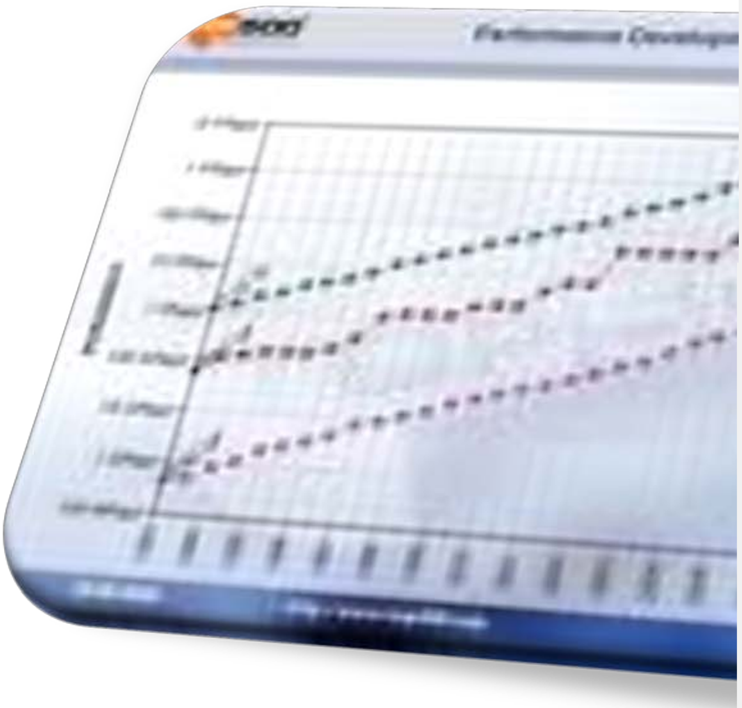
هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Telecom Market Statistics Report: Q4, 2009



Market Research & Planning

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INTRODUCTION

1. ***This report provides a brief update on the trends for the selected telecom services in the Sultanate of Oman for the 4th Quarter 2009. The report covers the performance of fixed, mobile and internet services.***

2. ***This report has been compiled based on the information received from the three telecom operators and two resellers: Omantel, Oman Mobile, Nawras, Friendi Mobile, and Renna. TRA collects data from these operators and resellers on monthly and quarterly bases, compile, and disseminate it for information of general public.***

3. ***This quarterly report is available on TRA website (www.tra.gov.om).***

4. ***Disclaimer***

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Telecom Sector Indicators at Glance:			
Type of Service	**As on Dec 2009**	***As on Sep 2009***	***% Change***
Total Main Fixed Telephone Lines in Operation; (1+2+3)	***267,317***	***270,167***	***-1.05%***
1. Main Fixed Lines in Operation: Post Paid	*212,624*	*215,030*	*-1.12%*
2. Main Fixed Lines in Operation: Prepaid (Sahl)	*47,888*	*48,332*	*-0.92%*
3. Public Telephone – Payphones	*6,805*	*6,805*	*0%*
Fixed Line Penetration*	*9.3%*	*9.4%*	***-2.12%***
Total Mobile Subscribers; (1+2)	***3,970,563***	***3,778,937***	***5.07%***
1. Mobile Postpaid Subscribers	***358,744***	***347,626***	*3.19%*
2. Mobile Prepaid Subscriber	***3,611,819***	***3,431,311***	*5.26%*
Mobile Penetration*	**138%**	**132%**	***4.54%***
Total Internet Subscribers: (1+2)	***78,135***	***74,759***	***4.51%***
1. Internet Subscribers (Dial-up): (1.1-1.4)	***77,722***	***74,368***	***4.51%***
1.1 Post Paid	*19,139*	*21,178*	*-9.63%*
*1.2 Pre paid***	*17,220*	*13,276*	*29.71%*
1.3 Log & Surf	*662*	*774*	*-14.47%*
1.4 (ADSL)	*40,701*	*39,140*	*3.99%*
2. Broadband Internet Subscribers (leased Line)	***413***	***391***	***5.63%***
Internet Penetration*	**2.7%**	**2.6%**	***3.85%***

