

Egypt Mobinil sees slowing Q4 subscriber growth

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Egypt's Mobinil (EMOB.CA) will see slowing subscriber growth in the fourth quarter, with average revenue per user (ARPU) declining "for the foreseeable future", the firm's chief financial officer said on Tuesday.

Mobinil, which claims the largest share of Egypt's competitive mobile market, had 24.6 million subscribers by end-September after adding at least 1 million in each of the first three quarters this year.

"We are talking about ending the year a little bit over the 25 million subscriber mark," Khalid Ellaicy told a conference call a day after the firm posted an 8 percent decline in third quarter profit, towards the lower end of expectations.

Promotions offered over the summer period and during the Muslim holy month of Ramadan hit the firm's third quarter numbers. Pricing has returned to pre-Ramadan levels, but Ellaicy said average customer spending would likely keep falling.

"ARPU's will continue to decline for the foreseeable future," he said, saying higher-value post-paid subscriber numbers were static while lower-end pre-paid additions were growing.

He said increases in traffic and revenue were more relevant indicators of the firm's future prospects, and that a growing data segment and other value-added services would aid ARPU's.

He said that while subscriber growth would eventually flatten, economic growth would rejuvenate spending by subscribers.

"I don't think we will see that in the next year to come because we are still anticipating the penetration curve to go above 80 percent," he said.

Mobile penetration in Egypt is roughly 66 percent, with 51.5 million accounts in a population of some 77 million.

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