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eSIM Summit

# eSIM Connected Industries Transformation

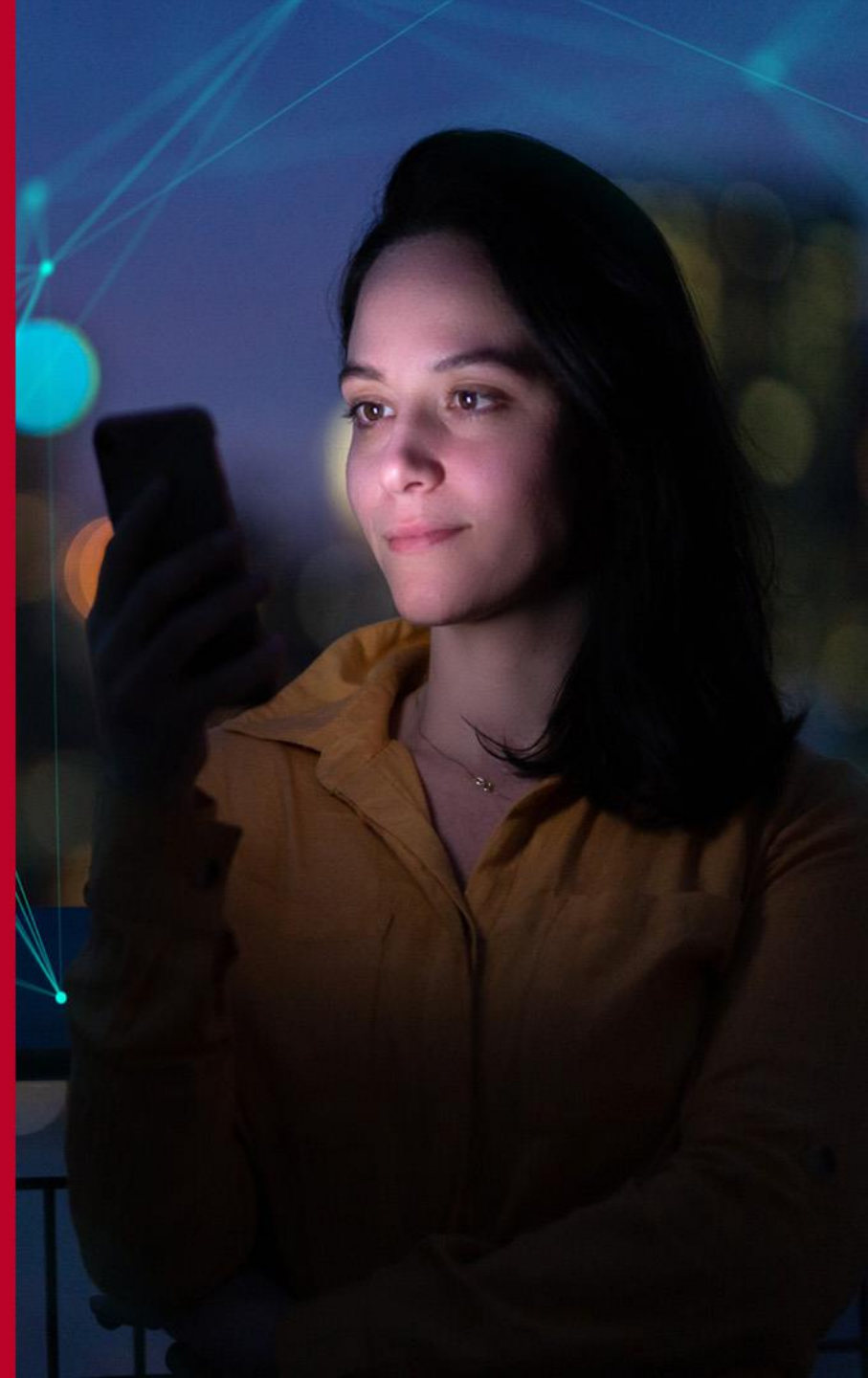
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# eSIM Market in US

## Yolanda Sanz

eSIM Group Director, GSMA

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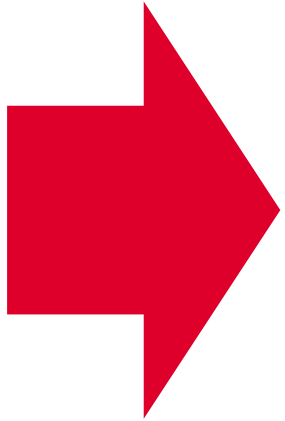
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**eSIM:** New developments and trends shaping growth and innovation



