



ePassports and eVisas

From Technology to Operational Excellence

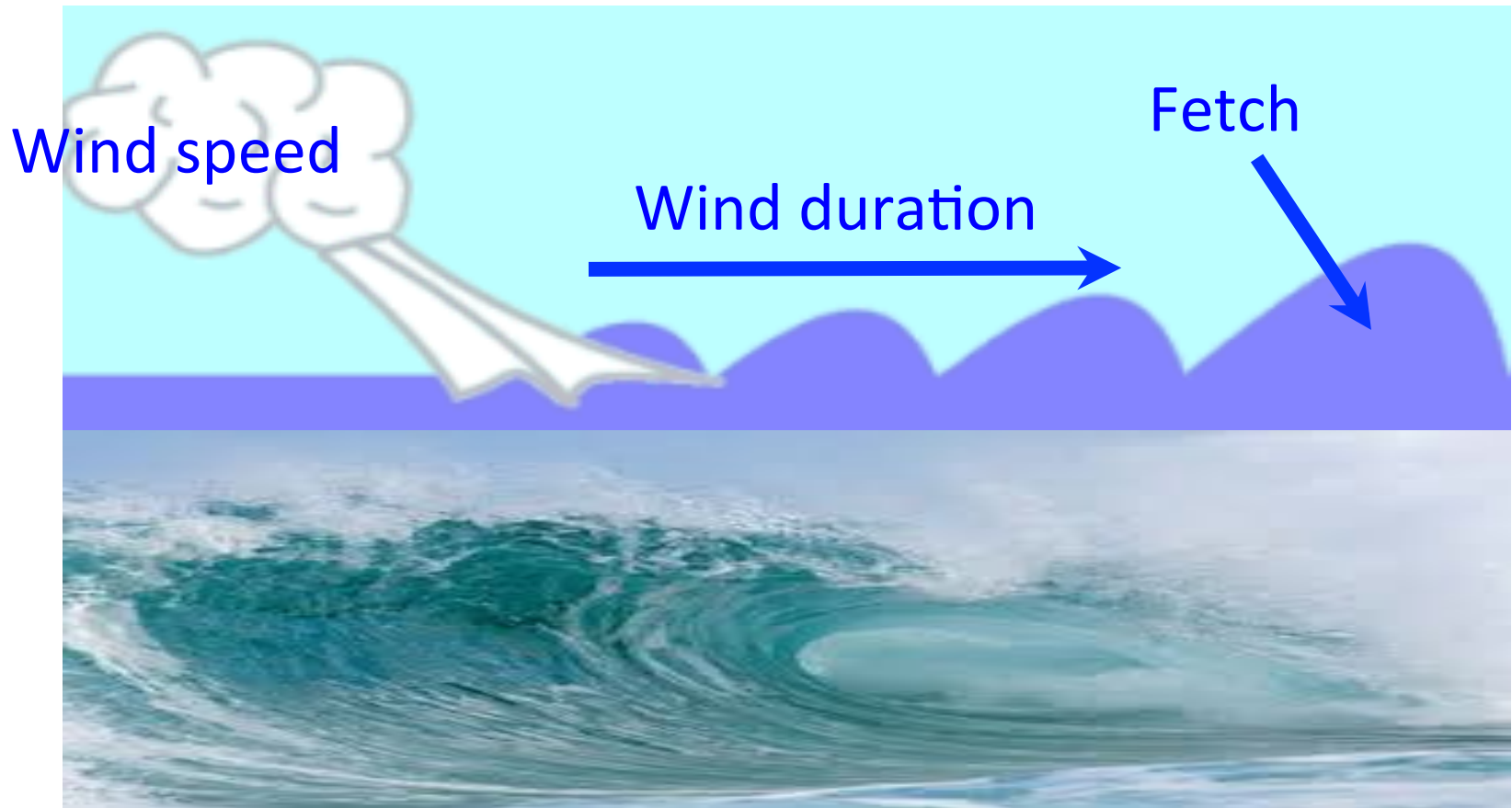
Rudie Lion
principal
Acuity Market Intelligence

Biometrics 2010
London, UK
October 19, 2010

Today's Discussion: Waves of the Future

- Context: A very short primer on Wave Theory
- About Acuity
- The First Wave: Security (Technology)
- The Second Wave: Facilitation
- The Third Wave: Operational Excellence
- Critical Market Implications

Context: A very short primer on Wave Theory



About Acuity

- Founded in 2001 by Maxine Most
- Proven accurate market analysis
- Led by industry experts
- Singular focus on electronic people identification
- Latest research: The Global ePassport and eVisa Industry Report

