



## **Telecom Market Indicators**

**Report: Q4, 2011**

**(October 2011 – December 2011)**

**Market Research & Planning**

**Economic Affairs Unit**

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## Introduction

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This is the [4<sup>th</sup> Quarter 2011](#) report, which provides a brief update on the major telecom services in the Sultanate of Oman. The report briefly covers the performance of fixed, mobile and internet services.

This report has been compiled based on the data received from:

- Telecom operators (Omantel, Oman Mobile & Nawras)
- Mobile resellers (Friendi Mobile, Renna, Mazoon, Injaz & Samatel)

This quarterly report is also published on the TRA website ([www.tra.gov.om](http://www.tra.gov.om)).

## Disclaimer

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# Executive Summary

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## Market Observations

- The Sultanate of Oman witnessed growth in the Telecom Sector during Q4, as on December 2011 compared to Q3, as on September 2011 status.
- By the end of Q4 2011, The Fixed subscribers increased by 0.83%, (from 284,969 to 287,323) , Mobile Subscribers also increased by 2.52% (from 4,690,906 to 4,809,248 ) and Fixed Internet subscribers also increased by 14.73% (from 77,626 to 89,060)
- Penetration Rates also increased during Q4, 2011 to 10.36% for Fixed, 173.38% for Mobile and 22.14% for Internet services. Further, Mobile Broadband (Potential users) Penetration rate decreased to 77.14% as one of the operators used enhanced tools to capture the count.
- The number of Fixed broadband subscribers increased by 20.6% (from 64,879 subscribers in Q3 to 78,214 in Q4, 2011).
- International Internet bandwidth capacity increased by 27.63% from 17,663 Mbps to 22,543Mbps, over the previous quarter.
- International calls: Total International Outgoing Voice Traffic increased by 1% in the Q4 (from 132.0 Million minutes to 133.3 Million minutes). Also, Total International Incoming traffic increased by 13.9% (from 110.7 Million minutes to 126.1 Million minutes) compared to previous quarter.

## Tariff Plans & Promotions

- A total of 14 (Previous quarter: 23) Promotional offers were approved (OmanMobile =3, Nawras =6, Renna =1 and Friendi =4).
- Tariffs for 10 New Services were approved (OmanTel/OmanMobile=1, OmanMobile =4, Nawras =4 & Friendi =1).
- Another 10 Tariff Revisions were approved during the quarter (OmanTel=1, OmanMobile =2, Nawras =5, Renna=1 & Friendi =1)

## Type Approval

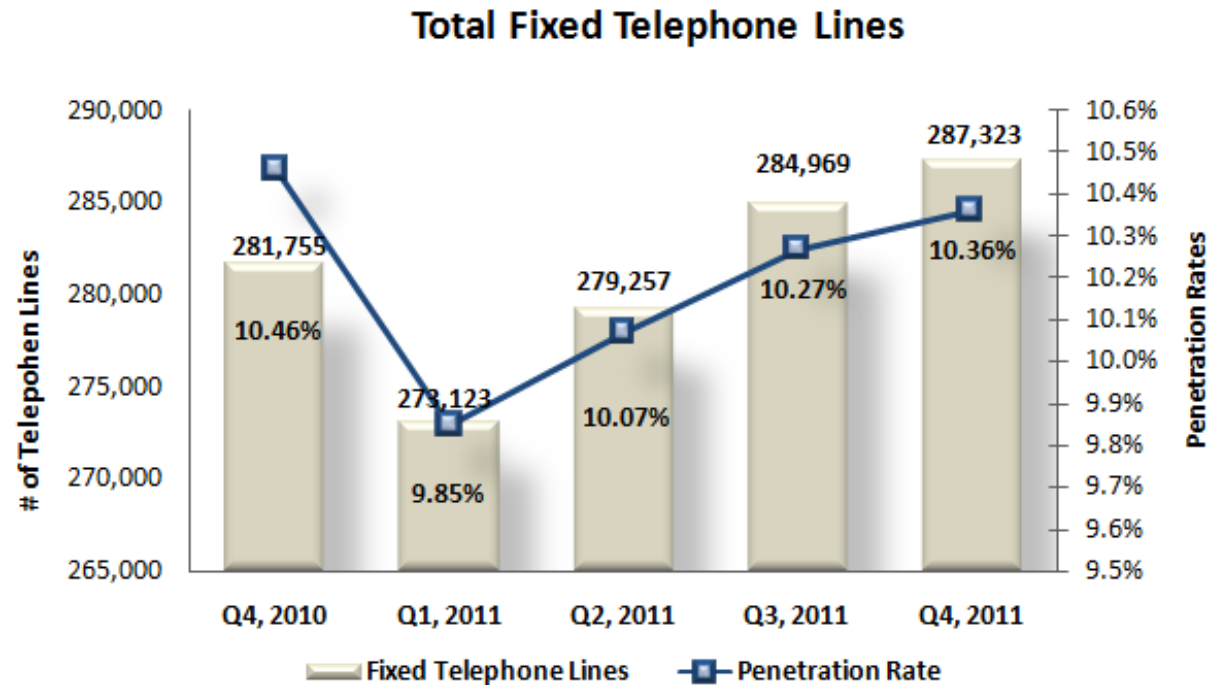
- During the 4<sup>th</sup> quarter 2011, TRA approved a total number of 201 Telecom Equipments, Renewed 66 registrations of Telecom Dealers and registered 76 new dealers, Issued 326 Releases to Customs for Imported Telecom equipments and 17 inspected Violations.