**eSIM in the Consumer Market**

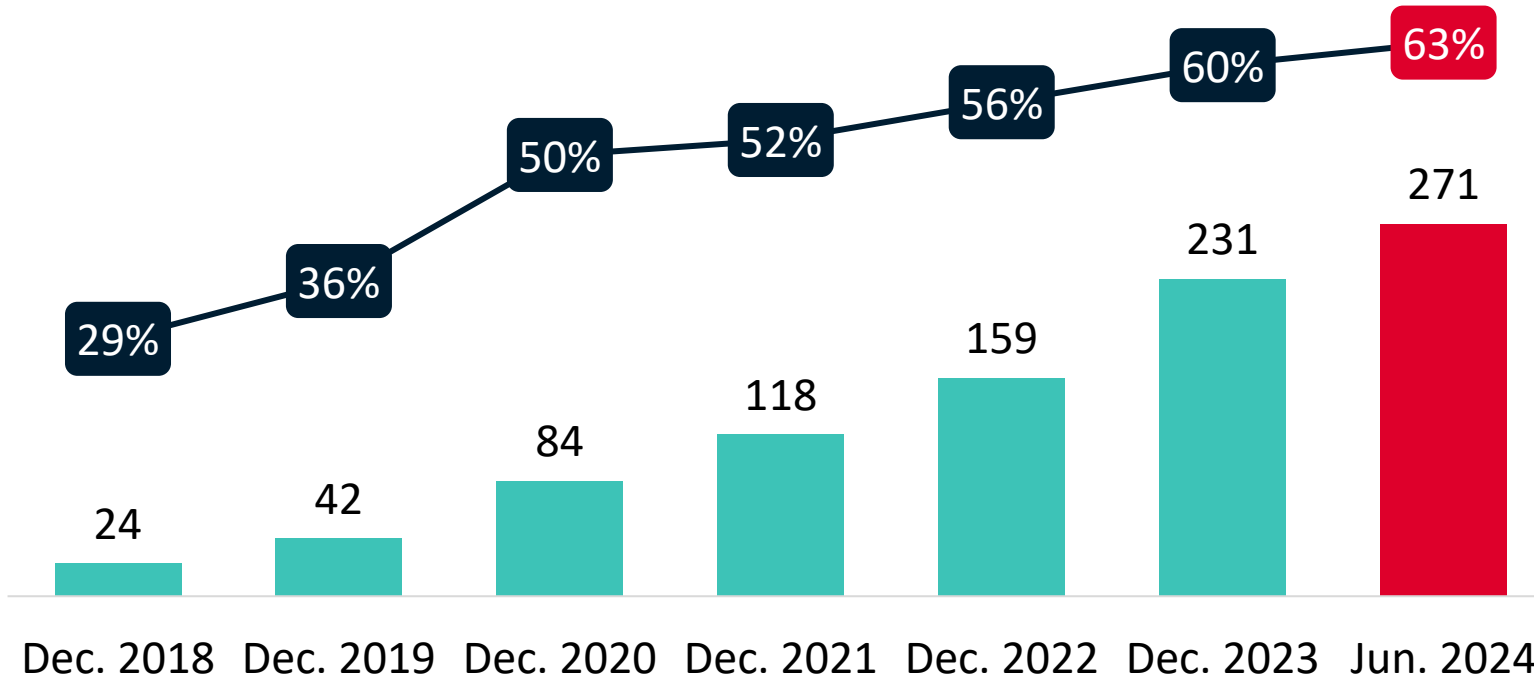
**eSIM in the IoT & Enterprise Markets**

# eSIM availability in consumer devices

## Momentum is accelerating globally

### How many eSIM consumer devices have been launched?

Number of models launched (cumulative figures for smartphones, smartwatches and tablets) and smartphone share (i.e. eSIM smartphones as % of total eSIM devices)