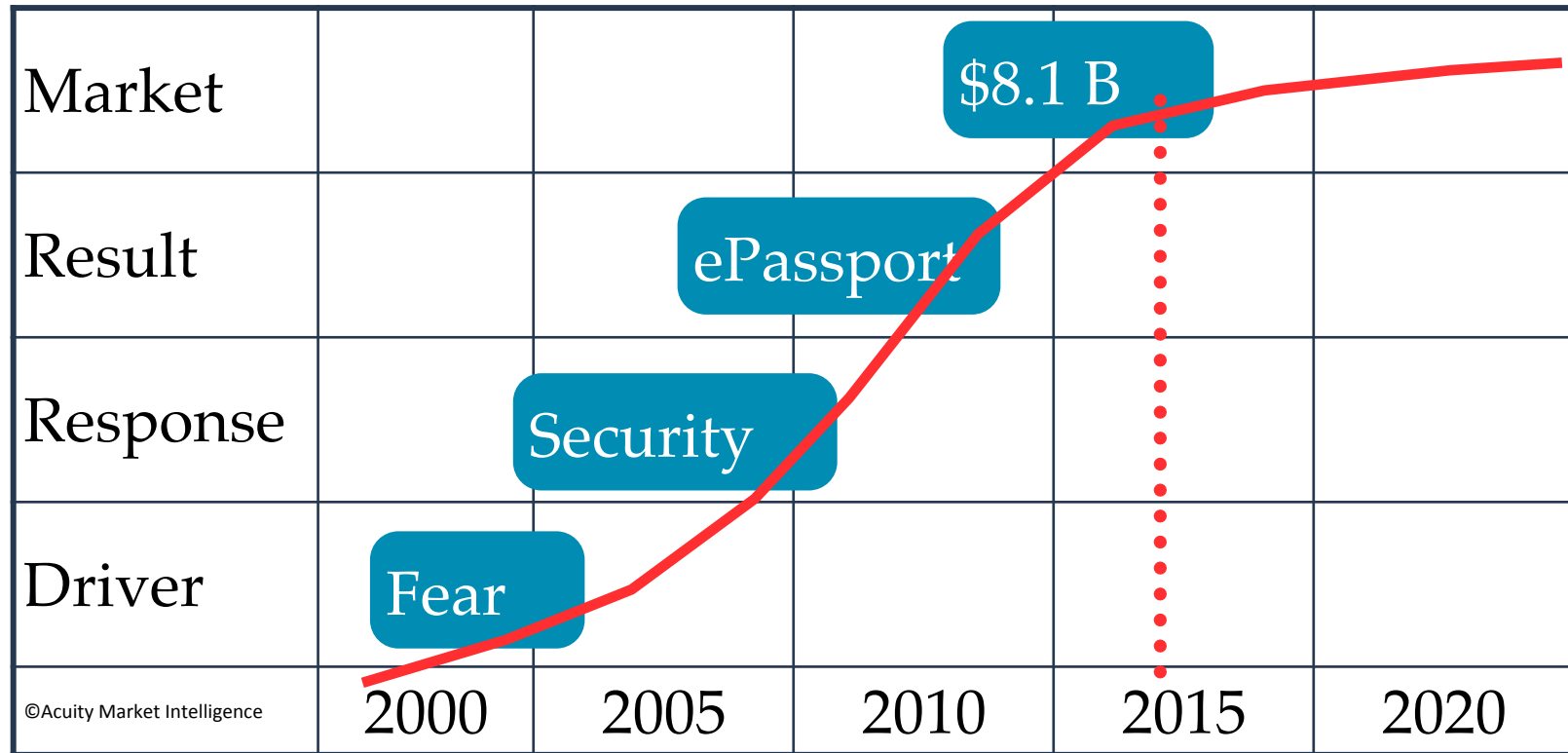


Acuity consistently delivers hype-free, data-driven insight and analysis based on *rigorous intuition*

Acuity's Who's Who of People eID



The First Wave – Security



2014

Regional Status



Half the world adopts ePassports by 2014

Region	Countries in region	2006		2010		2014	
		ePP	%	ePP	%	ePP	%
Africa	51	0	0%	14	27%	16	31%
Asia	37	6	16%	20	54%	23	62%
Caribbean	26	1	4%	2	8%	2	8%
Europe	49	28	57%	44	90%	47	96%
Middle East	14	0	0%	3	21%	6	43%
N. America	3	1	33%	1	33%	3	100%
Pacific	14	3	21%	3	21%	3	21%
S. America	14	0	0%	4	29%	5	36%
©Acuity Market Intelligence							
Total	208	39	19%	91	44%	105	50%