## Fixed & Mobile Sector

Type of Service	As of Dec 2011	As of Sep 2011	% Change
<b>1. Main Fixed Telephone Lines:</b>			
1.1 Post Paid	215,193	209,087	2.92%
1.2 Pre-Paid	26,345	29,939	-12.00%
1.3 Public Telephone – Payphone	6,801	6,801	0.00%
1.4 ISDN Equivalent Channels	37,082	39,142	-5.26%
1.5 WLL Connections	1,902	-	-
<b>Total Fixed Telephone Lines in Operation (1.1-1.5)</b>	<b>287,323</b>	<b>284,969</b>	<b>0.83%</b>
Fixed Line Penetration	10.36%	10.27%	0.83%
<b>2. Mobile Subscribers:</b>			
<b>2.1 Post Paid</b>			
2.1.1 Operators	432,093	428,068	0.94%
2.1.2 Resellers	-	-	-
<b>Total Postpaid Subscribers</b>	<b>432,093</b>	<b>428,068</b>	<b>0.94%</b>
<b>2.2 Pre Paid</b>			
2.2.1 Operators	3,778,449	3,712,863	1.77%
2.2.2 Resellers	598,706	549,975	8.86%
<b>Total Prepaid Subscribers</b>	<b>4,377,155</b>	<b>4,262,838</b>	<b>2.68%</b>
<b>Total Mobile Subscribers: (2.1+2.2)</b>	<b>4,809,248</b>	<b>4,690,906</b>	<b>2.52%</b>
Mobile Penetration	173.38%	169.12%	2.52%

**NOTE:** Penetration rates are based on the latest published figures by MoNE Census 2010 (Final Population: 2,773,479 & Estimated Household: 402,286).

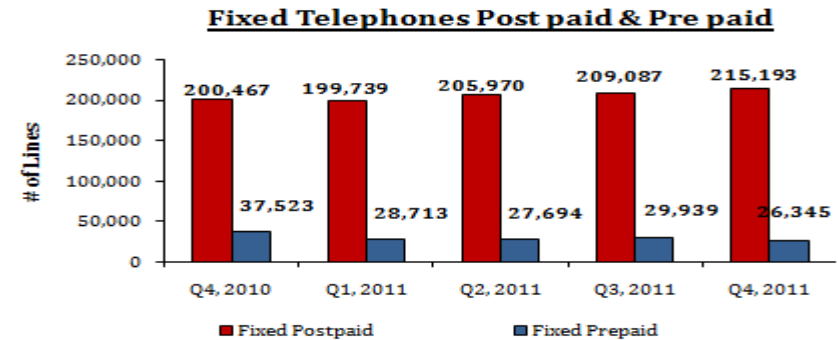
## Fixed Telephone Service



- Q4, 2011 ended with 287,323 fixed lines compared to 284,969 lines, an increase of 2,354 (0.83%) compared to previous quarter.
- Fixed line penetration rate was 10.36% as of Q4, 2011 with 0.83% increased over Q3, 2011.