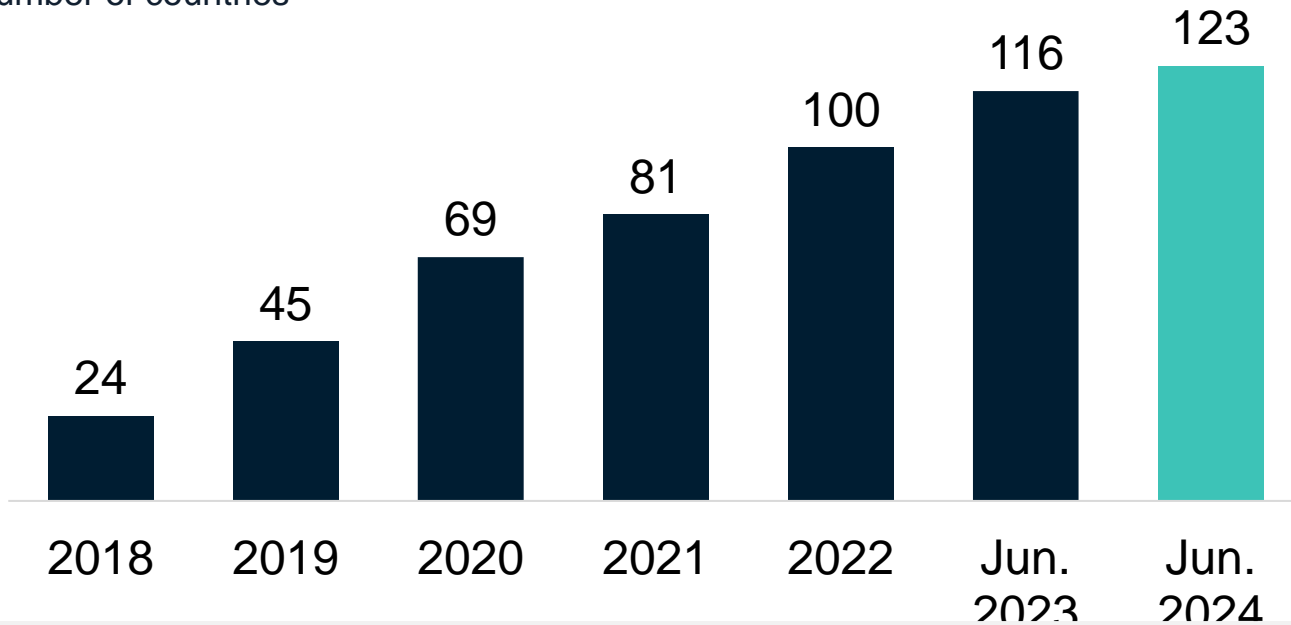
- **10x** growth over the last five years
- Most OEMs have launched eSIM devices
- **eSIM-only iPhones** in the US a major milestone (Sept. 2022)
- **More work to do:** eSIM is mainstream in flagship smartphones. Limited availability of eSIM beyond flagships

# eSIM service for smartphone is now global

## More than half of the world's countries have launched eSIM

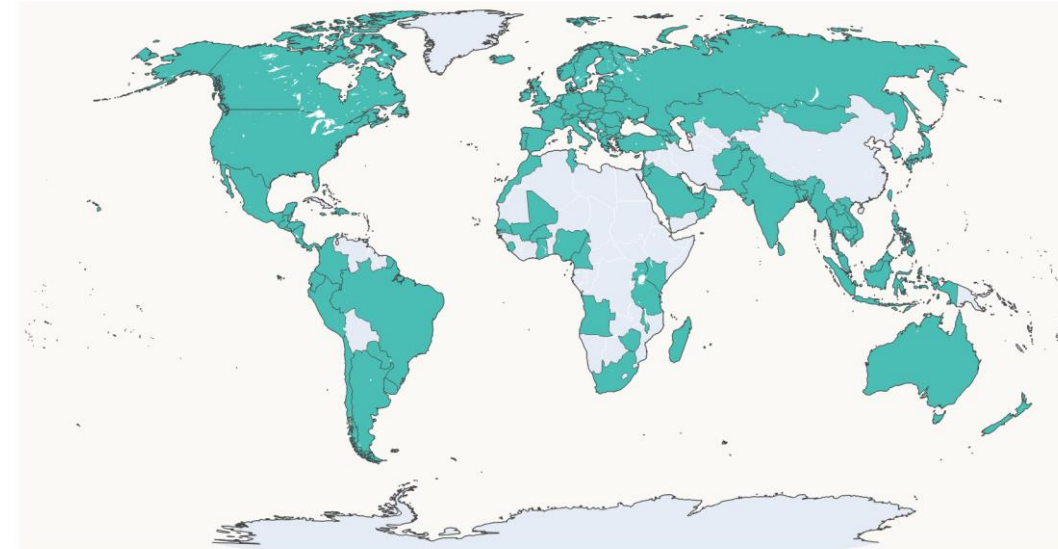
### How many countries have launched commercial eSIM service for smartphones?