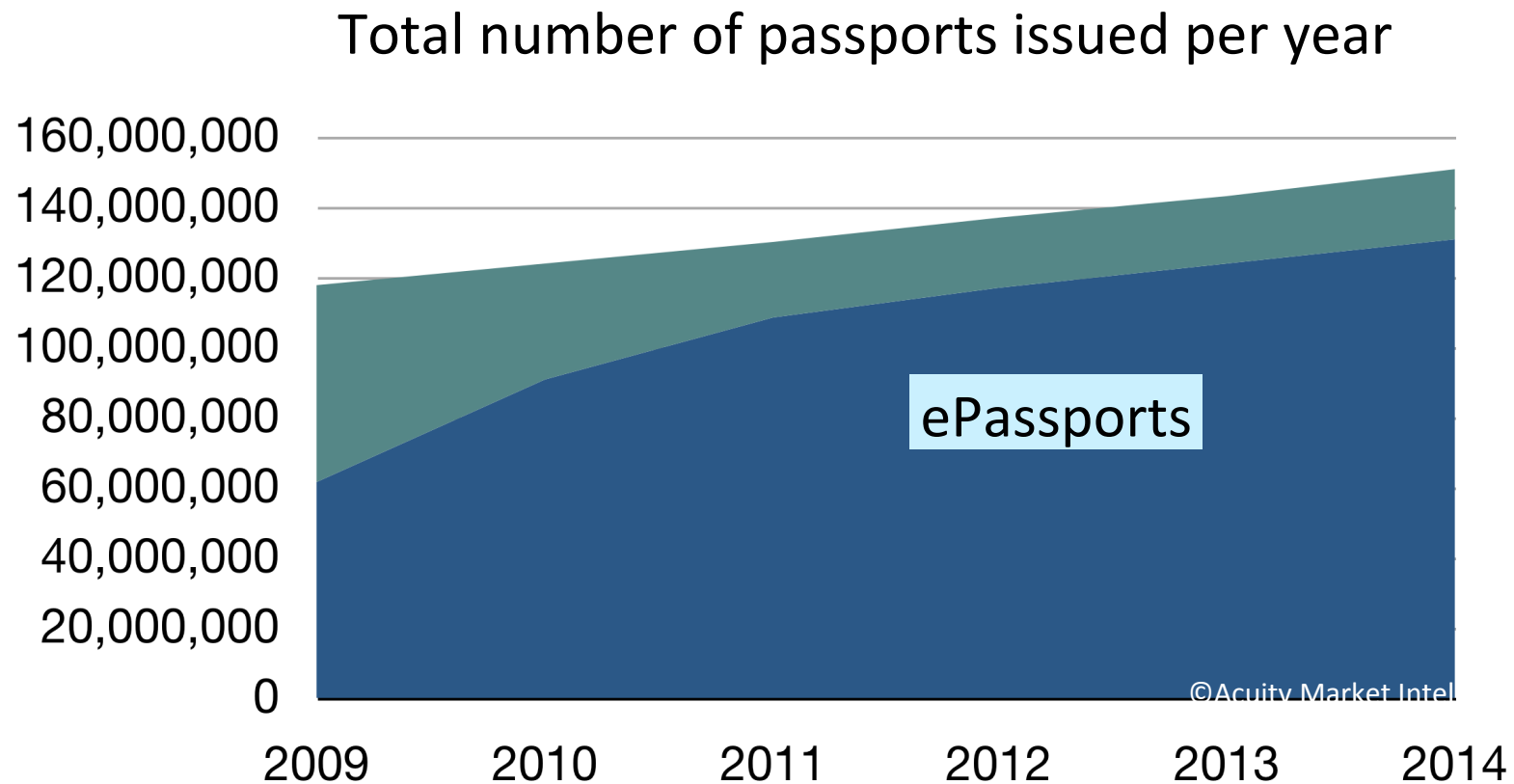
Europe and North America have highest adoption rates

87% passports in 2014 are ePassports

Region	2009		2010		2014	
	ePP (000)		ePP (000)		ePP (000)	
Africa	1,533		2,871		5,336	
Asia	14,360		29,433		46,509	
Caribbean	483		488		508	
Europe	29,512		31,813		35,892	
Middle East	513		1,182		2,656	
North-America	12,000		12,120		18,857	
Pacific	2,288		6,963		8,064	
South-America	430		5,714		12,527	
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Total	61,119	52%	90,587	73%	130,352	87%

