



Press Release

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Global mobile phone market stagnant at present – with marked geographical variations

Nuremberg, September 2, 2009 – The mobile communications sector is demonstrating negative growth on a worldwide basis. Very few regions are currently experiencing positive sales developments.

In the first half of 2009, only India (+1%) and Southeast Asia (+9%) are showing an increase in sales within the mobile and smart phones markets. Sales in the Middle East and Northern Africa (+/- 0%), Sub Sahara (-1%) and China, Taiwan and Hong Kong (-9%) either remain unchanged or are in decline. The European market decreased by 13%.

Whilst most of the Western European countries, with the exception of Germany (-21%), exhibited a slight decrease, or in some cases a marginal increase (The Netherlands +7%, Belgium +6%, Austria +3%, Italy +/-0%), the Eastern European markets experienced a double-digit decline.

Sales of smart phones differed in each geographical area and saw significant changes in 2009. In June, smart phones accounted for 9% in Europe and 5% in South Eastern Asia. In the Middle East/Northern Africa and Sub Sahara the market accounted for 4%, whereas in India smart phones accounted for 1% of the current volume.

Touch screens with or without an expansion keyboard were showing an increase in popularity. Europe (+15%) saw a great deal of interest along with in China (+17%).

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Economic factors, such as changes in the structure of mobile phone tariffs, together with consumer reluctance to buying mobile phones, are currently playing a substantial role in influencing turnover in Germany.

When compared to a relatively strong performance the previous year, in the first half of 2009, the German mobile and smart phone market declined substantially (-21%). The smart phone segment increased dramatically (+136%), when compared to the same period in 2008. This trend is clearly

accentuated by the current models that are being equipped for the private consumer and targeted through promotional campaigns.

There has been a dramatic increase in contracts being sold without subsidized mobile phones. This had led to increased usage of old mobile phones. That said, there has been an increase of SIM free contracts being sold, which in turn has led to competition in the prepaid market category.

Mobile phones with touch screens gained in market share (+14%) in June 2009 and continue to increase. At present, it is mainly the so called 'Chocolate Bar' products with touch screens which are being bought, however the touch screen slider trend is also increasing substantially.

Nowadays a built-in camera is standard for mobile phones and three-quarters of all sold are currently equipped with a camera. Competition is delivered by the number of pixel number of a Camera. The segment 5 Megapixel has already achieved much interest (+15%) and the 8-12 mega pixels are also on the rise (+6%).

It is highly likely that the German mobile phone market will not show any signs of recovery until the second half year 2010 at the earliest.

For more information, contact Albert Raab, Tel. +49 911 395 2684, albert.raab@gfk.com, or visit our stand at the IFA in Berlin from September 5 to September 9, 2009 (VIP room 2, Grosser Stern).

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