Number of countries



### eSIM geographical reach

Excluding eSIM for international roaming



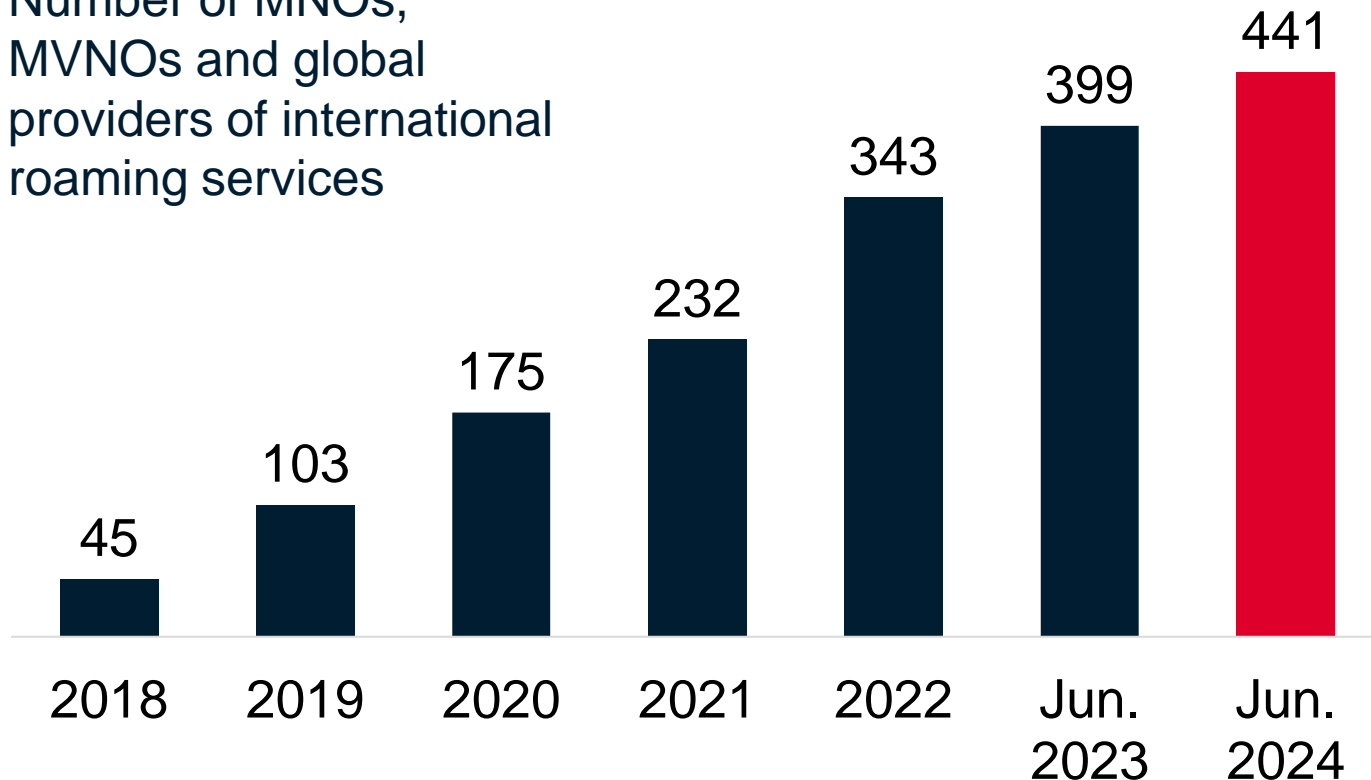
- **Launch of eSIM-only iPhones in the US has been a major catalyst**
- **China is still a notable exception. Africa is catching up.**

# Operators: acceleration of eSIM deployments

## More than 440 mobile service providers offer eSIM service

### How many operators have launched commercial eSIM service for smartphones?

Number of MNOs, MVNOs and global providers of international roaming services



- eSIM-only effect since Sept. 2022: **a clear impact in the US and globally**
- MVNOs are driving eSIM for international roaming

**BUT...**

- MNOs are not doing much (so far) to promote eSIM to their customers
- Only **8%** of eSIM-aware consumers have discovered the technology via operator channels



# Why are MNOs holding back on eSIM?

## What do eSIM vendors think?

They believe MNOs are not ready for full digitisation, with competitive dynamics another key factor

Operators are not ready for full digitisation of subscriber management and associated backend services

Operators have concerns about churn

Operators have concerns that eSIM adoption at scale will stimulate more MVNOs/other companies to enter the market

Operators have concerns about losing in-store engagement with customers

Operators are lacking medium- or long-term eSIM strategies and plans

Operators are waiting for greater availability of eSIM phones for the medium- and low-end customer segments

Due to cost factors associated with implementation/adoption of eSIM at scale (e.g. integrating eSIM tech with legacy IT)

Operators have not seen new major use cases unique to eSIM

The user experience for eSIM activation/onboarding is not as smooth as it should be