Asia and Europe produce 63% of world volume

ePassport issuance reaches maturity



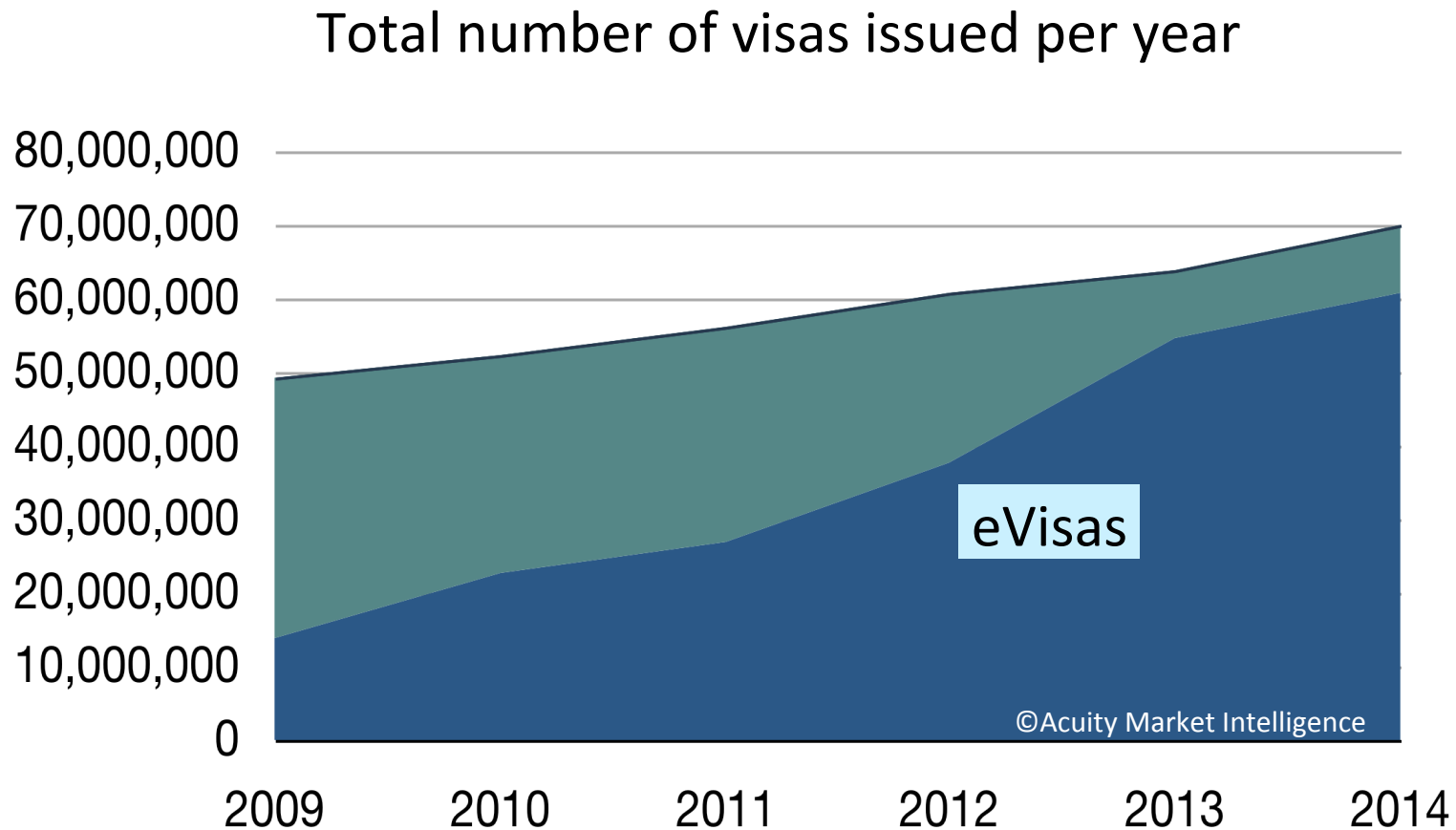
Market growth levels out after 2011

87% of visas issued in 2014 are eVisas

Region	2009		2010		2014	
	eVisa (000)		eVisa (000)	%	eVisa (000)	%
Africa	0		21		200	
Asia	0		1,064		18,013	
Caribbean	0		30		49	
Europe	7,318		14,189		21,163	
Middle East	0		1,778		2,216	
N America	6,398		6,526		10,103	
Pacific	0		243		8,450	
S America	0		0		399	
©Acuity Market Intelligence						
Total	13,716	28%	22,758	43%	60,593	87%

Asia and Europe produce 46% of world volume

eVisas rapid adoption



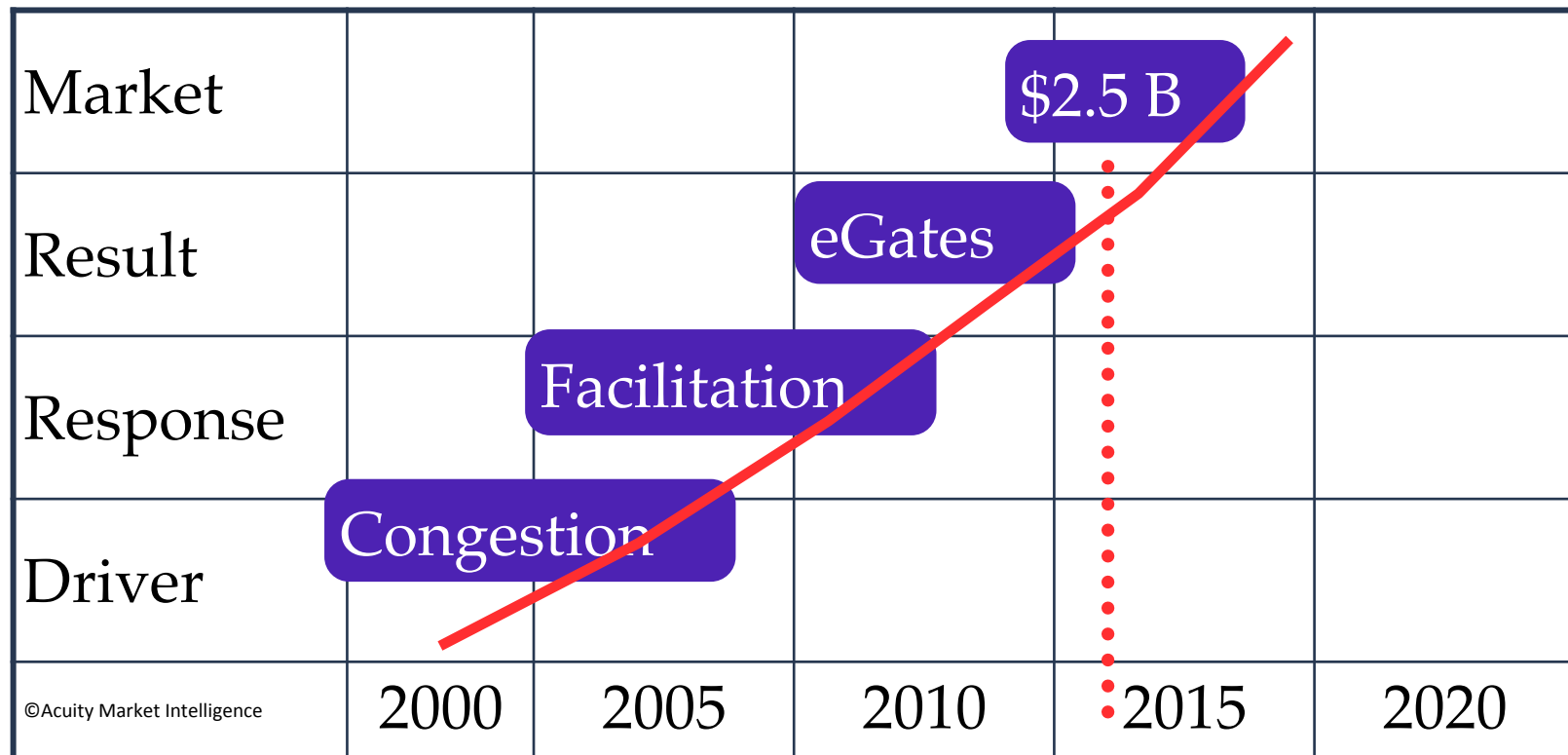
eVisa issuance reaches 60 million by 2014

