

SIMalliance Reports 6% Increase in Global SIM Shipments in 2012

Multi-device ownership supported by NFC and LTE; increasing population penetration in developing regions; and growth in M2M are key factors fuelling the global market

10 April, 2013 – SIMalliance today confirms that its membership, which represents approximately 90% of the global SIM market, reported a 6% rise in global SIM unit shipments last year; SIMalliance member shipment volumes have risen from 4.4 billion in 2011 to 4.6 billion in 2012. SIMalliance also estimates that the total available market has grown 9%, expanding from 4.7 billion to 5.1 billion between 2011 and 2012.

North America has seen the highest regional growth rate at 32%, with reported 2012 shipments equalling 216 million. The primary factor influencing growth in this market was the transition from CDMA to LTE SIM-based networks. Thanks to continuing subscriber acquisition, Africa enjoyed significant growth of 20% with 2012 shipments up to 499 million. Western Europe also performed strongly with an 11% rise in shipments to 375 million. This is attributed mainly to demand for new SIM form factors – micro and nano SIMS – resulting from increased usage of smart connected devices.

Significantly, SIMalliance member data shows that NFC-enabled SIMs started shipping in volume throughout 2012. SIMalliance members reported 30 million NFC shipments globally during the year, which represents an 87% increase on 2011. The strongest NFC SIM markets were Japan/Korea (21 million) and Western Europe (6 million).

In summary, SIMalliance identified three key factors influencing growth globally:

- **Multi-device ownership** - In developed markets such as Western Europe, North America, Japan and Korea, the growth in secondary smart devices, such as phones and tablets, has created a demand for newer SIM form factors, also known as micro SIMs and nano SIMs. This has been supported by LTE launches and the continued global commercialisation of NFC, which has resulted in an increased demand for NFC payments and couponing.
- **Population penetration** - In emerging markets such as India, China and Africa, subscriber acquisition continues to grow as mobile phone handsets remain a primary channel for accessing the internet in rural areas. In some developing markets, such as Africa, prepaid is prevalent among subscribers accessing mobile services.
- **Rise of the machines (M2M)** – Globally, the machine-to-machine (M2M) sector continues to expand. In 2012, SIMalliance members reported a 42% rise in shipments of soldered SIMs designed specifically for M2M applications (MFF2 form factor). This level of growth reflects the increased usage of M2M in specific sectors, such as the automotive and utilities industries; it doesn't however take into account the increase of M2M deployments across devices using plug-in or micro SIMs, suggesting that the M2M market is potentially even bigger.

"A 6% year on year growth in global SIMalliance shipments is very positive news for the market," comments Frederic Vasnier, SIMalliance Chairman. "Despite faltering economic conditions worldwide, mature mass volume SIM markets in many developed

countries and increased regulation in some regions, demand is rising thanks to new evolutions in the industry and consumer behaviour.”

“While there continues to be great diversity in forces influencing demand across regions, three global growth factors are very clear. The SIM market will continue to grow in 2013 fuelled by continuing subscriber acquisition in developing markets. There will also be an increasing number of connected smart devices, such as phones and tablets, in developed regions stimulating demand for high-end SIM products, particularly as LTE and NFC continue to drive the mobile services market forward. Finally, the vast potential of the nascent M2M sector cannot be overlooked – it will continue to grow steadily as more and more devices become connected. What’s particularly exciting about the M2M market is that it is not constrained by population penetration rates. This means it has no saturation limit.

“In general, the 2012 SIMalliance shipment figures, together with the insight they give on the market, provide welcome news indeed. Not only do they indicate a current position of strength, but they shine a positive outlook on what is yet to come. It is clear that the secure element technologies provided by SIMalliance members will play a vital role in securing the identity of consumers in the growing mobile digital world. I am sure that as the mobile security industry evolves in future years, we will see many more growth factors emerge in support of the continued development of the SIM and secure element markets.”

Ends

Note to Editors:

- SIMalliance figures provide the most reliable insight available into the global SIM market, as its members represent approximately 90% of the total market.
- SIMalliance figures are obtained through a blind process where all members declare their actual deliveries (not forecasts) on a quarterly basis. Only aggregated figures are known. SIMalliance has no visibility of rankings or members’ market share.
- More detailed figures are available on a quarterly basis through a yearly subscription - for more information please contact herve.pierre@simalliance.org

About SIMalliance:

SIMalliance is (the non-profit trade association) dedicated to supporting the creation, deployment and management of secure mobile services and applications across the globe. Working in partnership with members, strategic partners and the wider mobile community, SIMalliance anticipates and addresses the security, identity and mobility challenges of an increasingly converged internet. Through its working groups the alliance seeks to offer the blueprint to create a secure, open and interoperable environment where mobile services thrive. Headquartered in London, its membership is responsible for delivering the most widely distributed secure application delivery platform in the world (SIM/USIM).

SIMalliance members are Cipta Srigati Lestari (CSL), Eastcompeace, Fundamenture, Gemalto, Giesecke & Devrient, Incard, KONA I, Oberthur Technologies, Morpho, Valid, Watchdata and Wuhan Tianyu. SIMalliance Strategic Partners are Comprion, Linxens and Movenda. SIMalliance – Security Identity Mobility

For more information visit www.simalliance.org

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