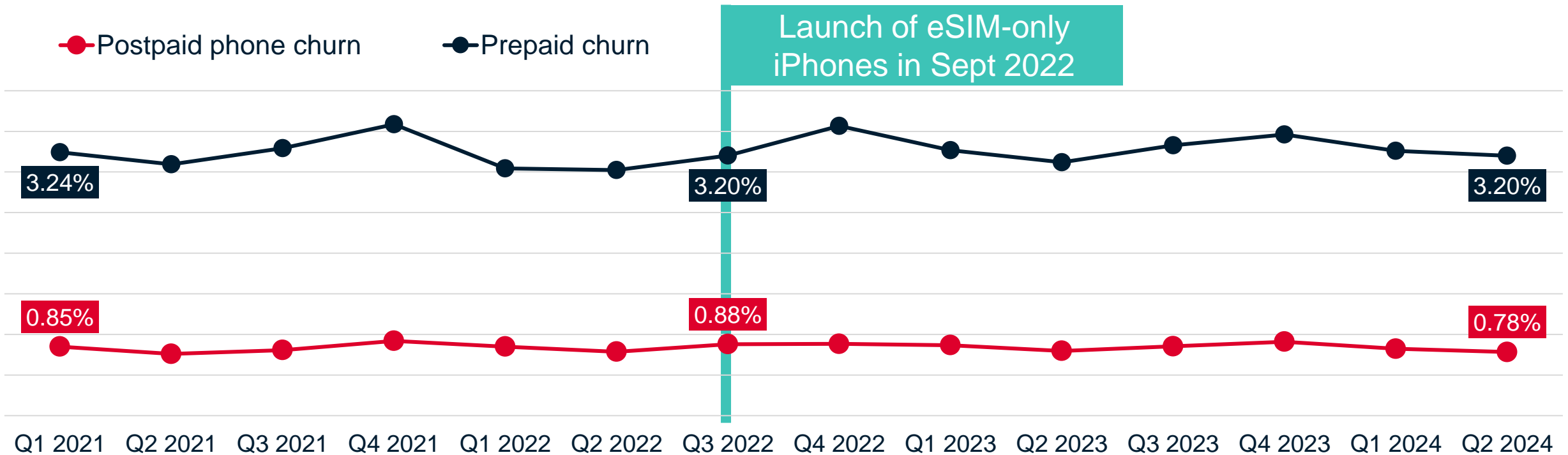
Operators are waiting for higher consumer awareness and adoption of eSIM before making a bigger push on eSIM

# The mobile churn concern has no real evidence

## Churn dynamics in the US: eSIM has had no impact

Why the US? It's (by far) the biggest eSIM smartphone market (~30% eSIM penetration)

- eSIM-only iPhones launch in Sept 2022 & Apple having ~half of the phone market





# Consumer behaviour for eSIM

Insights from our August 2024 Consumer Survey\*

**Consumer awareness of eSIM**

**50%**

Among all consumers

**Interest in using eSIM**

**54%**

Among consumers who don't currently use eSIM

**Use of eSIM when traveling internationally**

**5%**

Among all consumers

\* Average figures across 11 countries: Australia, France, Germany, Italy, Japan, Poland, South Korea, Spain, UAE, UK, US.

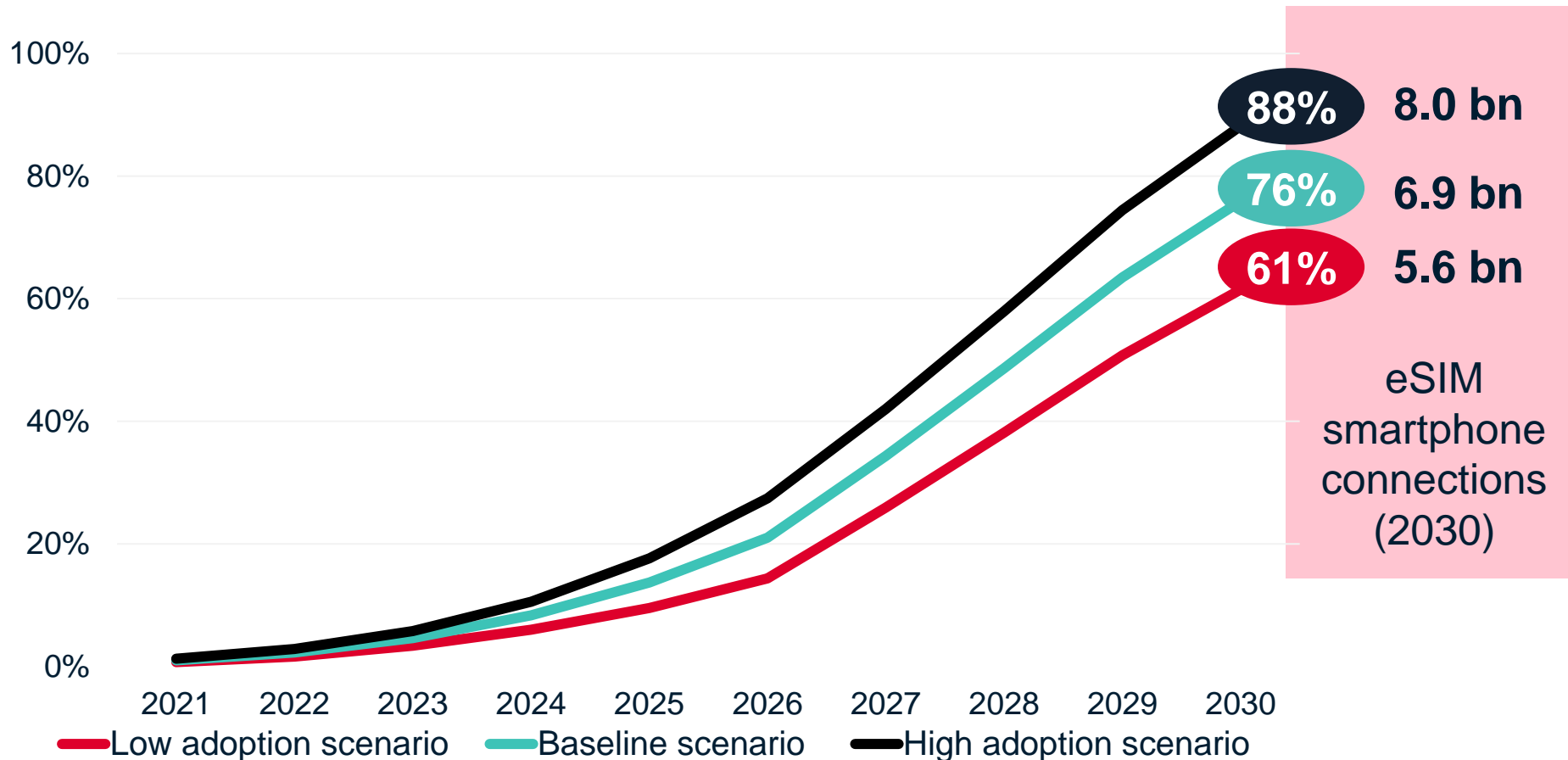
Source: GSMA Intelligence Consumers in Focus Research – Global Consumer Survey 2024