***Penetration rates based on the latest published population by MONE: 2,867,000.** (*)

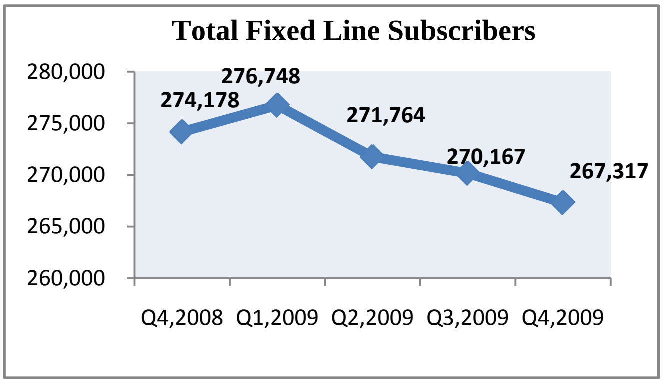
*** Prepaid subscribers are calculated on the bases of average dial up usage*

Fixed Line Services

Main Fixed Lines:

Fixed line subscription has continued decreasing throughout the year. The total subscription in last quarter fell to 267,317 subscribers. This is a reduction of 1.05% from the same quarter in 2008. This trend is mainly explained by the subscribers migrating to mobile services since they are more affordable and convenient to users.

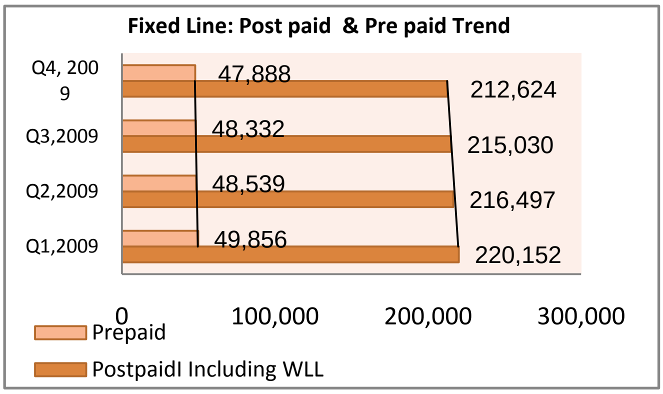
Figure.1: Total Main Fixed lines Trend



Fixed Line: Post paid

Post paid lines have been facing a general downwards trend. The number of postpaid fixed lines has decreased by 2,406 lines, which representing 1.12% decrease from the last quarter.

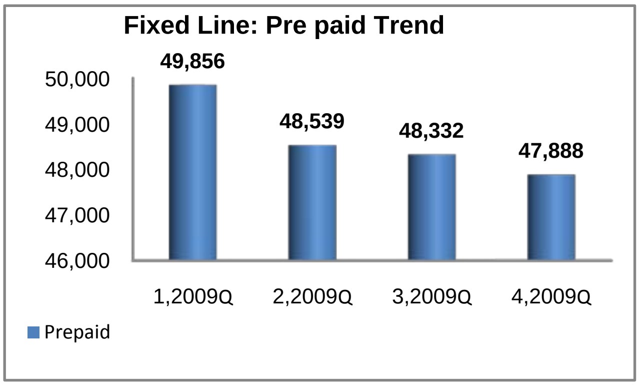
Figure.2: Fixed line: Post paid Trend



Fixed Line: Prepaid

Post paid fixed lines faced a slight decline again in Q4 and decreased by 444 lines. It is a reflection of the general trend in fixed lines. However, the decrease from one quarter to the other seems to be marginal.

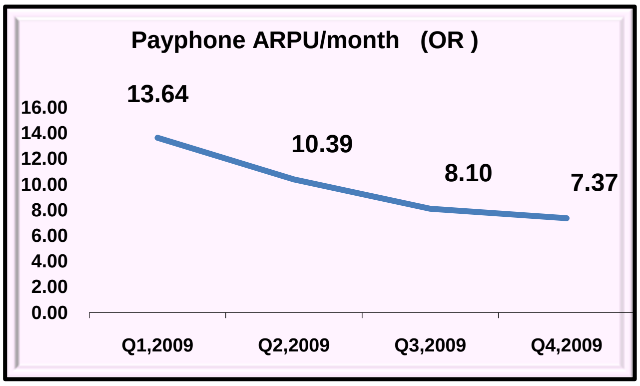
Figure.3: Fixed line: Pre paid Subscribers



Pay Phones

The number of payphones has remained constant at 6,805 payphones during the final quarter. Omantel has ensured that no payphones are removed unnecessarily and all removed payphones are to be installed in time according to TRA regulation. This is indicated by the increasing trend in the previous quarters.