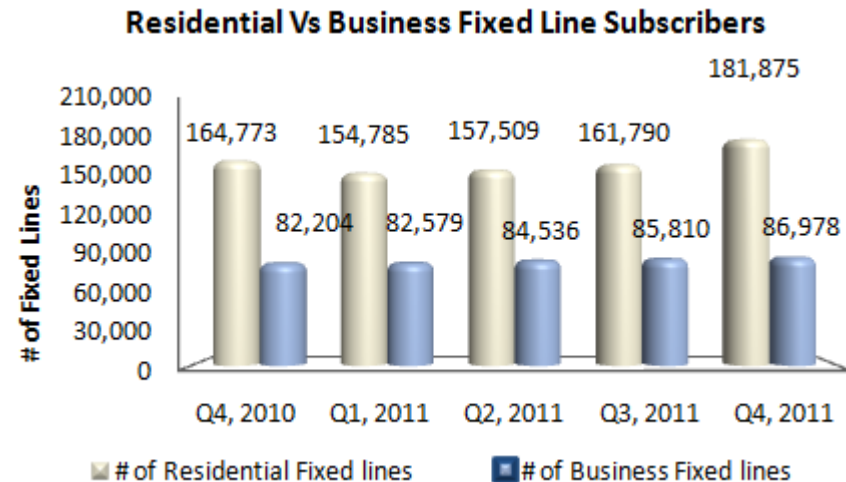
### Fixed Line: Post paid & Prepaid

- The fixed post paid lines increased by 2.92% from the 3<sup>rd</sup> quarter resulting in total of 215,193 post paid lines.
- Quarter-4 ended with 26,345 prepaid connections. This number decreased by 3,594 over the previous 3 months period.



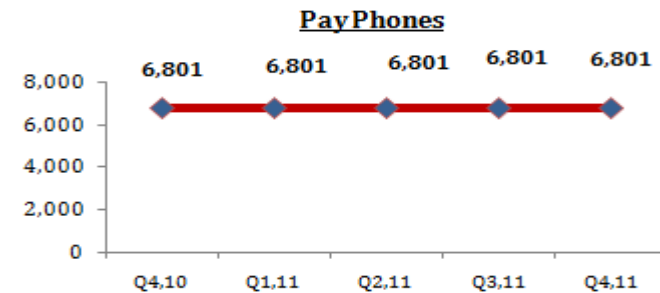
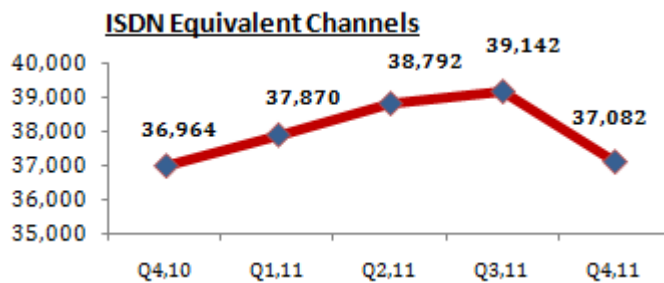
### Residential Vs Business/Government Fixed Lines

- The Number of residential lines between Q4, 2010 and Q3, 2011 increased by 12.41%.
- Out of the total fixed lines, the Residential were 67.65% and Business constituted 32.35%.
- Omantel residential fixed lines increased to 155,797 from 153,016, an increase of 1.82% over previous quarter. Business fixed lines also increased to 85,894 from 84,488, an increase of 1.66% over previous quarter.
- Nawras residential fixed lines increased to 26,078 from 8,774 an increase of 197.22% over previous quarter over previous quarter. Business fixed lines decreased to 1,084 from 1,322 a decrease of 18% over previous quarter.



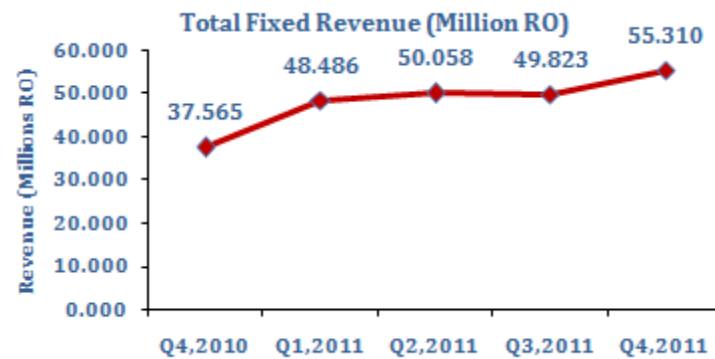
### Payphones / ISDN Equivalent Channels

- The ISDN Equivalent Channels showed a decrease of -5.26% from the Q3, 2011 resulting in total of 37,082 Subscribers.
- Public Payphones remained static for the last six quarters with the total of 6,801 pay phones in service.
- There were a total of 1,902 WLL Connections up to 31-Dec-2011.