# Long-term outlook for eSIM in the smartphone market

## Consumer awareness is growing, but adoption takes time

### eSIM smartphone connections to 2030

Percentage of total smartphone connections (installed base) globally



Key milestones:  
Baseline scenario  
(globally)

By **2028**, **half** of smartphone connections will use eSIM

**China** will become the largest eSIM market (1.5 billion eSIM connections by 2030)

**eSIM:** New developments and trends shaping growth and innovation

**eSIM in the Consumer Market**



**eSIM in the IoT & Enterprise Markets**

# eSIM is an important enabler of IoT deployments

But eSIM adoption is still low relative to its potential

## SO FAR

### Automotive

eSIM is already mainstream in connected vehicles

### Beyond Automotive

Single eSIM initiatives rather than sector-wide deployments

## NEW TRENDS SHOULD ACCELERATE ADOPTION

- New **eSIM specifications for IoT**
- The arrival of **new IoT technologies** such as 5G RedCap and satellite (e.g. satellite/cellular integration)
- Growing range of **eSIM IoT devices** and **eSIM products/solutions** from SIM vendors (aiming for global capabilities and coverage)
- Growing rollout of **private networks** (an incremental use case)
- Growing emphasis on eSIM as a technology that can support the **sustainability imperative**

# The potential for growth is significant

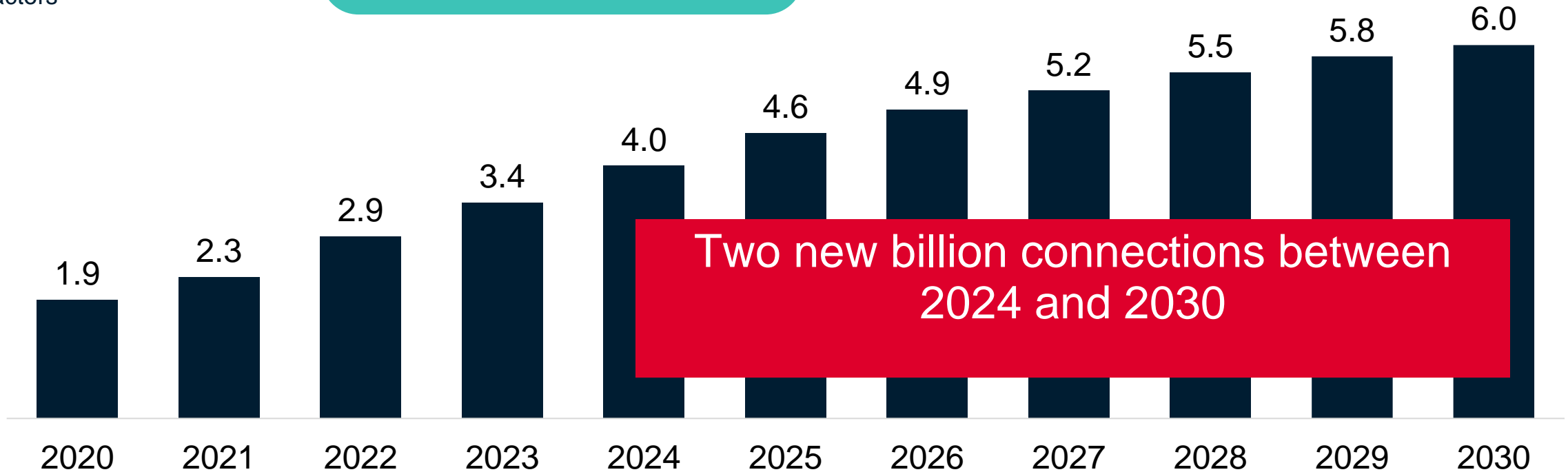
## Scaling eSIM within a fast-growing IoT market