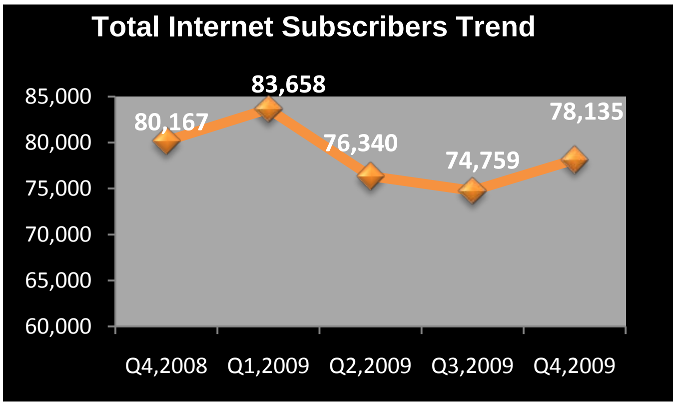
Figure.4: Public Pay Phones Trend



Internet Services:

By the end of December 2009, there were 78,135 total fixed internet subscribers reported by Omantel. This shows boost of 4.51% with comparison to September 2009.

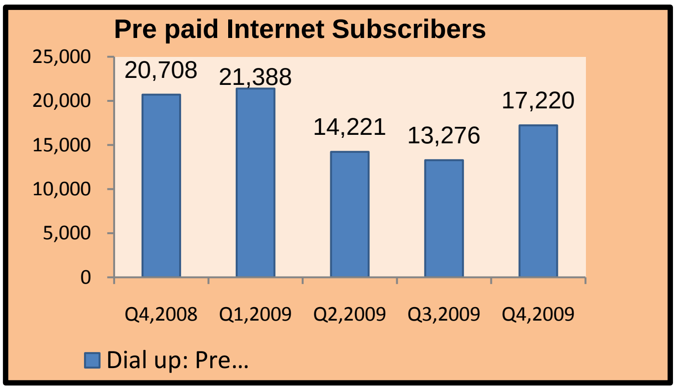
Figure.5: Internet Subscribers



Internet Pre paid Subscribers:

Quarter 4 witnessed a relatively noteworthy increase in prepaid internet subscribers. The number of subscribers increased to 17,220 in quarter 4 which is a 29.71% increase. This could be due to an increase in promotion for Sahl and Al Ufuq services in the final quarter.

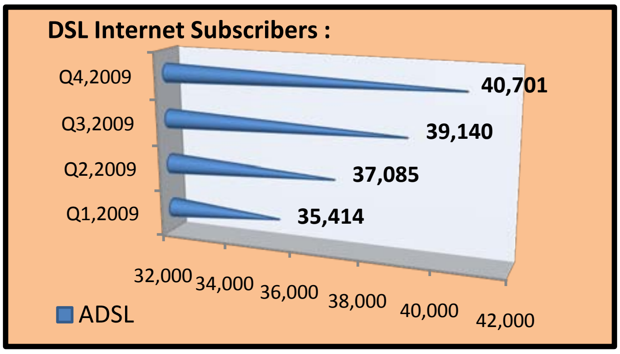
Figure.6 Prepaid Internet Subscribers



ADSL Subscribers

ADSL services continued their increase despite the overall decrease in fixed line services. In quarter 4 the number of fixed line subscribers increased to 40,701 subscribers.

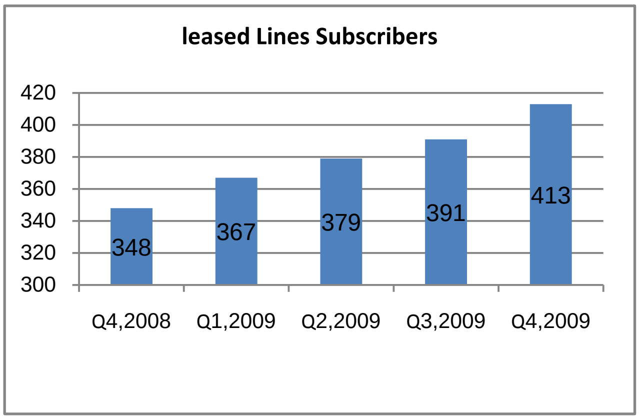
Figure.7: DSL Subscribers



Internet leased Lines:

Leased line subscribers continued increasing and the number of subscribers increasing by 22 subscribers in quarter 4 to reach 413 subscribers. It is an 18.7% increase from the number of subscribers in the same quarter in 2008.

