Annual Review
2018

Securing Connected and Mobile Services
The global SIM industry has never been stronger. The latest figures from 2017, which were published in April 2018 show an estimated total available market of 5.6 billion SIM units. From this position of strength in the traditional SIM market, the industry is undergoing a transformation, as it evolves to serve an increasingly connected digital world.

As the industry advances, driven by new technologies, form factors and use cases, many fresh opportunities and challenges are emerging.

The opportunities are evidenced by many data sources which point to significant growth forecasts for connected objects and related service provision in the years ahead.

The impending launch of 5G and LPWAN (e.g. NB-IoT/LTE-M) networks will only serve to facilitate and expedite this growth. Yet the expanding number of connected objects has led new stakeholders to enter the domain of digital service provision and this presents challenges associated with security, development and standardisation. Many of these stakeholders are unfamiliar with digital security risks and requirements. It’s still the case that most connected devices offer no security for data storage and communication exchanges and fail to ensure firmware integrity or offer protection against cyber-attacks. Other new stakeholders lack the knowledge and expertise in cellular connectivity provision traditionally found within the ranks of the SIMalliance membership. Equally, interfaces and relationship models need to be defined between new actors and roles within the ecosystem.

SIMalliance continues to play an important role within this dynamic and changing industry landscape. eSIM technology, which in previous years was mostly deployed across industrial and machine-to-machine (M2M) use-cases, became firmly established in consumer markets in 2018. This sets the pace for strong momentum in the provision of eSIM solutions and has resulted in some very high-profile deployments globally.

Our members offer a standardised, global security infrastructure, alongside established processes for data provisioning and protection. Collectively, our industry offers an instant solution to many challenges associated with bringing secure connected services to market and managing them remotely. By promoting collaboration among those engaged in the provision of SIM and Secure Element (SE) solutions, we not only aim to continue to strengthen and promote the core SIM value proposition for traditional use cases. We also aim to achieve the sustained growth of connected objects through trusted connectivity which offers protection for service provider assets, application and device data and end user privacy.

In recent years, SIMalliance has worked in collaboration with other industry and technical bodies, to realise many influential technical standardisation successes. These have enabled new market opportunities for our members, facilitating growth. Additionally, SIMalliance has engaged in many marketing activities to support the promotion of SIM-based solutions for connectivity and security provision. An overview of our successes has been provided within this report.

Through continued participation in SIMalliance throughout the coming year, SIMalliance members will work together to deliver resources which will give OEMs, device manufacturers and digital service providers across all industries the knowledge and ability to choose connectivity solutions which benefit from end-to-end security. We have already started to collate the first ever view of eSIM shipment volumes, based on numbers submitted by SIMalliance members, which we hope to publish soon.

On behalf of the SIMalliance Board, I wish to thank all members for your engagement in 2018. I look forward to continuing our collaboration within SIMalliance throughout 2019 and beyond as we work together to further advance the concept, understanding and deployment of trusted connectivity solutions.
SIMalliance: Recent Key Achievements

In recent years, SIMalliance has worked in collaboration with other industry and technical bodies, to realise many influential technical standardisation successes. These have enabled new market opportunities for our members, facilitating growth. Additionally, SIMalliance has engaged in many marketing activities to support the promotion of SIM-based solutions for connectivity and security provision.

- **Definition of a Recommended 5G SIM Card**, supporting the optimisation of 5G SIM capability beyond network access to unlock the full potential of 5G network investments.

- **Outlining the challenges faced by MNOs migrating to 5G networks**, and explaining how the SIMalliance Recommended 5G SIM addresses them.

- **Development of Open Mobile API**, allowing applications to access secure elements within mobile devices (GlobalPlatform collaboration).

- **Development of eUICC Profile Package Technical and Test Specification** which enables Mobile Network Operators (MNOs) to remotely load and manage subscriptions in eUICCs across deployed M2M and consumer devices in a standardised way. (GSMA collaboration)

- **Standardisation support** (e.g. 5G for 3GPP and Smart Secure Platform (SSP) for ETSI)

- **Defining best practices for developing apps on a Secure Element** (Interoperability Stepping Stones)

- **Developing recommended connectivity profiles for each new network release** (e.g. LTE)

- **Establishing interop tests and device recommendations for NFC services**

- **Annual SIM shipment data** providing an exclusive view of the market

- **Attending conferences / delivering presentations to promote solutions**

- **Educational eBooks** (eSIM for Connected Cars; eSIM for Wearables; eSIM for Smart Metering)

- **Partnerships and liaisons with key industry organisations**
SIMalliance: At a glance

SIMalliance members represent 90% of the global SIM market and deliver the most widely distributed secure application delivery platform in the world (UICC/SIM/USIM)
SIM Shipments 2017

2017 Shipment Volumes (SIM units)

Estimated Total Available SIM Market:

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>+7%</td>
</tr>
<tr>
<td>South America</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>Static</td>
</tr>
<tr>
<td>China</td>
<td>+25.5%</td>
</tr>
<tr>
<td>Asia</td>
<td>+2%</td>
</tr>
</tbody>
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SIMalliance Member Shipments: 4.9bn units

A Global Picture

Expansion in the Americas and Asia driven by demand for high-end SIM products.

Growth in M2M deployments creates new demand in Europe, China and North America.

Adverse impact of ID verification regulation offset against market growth.

More detailed data is available on a quarterly basis, via an annual subscription – contact secretariat@simalliance.org
Industry partners

Secure connectivity is a global concern. SIMalliance supports and collaborates with organisations across the world to promote a secure, interoperable connected future.

There has never been a more important time to come together. Join SIMalliance to help define and influence the future technologies, standards and services that will shape our industry.

www.simalliance.org