### IoT cellular connections globally

Billion. Total, all SIM form factors

eSIM targeting a growing share of the market

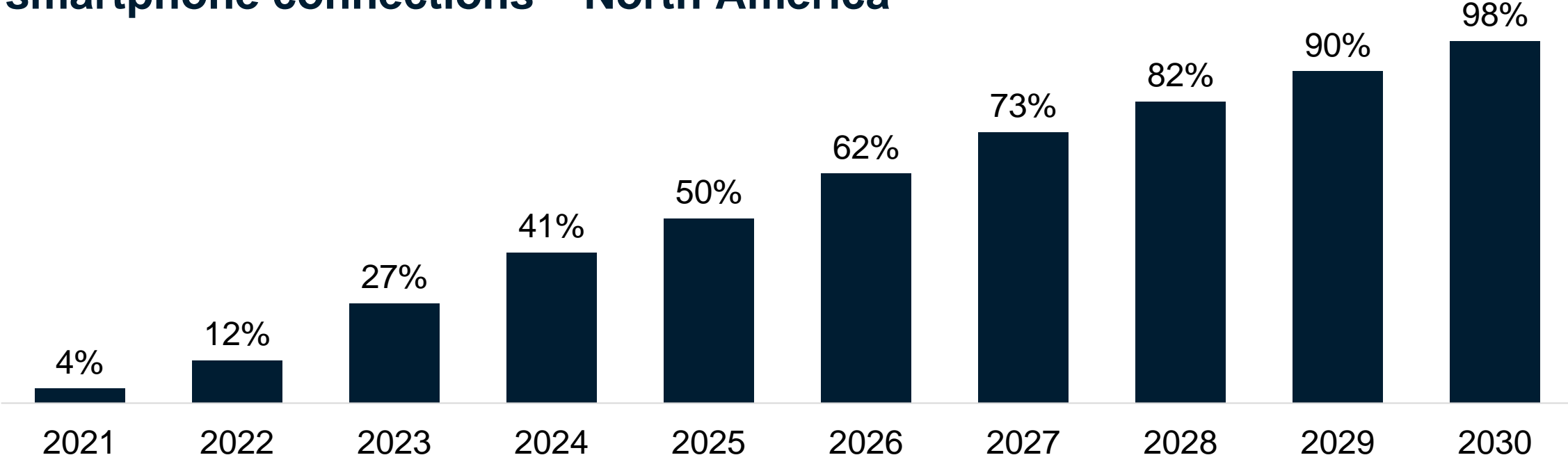
China biggest market: 4.3 billion connections by 2030