Dramatic reconfiguration of value chain

- Credentialing revenue share drops from 82% to 25%
- Verification grows rapidly with 10-year CAGR of 69.83%
- Data management revenue share 25%, but often buried
- Systems integration pivotal to complex ecosystem

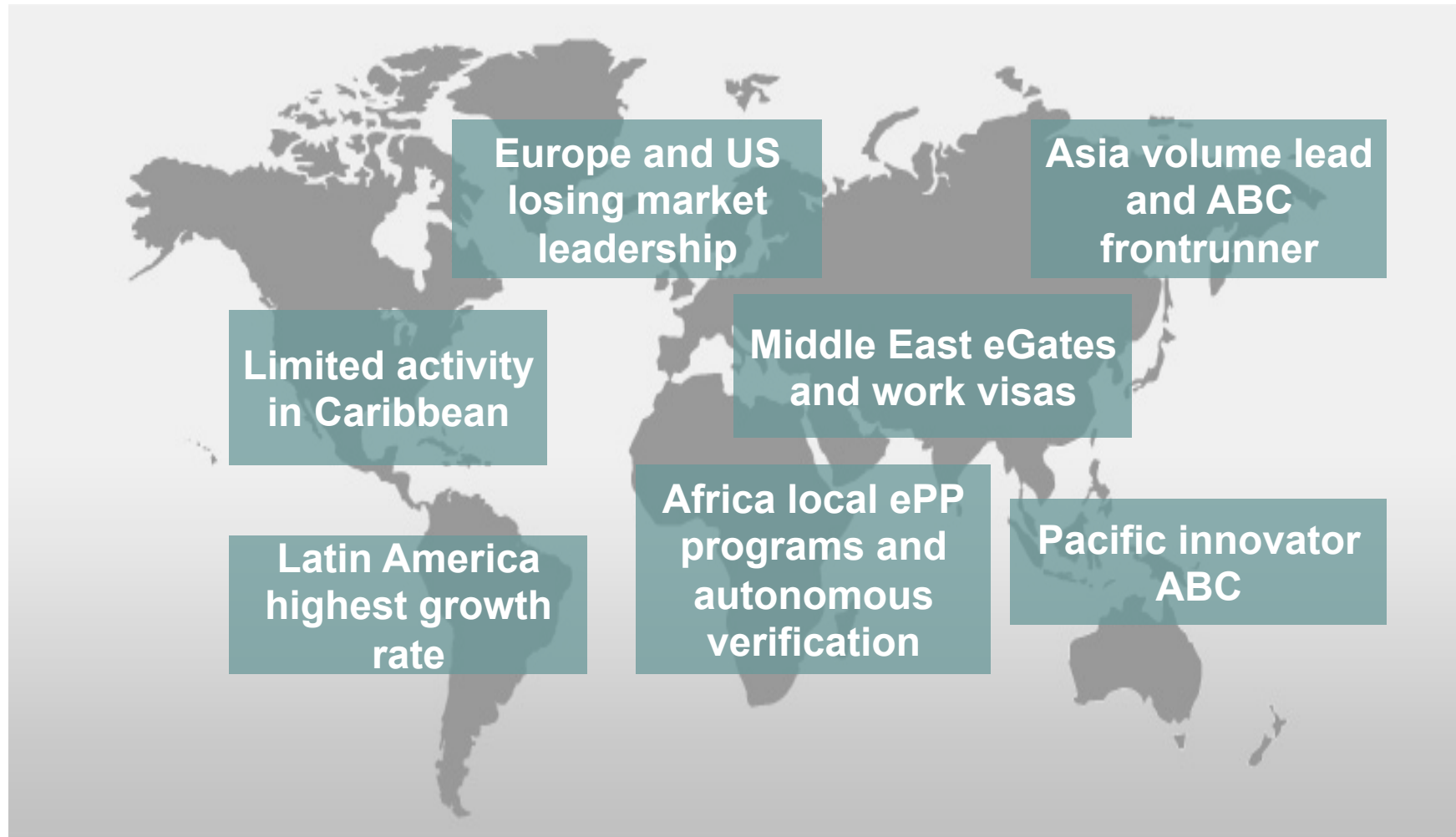
©Acuity Market Intelligence	2004	2009	2014
Enrollment	2.21%	15.50%	16.79%
Data management	2.86%	24.92%	25.51%
Credentialing	81.83%	34.86%	25.54%
Verification	5.73%	11.09%	17.14%
Systems integration	7.36%	13.63%	15.02%

