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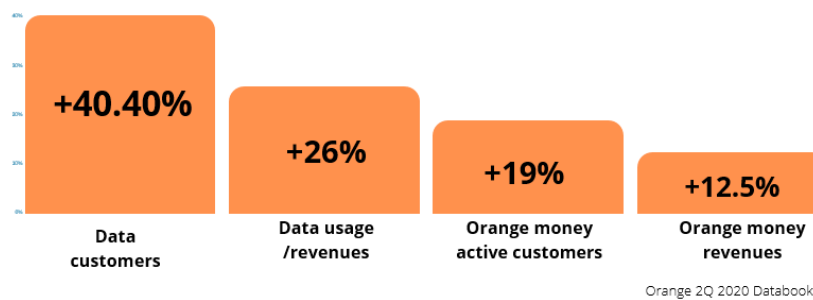
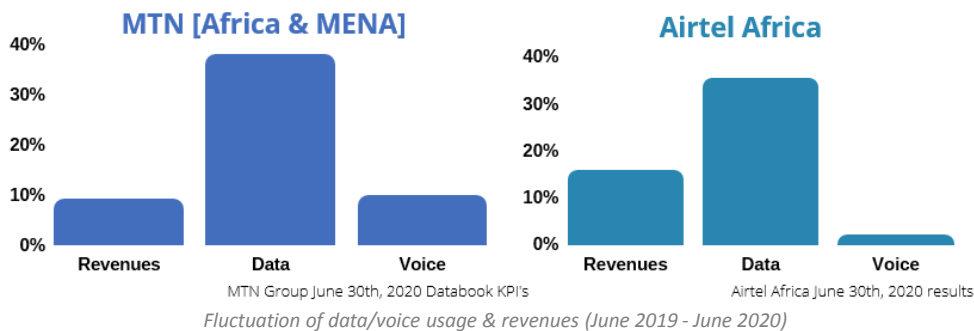
Telcos amongst sectors that actually benefited from Covid-19

The global economy has faced many challenges since the beginning of the Covid-19 crisis as measures implemented to limit the spreading of this pandemic led to months of global lockdown, closed borders and the cancelation of many events on national and international scales.

Such unprecedented measures at worldwide level had a huge impact on numerous industries: the tourism and hospitality sectors faced a full shutdown, while the airline industry operated only for emergency transit and cargo supplies and the oil industry collapsed. The consensus is that it will be 2 to 5 years before 2019 level performances are back. On the other hand the food, household, pharmaceutical and telecommunication industries have experienced the biggest jumps in demand during the peak of the Covid-19 crisis last spring, reflecting the fact that people were spending time at home and focusing on staying personally, professionally and socially active and healthy.

Indeed, the telecommunication industry has been among the few sectors that benefited from the pandemic as the only means for most people and companies to stay connected and operational while respecting social distancing and lockdown. They adapted to the pandemic by innovating and investing in digital solutions, thanks to the internet: usage of e-commerce, mobile payment, remote work and studies, e-medicine, entertainment (to name only a few) just skyrocketed.

This steep increase of data usage was also observed in emerging countries : South African operator MTN, Indian Airtel Africa or French Orange Africa and Middle East all recorded a 30 to 40% increase in data consumption.



French operator Orange has recorded remarkable results in Africa and Middle East (AME) region in June 2020 compared to June 2019

In the longer term, it remains to be seen how the pandemic will affect the overall economy term and consequently the ability for Telecommunication companies to maintain a high level of investments: as per GSMA (Groupe Spécial Mobile Association), in a world mostly dependent on internet, 10% of the world's population remains unconnected due to less developed or non-existent infrastructures. GSMA and Orange's Chairman Stéphane Richard stated:

"A strong partnership between operators, governments and financial institutions is needed for the 21st century digital highways to ensure connectivity as the way to achieve the development goals of fighting poverty, providing quality education, decent work and economic growth".

For the last 20 years Square Strategy has supported its clients, including telecommunication sector market players, in developing their activities in several emerging countries. Our services range from ethics and compliance studies to the support of major acquisitions.