



News Release

Contact: Nadine El Hassan
Public Relations Regional Leader
Deloitte Middle East
Tel: +961 (01) 748 444
Email: nelhassan@deloitte.com

Deloitte launches 2015 Technology, Media & Telecommunications Predictions for the Middle East

- Deloitte: Digital Islamic Services set to take off across the Middle East region and the world in 2015*
- Monitor Deloitte*: GCC countries to make significant open data advancements in 2015*
- Monitor Deloitte: Number of new smart city greenfield developments in the GCC to double within the next two to three years*
- Deloitte: 25 million Internet of Things devices to be shipped to the Middle East in 2015*
- Deloitte: Middle East millennials to spend around \$37 billion on media content*
- Deloitte: 70-100 million smartphone upgrades across the Middle East region*

29 March, 2015 - [Deloitte](#) has launched its [2015 Technology, Media & Telecommunications Middle East Predictions](#) report revealing the latest trends and emerging issues shaping the TMT industries across the region in the year ahead and beyond. This is the third time that Deloitte has launched a Middle East version of its Global TMT Predictions.

The predictions are built around hundreds of discussions with industry executives, analysts and commentators, along with tens of thousands of consumer interviews. They are tested with clients, industry analysts, and conference attendees, while leveraging Deloitte's international and regional TMT project experience, in the months leading up to the release.

"In some cases the report seeks to identify the drivers behind major inflection points and milestones, such as the take-off of Digital Islamic Services, for example, and in other cases to explain why we are not expecting fundamental change, such as in the use of drones for home deliveries, or in smartphone battery technology," said Santino Saguto, Consulting Partner and [Technology, Media and Telecommunications](#) leader for Deloitte in the Middle East. "We also consider it critical to examine sub-trends, such as the increase, but also disparity, in broadband speeds."

Mohammad Abdullah, Managing Director of Dubai Media City (DMC) said; "DMC has long supported Deloitte's Middle East TMT Predictions, which contain many valuable insights that will be able to serve as a guide for the media industry."

"As a thriving community that has become home to many global, regional and local media organizations, we are committed to pioneering innovation and supporting research into the future of our industry, as well as identifying key trends that will shape the TMT sector over the near, mid and long term. Deloitte's 2015 report contains some very interesting insights into the Middle East's vibrant media sector, particularly the predicted increase in spend on media content and the growth in Digital Islamic Services over the coming years."

This year is anticipated by Deloitte to be pivotal for Digital Islamic Services as they start to take off across the Middle East region and the world. Using global and regional online benchmarks, Deloitte estimates that within the next three to four years the region's Digital Islamic Economy will nearly double in size in terms of online Muslim consumer spend on lifestyle products and services, from around US\$15 billion currently to touching and probably crossing \$30 billion by 2018. Muslim consumer spend on Digital Islamic Services in the region, driven by already high digital media consumption, will likely expand by as much as 25 to 30 percent across most areas of the Islamic economy in 2015 and beyond.



The report also predicts that Gulf Cooperation Council (GCC) countries in the Middle East will make significant open data advancements in 2015, and within the next three to five years, break into the top half of countries ranked the most 'open' in the world. Although the Gulf countries will take some time to match the level of leading 'open' countries to reap the benefits of open data, and despite the split in their degrees of 'openness', 2015 will represent a key milestone of actions implementing major national open data announcements made in 2014. GCC countries that have not yet outlined open data initiatives will begin to do so in 2015, while those that already have will embark on their journey towards open data implementation.

The GCC is also making strides in its development of smart cities with Monitor Deloitte strategy consultants predicting that the number of new smart city greenfield developments in the GCC will double within the next two to three years. This follows the launch of six entirely new, master-planned smart city developments in the GCC over the past decade. Going forward Monitor Deloitte strategy consultants expect the majority of new city sub-developments will incorporate at least some element of "smart" infrastructure. The region's smart city growth will largely be driven by developments in the government planning, administration, and operations area, backed by significant GCC government investments in e-government and mobile services.

The sharp increase in mobile government (m-gov) services development in the region is also fueling the rise of m-gov smartphone applications across the Middle East, with Deloitte predicting that the number will surpass 500 apps by 2016.

"m-government is actually a subset or extension of e-government to mobile platforms, where mobile is a channel, another means of improving government activities, processes, service delivery, and its ability to connect with its stakeholders," said Saguto. "The Middle East region alone represents 24 percent of the global m-gov services base, with the GCC countries, at over 85 percent of the region's m-gov services, driving regional m-gov developments."

Other predictions explored in the report include:

Internet of Things

The Middle East region is estimated to currently represent about 2-3 percent of the global IoT enterprise market. As such, around 25 million IoT devices are anticipated by Deloitte to be shipped to the Middle East region in 2015, leading to an installed base of around 70 million IoT devices. This would likely be worth around \$250 million in IoT-specific hardware, with revenues of around \$1.7 billion in associated IoT services.

3D printing in the Middle East

The Middle East region is a relatively immature market, representing a small fraction of the global 3D printing market, but is expected to grow quickly and follow global growth trends, where Deloitte predicts adoption to be driven by enterprises in the region.

Short-form versus long-form viewing trends

Total time spent watching short-form video online in the Middle East in 2015 will represent under three percent of all video watched locally on all screens. On average, the region's viewers will consume an estimated 545 million hours per month, of short-form video (5.5 percent of global short-form estimates) in addition to watching over 23 billion hours per month of traditional long-form television (about 5 percent of global long-form viewership).

Media content spending

Millennials in the Middle East will spend around \$37 billion on media content in 2015 (\$300 per millennial, in purchasing power parity terms). High rates of smartphone adoption, broadband, technological advancements and increasing literacy rates play a key role in the growth of media consumption in the Middle East in 2015 and beyond. Despite these advancements however, media spending by millennials in the region is quite low in comparison to more developed markets such as North America.

A milestone for smartphone upgrades

Sales from smartphone upgrades in the Middle East region could reach up to 70-100 million units in 2015, potentially generating \$18-28 billion in revenues. The majority of upgrades will take place in the GCC, which has the highest penetration levels, whereas in large parts of North Africa, with much lower smartphone penetration, many will be new adopters, buying a smartphone for the first time.

Internet and broadband penetration



Total internet penetration in the Middle East will reach around 38 percent in 2015, over approximately 25 million homes. Fixed broadband penetration however, is expected to reach just over 25 percent of Middle East households (around 14 million households). Fixed broadband penetration rates vary significantly across the region due to high economic disparity – particularly when comparing GCC countries with significantly higher penetration rates to those in North Africa where dial-up connections are more common.

To view the whole report, go to: <http://www2.deloitte.com/me/tmtpredictions2015>

* Monitor Deloitte is Deloitte & Touche (M.E.)'s strategy consulting practice.

- Ends -

About Deloitte:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

About Deloitte & Touche (M.E.):

Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence since 1926.

Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with around 3,300 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received numerous awards in the last few years which include Best Employer in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).