The Second Wave - Facilitation



2014

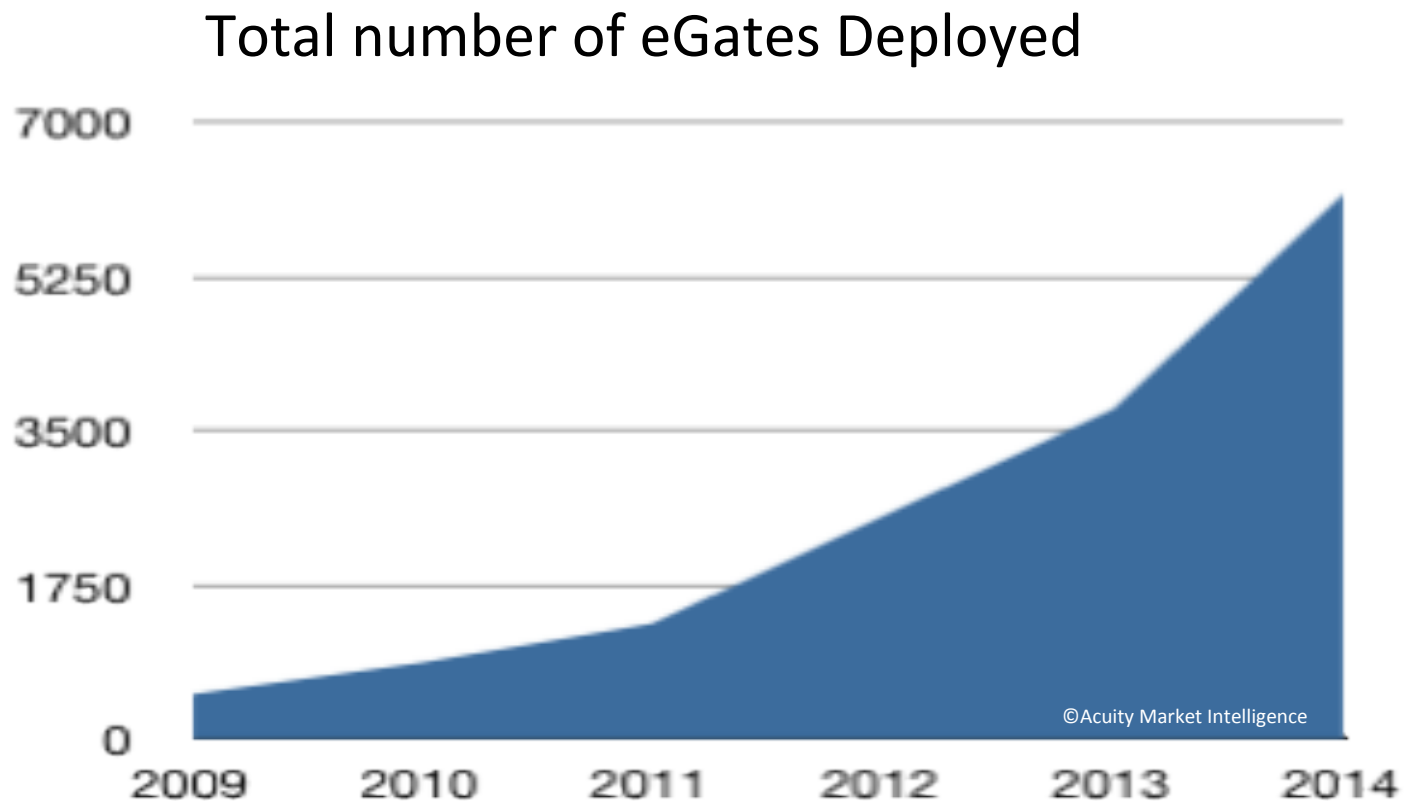
Geographic Momentum Shifts



Imminent Adoption of ABC

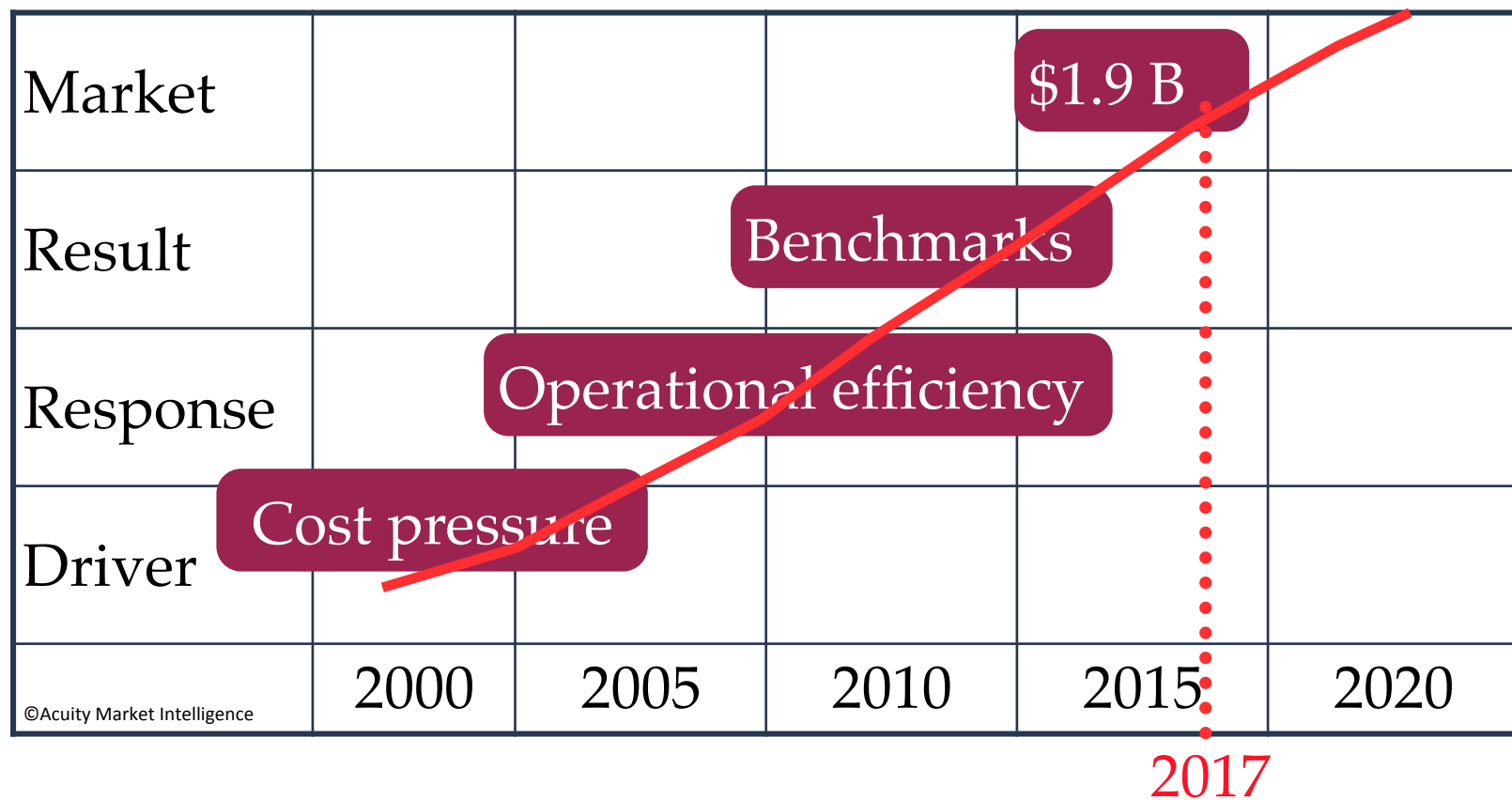
- Status varies from trial to restricted deployment
- Combined ePP and eVisa issuance catalyst for ABC
 - ABC is Kiosks and eGates
- Asia has the strongest eGate regional CAGR during 2009 – 2014
- Accelerated adoption expected after 2013
- Highest growth rate expected for eGates at Exit

Total eGates deployed reaches 6000+



Represents a small percent of market potential

The Third Wave – Operational Excellence



Operational Excellence by Necessity

- Bridges conflicting objectives of security and facilitation
 - Safety, Efficiency, Performance, and Traveller Satisfaction
- Driven by global, regional, and national benchmarks
- Provides authorities with performance guidelines and industry with *proactive* solution development rational

Operational Excellence: Benchmarks

Document Readers at Entry

©Acuity Market Intelligence	Ave. Readers 2010	Ave. Readers 2014	Benchmark
Africa	0.00	0.52	2.43
Asia	2.46	8.66	12.36
Caribbean	0.06	1.81	5.09
Europe	0.73	6.51	9.73
Middle East	0.00	4.13	9.60
North America	1.41	2.95	7.00
Pacific	0.32	0.79	1.59
Latin America	0.02	0.67	2.69