# eSIM in smartphones: eSIM adoption in the North American market

USA accounts for nearly 90% of the North American market

**eSIM penetration: eSIM smartphone connections as % of total smartphone connections – North America**

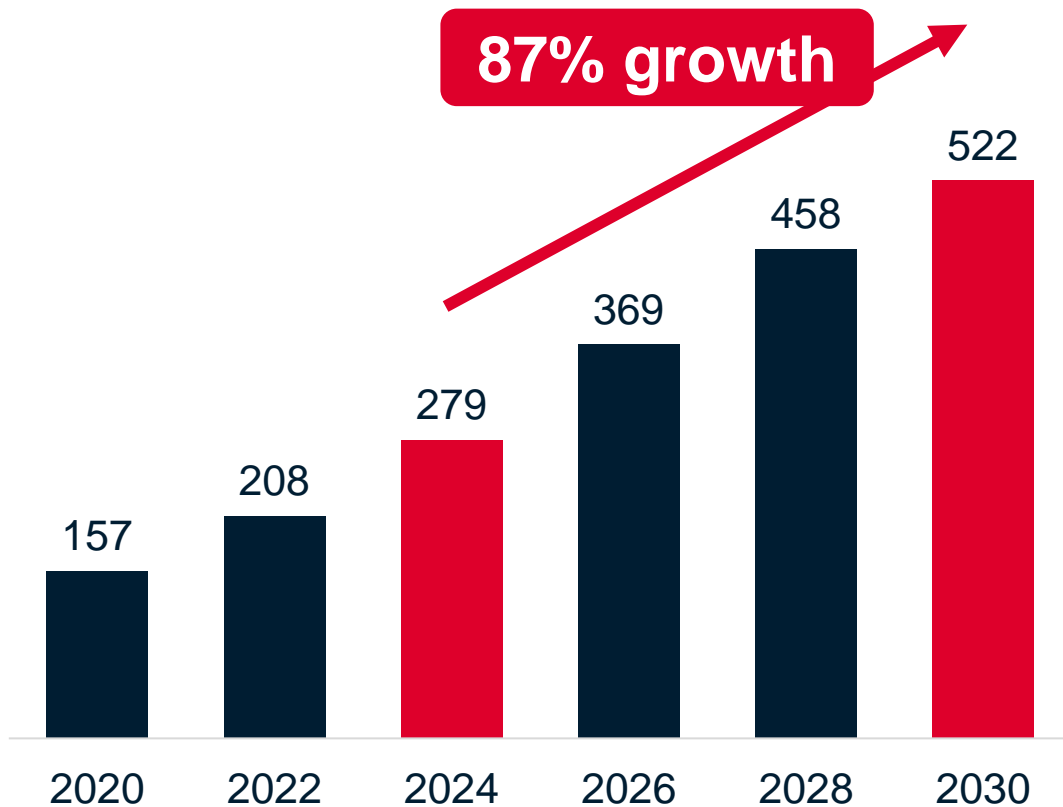


# USA: One of the largest IoT markets in the world

## eSIM & iSIM capturing ~80% of the IoT market by 2030

### IoT cellular connections in the USA

Million. Total, all SIM form factors

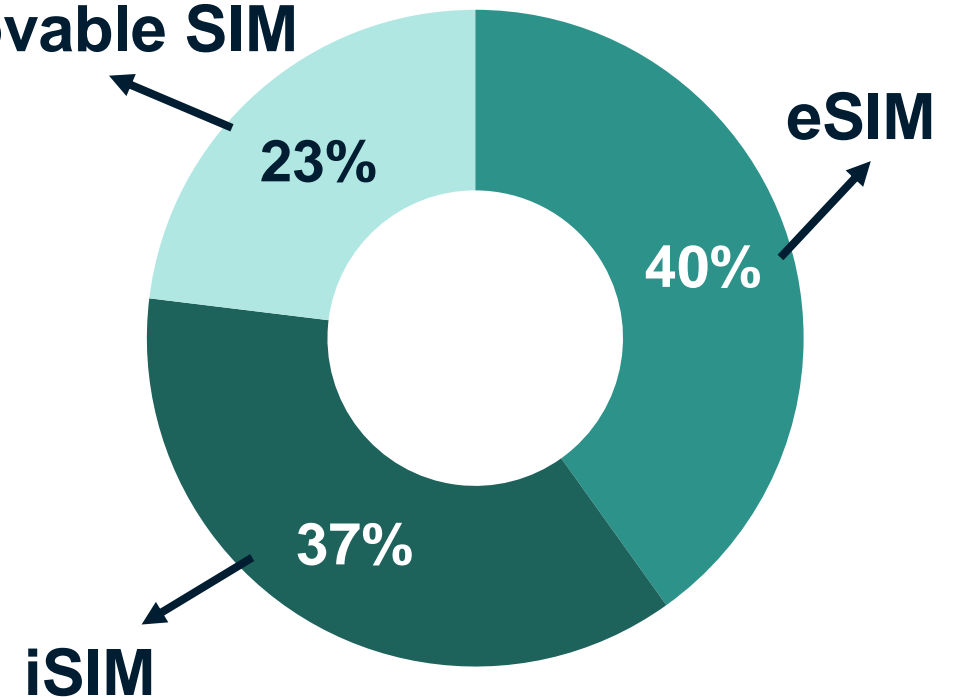


Source: GSMA Intelligence

### Market shares in 2030

Traditional, removable SIM

iSIM



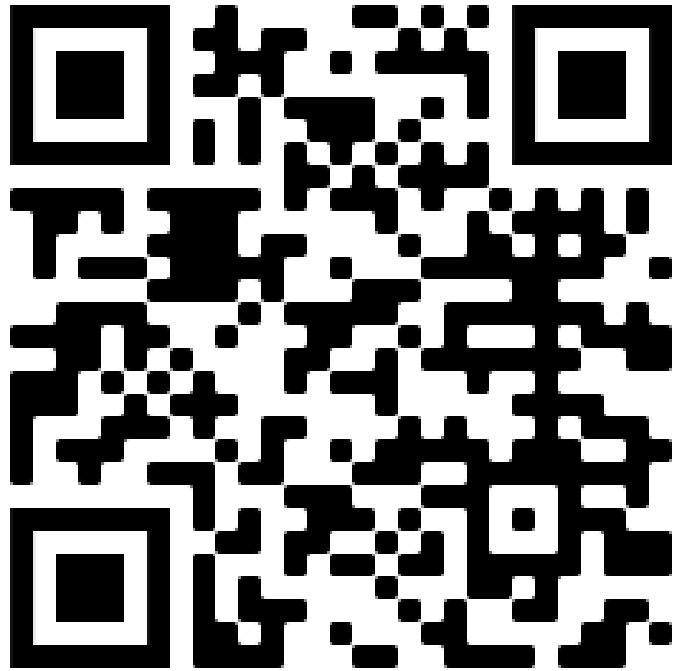
Source: GSMA Intelligence Enterprise in Focus – Global Digital Transformation Survey 2024

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