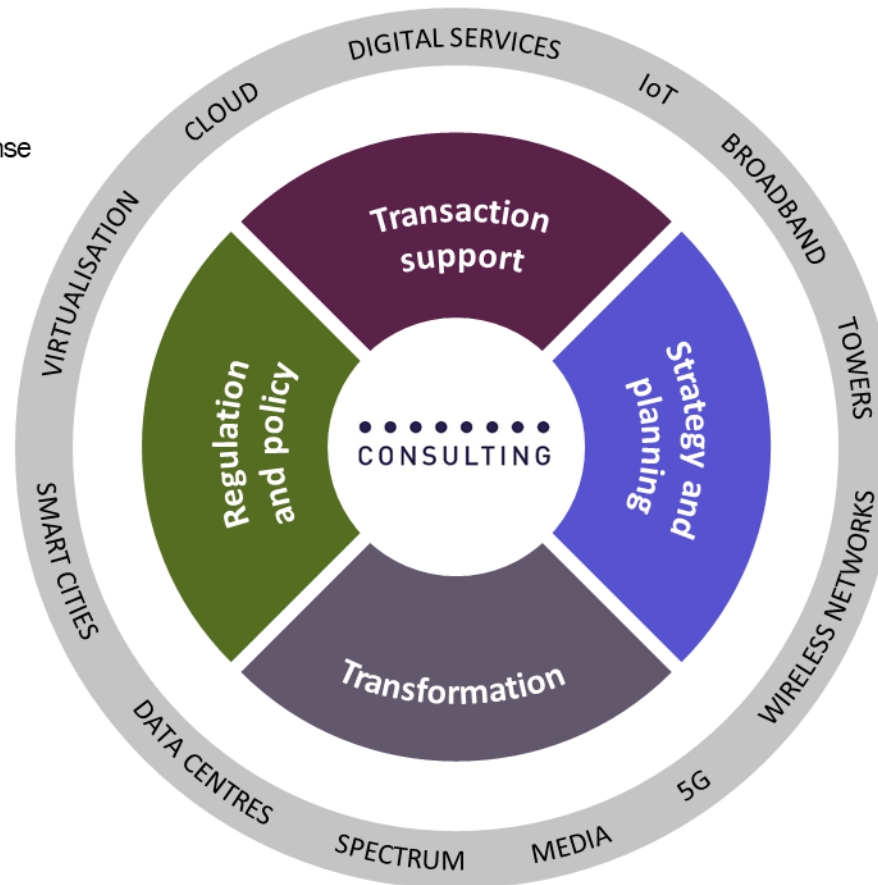
## Regulation and policy

- Policy development and response
- Ex-ante market reviews, remedies, costing...
- Universal Service Obligation (USO)
- Scarce resources: radio spectrum management, auction support, numbering...
- Ex-post / abuse of dominance
- Postal sector



## Transformation

- Transformation programmes
- Assurance
- Implementation
- Delivery



## Transaction support



- Commercial and technical due diligence, buy-side and sell-side
- Initial public offerings (IPOs)
- Financial valuation
- Debt financing
- Lending technical advisory
- Opportunity scouting
- Business plan review

## Strategy and planning



- Commercial expertise
- Technology optimisation
- New digital frontiers

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