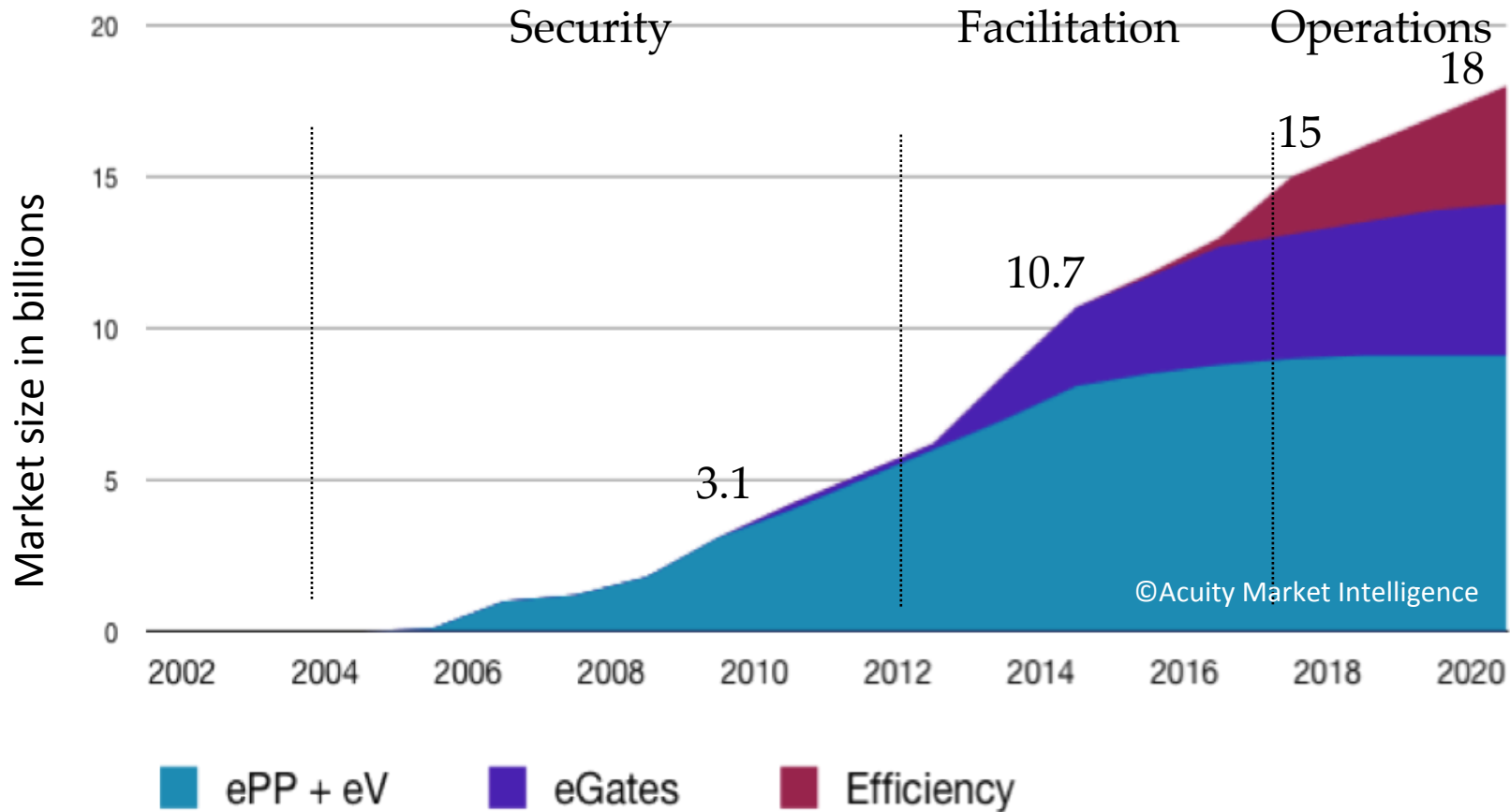
Somalia

September 1, 2010
- *Helsingin Sanomat*

“Few countries accept biometric passports issued by Somalia. Most European countries do not consider biometric passports issued by Somalia to be valid travel documents. Most European countries consider the Somali passports to be unreliable because of the country’s unstable situation. Sweden’s immigration service does not consider the passports to be valid because Somalia lacks a reliable authority to issue the documents.”



Wave Model Reliable Growth Indicator



Combined revenue to reach \$18 Billion by 2020

Critical Market Implications

- Each market wave produces an operational context
 - First wave is Security driven, produces Platform
 - Second wave is Facilitation driven, produces ABC
 - Third wave is Operational Efficiency driven, produces Global Infrastructure
- Context drives market opportunity and shifts player dominance based on critical role of sector
 - First wave: shift from paper based to electronically secured document producers
 - Second wave: shift from electronically secured document producers to solution providers
 - Third Wave: shift from solution providers to systems process experts
- However, continuous innovation across all sectors means sustained opportunity

The Global ePP and eVisa Industry Report

- Quantifies short-term opportunity
 - By volume and revenue
 - On a country-by-country basis
 - By solution component and technology
- Characterizes future opportunity
 - Correlates credential growth with travel patterns
 - Links technology with operational performance
 - Forecasts project costs and revenues
- Includes tools and insight for effective program requirements, deployment, and management
 - Benchmark data on program requirements and performance
 - Enables comparative analysis on a regional or global level





Thank you !

For more information or to preview
The Global ePassport and eVisa Industry Report
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