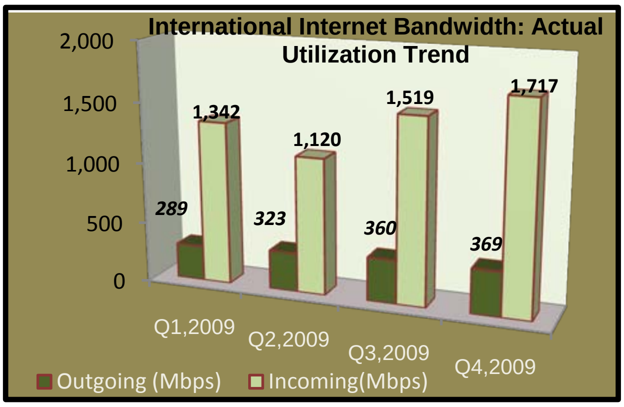
Figure.8: leased Lines Trend



International Internet Bandwidth

During the fourth quarter 2009, actual internet bandwidth capacity utilization has increased slightly for both outgoing and incoming links. For outgoing bandwidth there was a small increase of 2.5% and incoming faced a larger increase of 13%.

Figure.9: International Internet Bandwidth

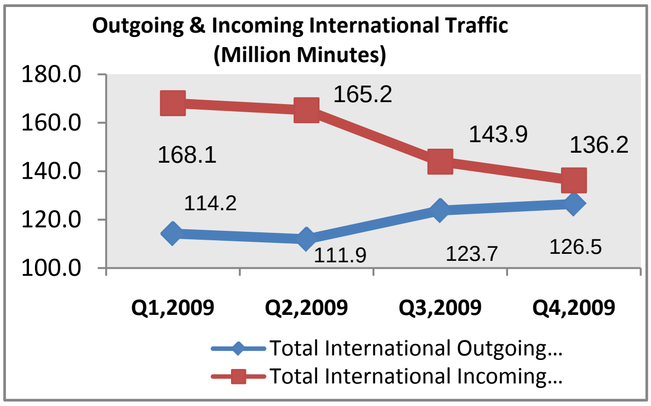


International Traffic

In quarter 4, international outgoing traffic continued it's increased, however at a slower and smaller increase of 2.2%.

Incoming calls continued its decline in the final quarter and fell by 5.4%.

Figure.10: Outgoing & Incoming International Traffic



ARPU of Fixed Lines Services

ARPU for Fixed Line services (Post paid, Prepaid, Payphones and Internet is depicted in the diagrams given below:

Figure.11: ARPU/Month for Post paid

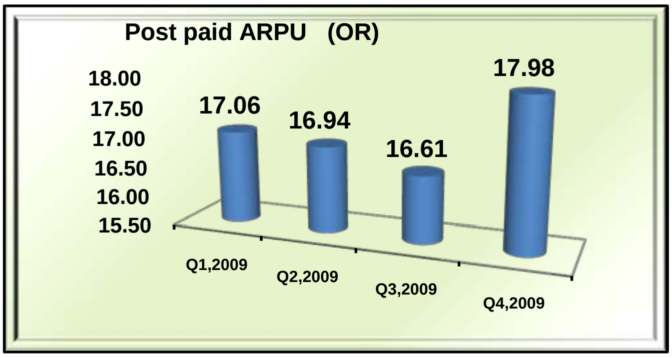


Figure.12: ARPU/Month for Pre paid

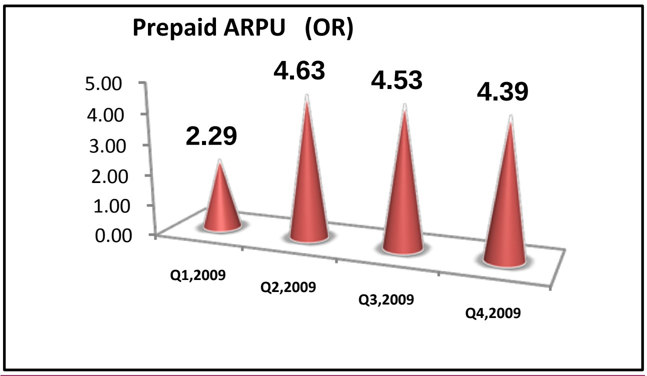


Figure.13: ARPU/Month for Payphone

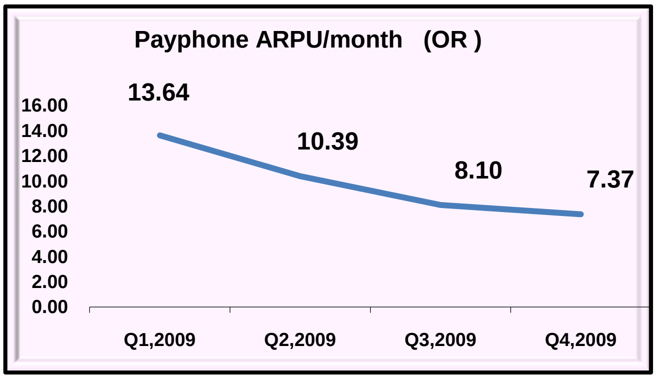
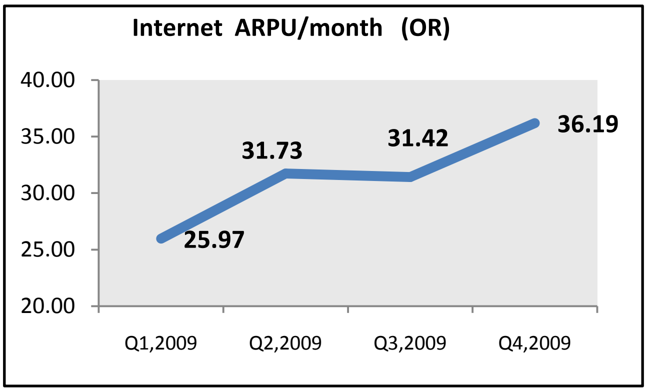


Figure.14: ARPU/Month for Internet



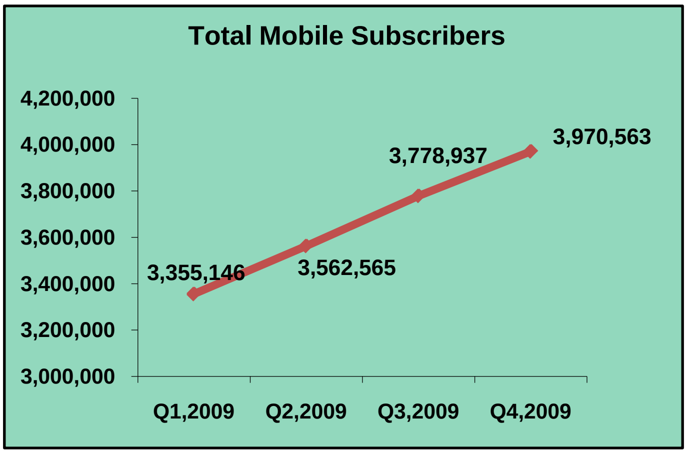
Mobile Services

Mobile Subscribers

Mobile subscription continued its rise and the total mobile subscribers reached 3,970,563 in quarter 4 of 2009. This represents 5.07% increase from the third quarter.

Mobile phone subscribers have increased dramatically in the past year, the number of subscribers increased by 615,417 subscribers during the past year.

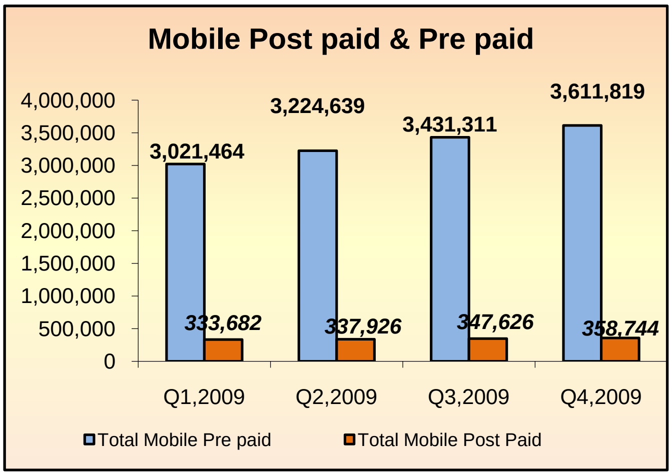
Figure.15: Total Mobile Subscribers



Mobile Postpaid & Pre paid Subscribers

Prepaid subscribers remain the majority of the mobile market making up 3,611,819 subscribers. However their share has been reduced to 91% in the fourth quarter almost similar to the third quarter. This is mainly due to the postpaid market picking up its momentum and the number of users has increased significantly in the last quarter and jumped up to 358,744 subscribers.

