

## Egypt Smartphone Market Enjoys Strong Recovery in 2019, but Global COVID-19 Outbreak Causes Downgrade in Forecast for 2020

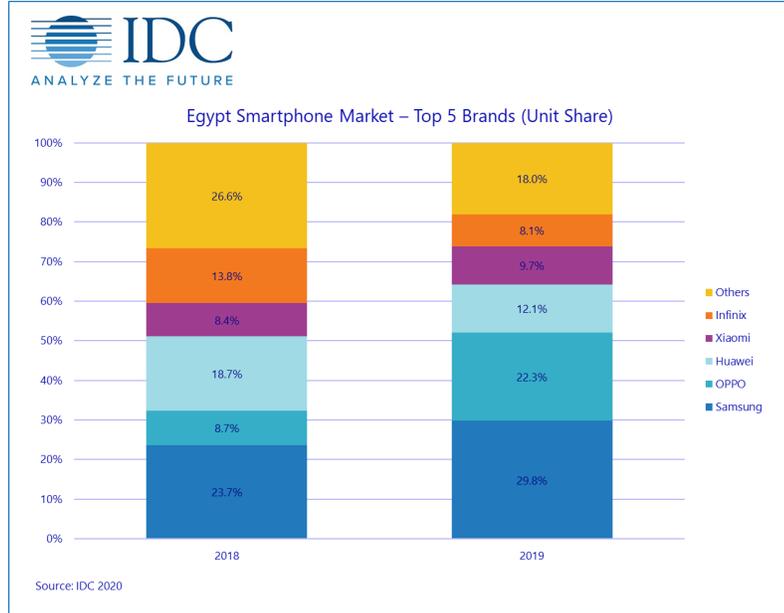
Cairo – Egypt's smartphone phone market has finally fully recovered from the devastating decline that hit the market in 2017, according to research conducted by International Data Corporation (IDC). The global technology research and consulting firm's latest insights show that smartphone shipments to the country increased 16.5% year on year in 2019, up from 3.4% in 2018. That represents a significant turnaround from the 14.4% decline seen in 2017, although the global fallout from the COVID-19 outbreak has caused IDC to revise its forecast for the Egyptian market downwards.

Mobile phone shipments to Egypt totalled 14.9 million units in 2019, with smartphones accounting for 72.2% of this total and feature phones making up the remainder. "2019 was a phenomenal year for Egypt's smartphone phone market," says Taher Abdel-Hameed, a senior research analyst at IDC. "While the Ministerial Decree No. 44 of 2019, which established new regulations around the import of products into Egypt, negatively impacted the market for a few weeks in Q1 2019, the effects were relatively short-lived. Samsung gained considerable market share during the year through its very affordable yet feature-rich Galaxy A series. Chinese players, including Oppo, launched new models in 2019 that offered excellent value for money, which ramped up pressure on some of the market's smaller brands."

Looking at the vendor landscape, Samsung maintained its position as the market's dominant player throughout the year. Together, Samsung, Oppo, and Xiaomi picked up the slack caused by the decline in Huawei and Honor shipments following U.S.-led sanctions, with Oppo particularly focused on gaining market share in the country. Transsion's smartphone brands (i.e., Infinix, Tecno, and Itel) saw shipments decline 37.7% year on year in 2019 due to the new

regulations introduced in Q1 and heightened competition in the price bands they operate in.

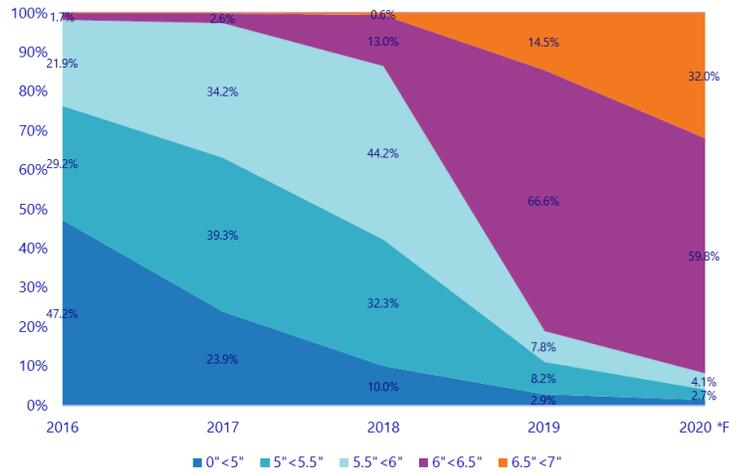
Figure 1



Another interesting development in 2019 was the sharp increase in shipments of smartphones with screen of six inches and above. Such devices accounted for 81.1% of all smartphones shipped to Egypt in 2019, up from just 13.5% in 2018, thanks to strong demand for recently launched models with larger screen sizes. This change in screen size preferences has also shifted the market to higher price bands; for example, the \$100–200 price band saw its share increase from 35.6% in 2018 to 60.0% in 2019, while the <\$100 band lost half of its volume.

Figure 2

Egypt Smartphone Market – Screen Sizes (Unit Share)



Source: IDC 2020 Note: 2020 is forecasted

IDC expects Egypt's smartphone market to continue growing in 2020, although the market will soften in the first half of the year as a result of the COVID-19 outbreak. Taking this into account, IDC forecasts that smartphone shipments to the Egyptian market will increase 3.7% year on year in 2020, reaching 11.1 million units.

"The COVID-19 outbreak has created a lot of uncertainty in the smartphone industry and has had a huge impact on the supply chain for mobile devices," says Ramazan Yavuz, a senior research manager at IDC. "While we didn't expect Egypt's smartphone market to maintain the high growth rates of 2019, we have had to revise our forecast down further, with COVID-19 being the primary driver

of these lower expectations. After analysing various factors and considering multiple recovery scenarios, IDC is currently implementing the most probable scenario analysis and expecting a recovery in the overall situation by the second half of the year. Having said that, the next few weeks will be crucial in determining the trajectory of the virus, and IDC will be monitoring the situation closely."

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