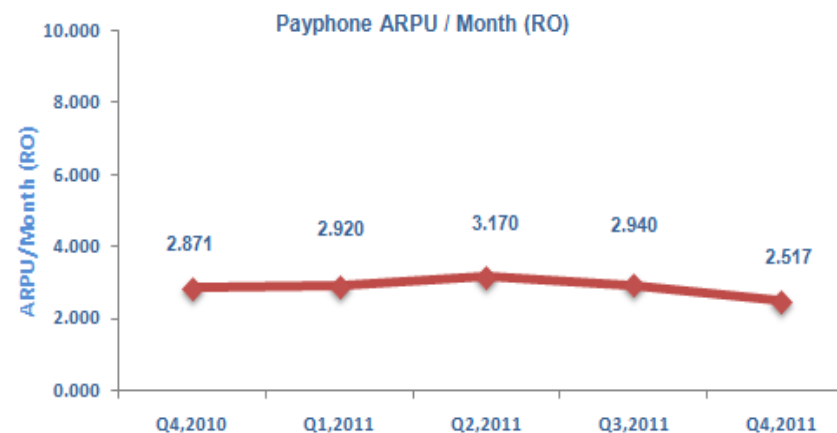
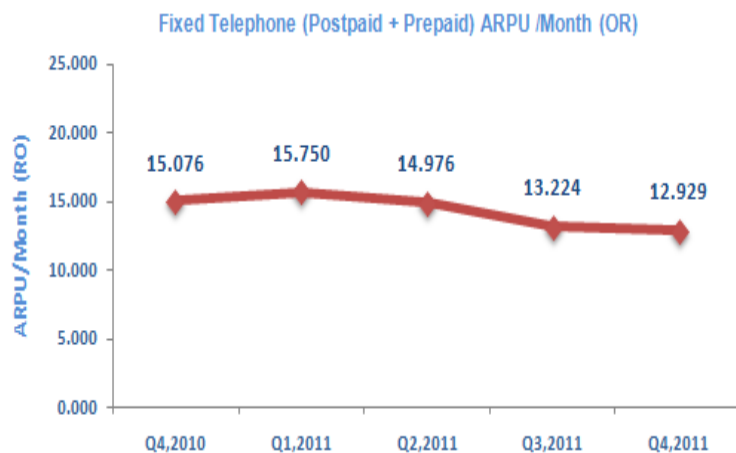
### Fixed Line Revenue and ARPU's/month (OR)

Q4, 2011 registered revenue from fixed telephone line and internet services of RO 55.310 million, 11% more than previous quarter:

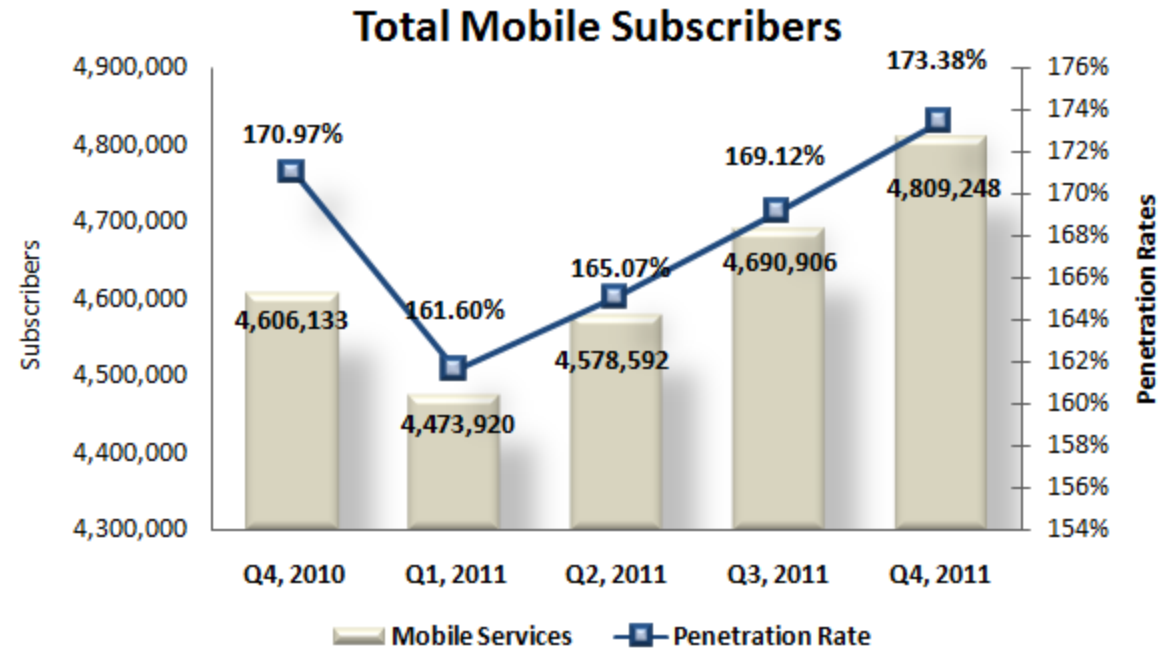




Fixed Telephone (Postpaid + Prepaid) and Payphone ARPU per month are as follows:



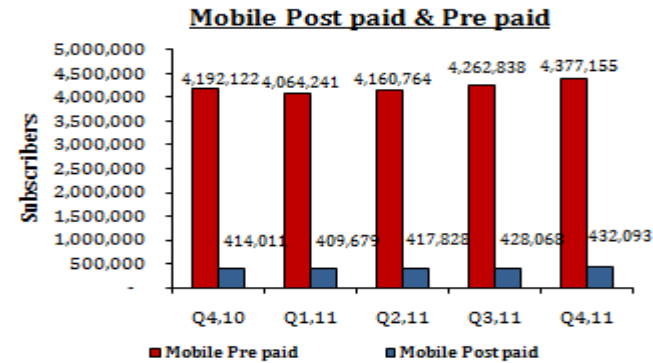
## Mobile Cellular Services



- By end of Q4, 2011, total mobile subscribers stood at 4,809,248 with an increase of 118,342 subscribers during this quarter.
- The penetration rate of mobile subscribers was 173.38% by Q4, 2011, recording an increase of 2.52% from the previous quarter.

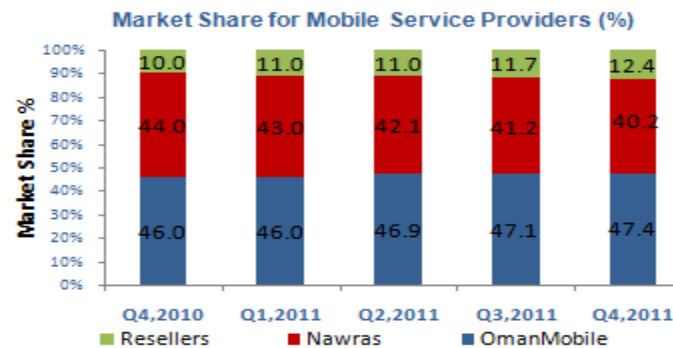
## Mobile Post paid & Prepaid Subscribers

	Mobile Pre paid	Mobile Post paid
Q4,2010	4,192,122	414,011
Q1,2011	4,064,241	409,679
Q2,2011	4,160,764	417,828
Q3,2011	4,262,838	428,068
Q4,2011	4,377,155	432,093



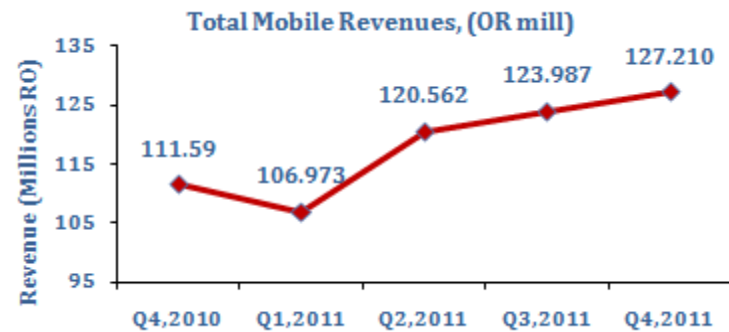
- Postpaid mobile subscribers stood at 432,093 at the end of 4<sup>th</sup> Quarter 2011 showing an increase of 0.94% compared to previous quarter.
- Prepaid mobile subscribers were 4,377,155 also showing an increase of 2.68% compared to Q3, 2011.