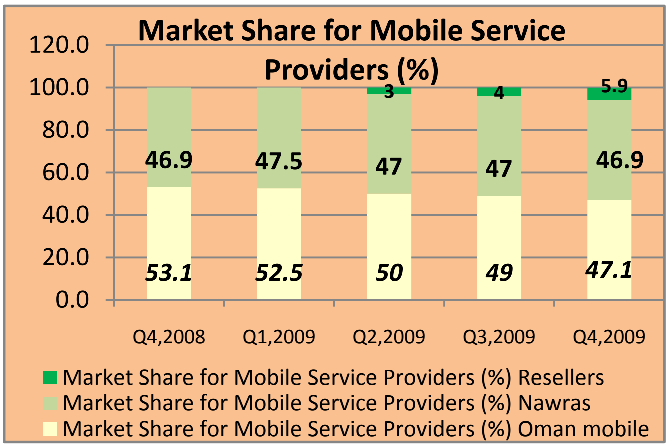
Figure.16: Mobile Post paid and Pre paid Subscribers



Mobile Market Share

Nawras and Oman Mobile have come very close to having an equal market share in the mobile market. Both their market shares dropped a little, on the other hand the resellers have increased 1.9% of their market share. Oman Mobile is losing its market share slightly from the last quarter allowing Nawras to slowly catch up.

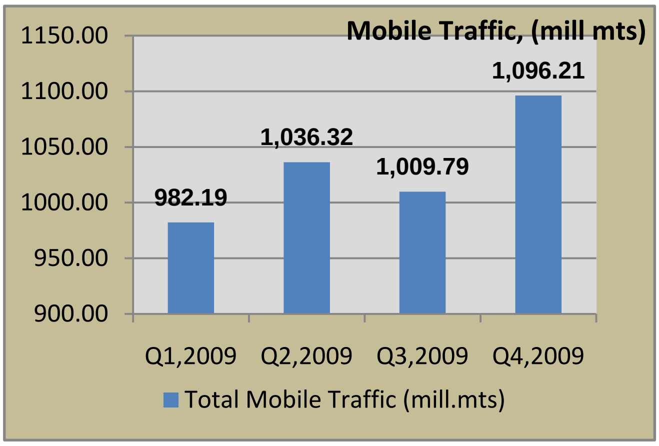
Figure .17: Mobile Operators' Market Share



Mobile Traffic

Mobile subscribers generated 1,096.21 million minutes during the fourth quarter 2009, which is 8.6% more than the third quarter traffic. This could be due to Oman Mobile counting their outbound roaming traffic as part of the outgoing traffic data.

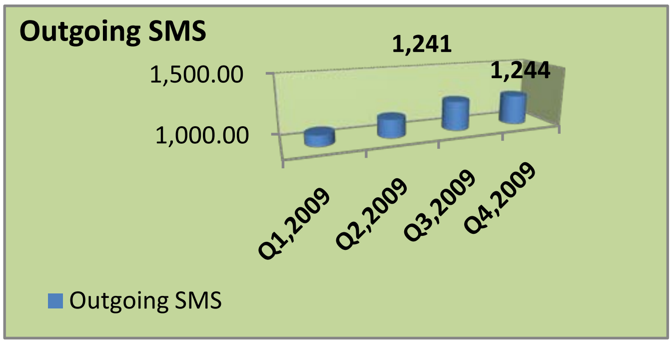
Figure .18: Mobile Traffic



SMS

Total outgoing messages fell slightly to 1,244 million SMS messages which is a 0.23% decrease at the end of 2009 compared to the 1,241 million SMS in September 2009.

Figure .19: Mobile SMS



Average Revenue per User per Month (ARPU) for Mobile Services

The ARPU for mobile services increased 3.7% to RO 9.14/month in December 2009.

Figure.20: Mobile Services ARPU/Month