## Mobile Market Share

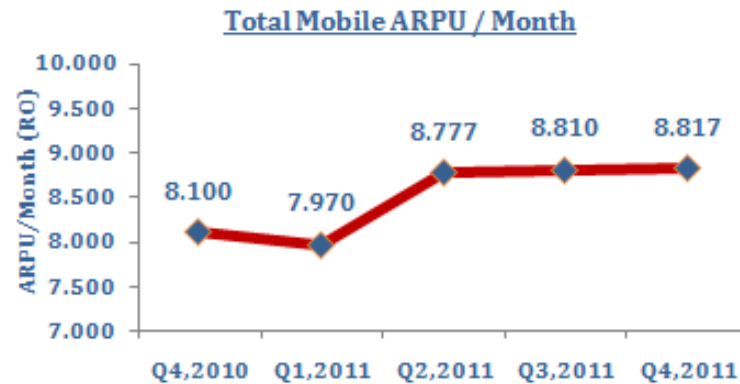


- As of end of December 2011, Oman Mobile possessed a market share of 47.4% while Nawras owned 40.2%. Resellers achieved 12.4% market share during the reported quarter.

## Mobile Revenue and ARPU's/Month (OR)



- The mobile sector has generated total revenue of OR 127.210 million, 2.6% more than the previous quarter.
- Mobile subscribers are continued to contribute monthly revenue of RO 8.817 per subscriber during this quarter also.



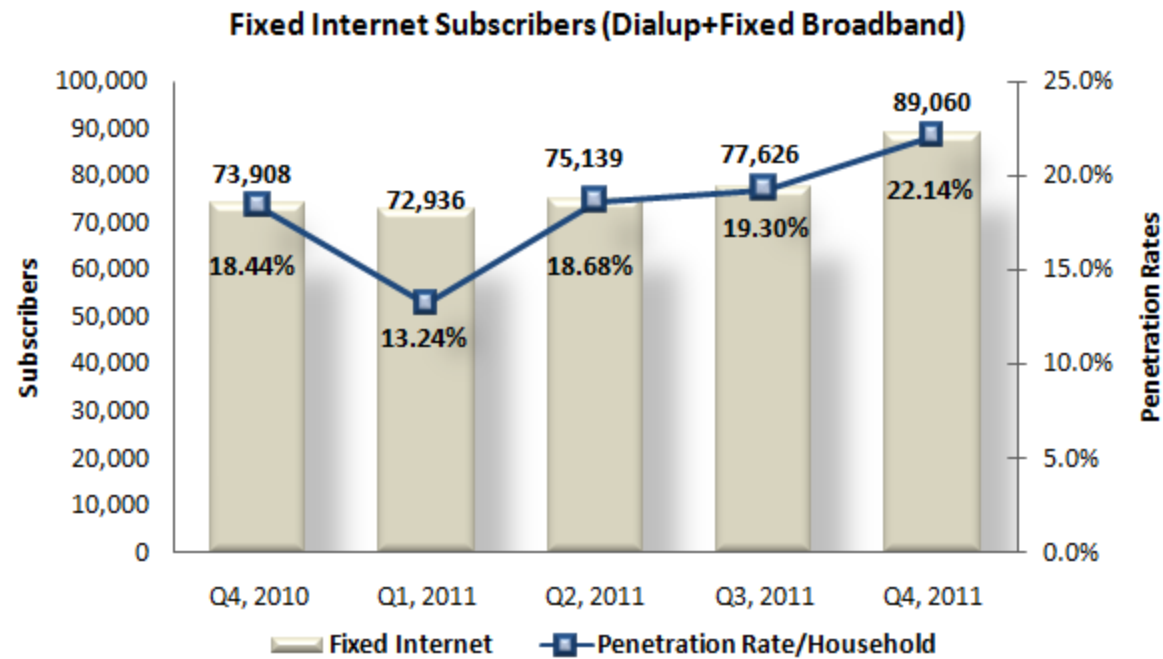
## Internet Services

Type of Service	As of Dec 2011	As of Sep 2011	% Change
<b>Internet Subscribers:</b>			
<b>1. Dial Up Subscribers</b>			
1.1 Post Paid	8,226	9,212	-10.70%
1.2 Pre Paid**	2,620	3,535	-25.88%
<b>Total Dial-Up Subscribers: (1.1+1.2)</b>	<b>10,846</b>	<b>12,747</b>	<b>-14.91%</b>
<b>2. Fixed Broadband Subscribers</b>			
2.1 Total Fixed Broadband Subscribers	78,214	64,879	20.55%
Total Fixed Broadband Subscribers Penetration per Household	19.44%	16.13%	20.55%
<b>Total Fixed Internet Subscribers (1.1+1.2+2.1)</b>	<b>89,060</b>	<b>77,626</b>	<b>14.73%</b>
Total Internet Penetration per Household	22.14%	19.30%	14.73%
<b>3. Mobile Broadband Subscribers***</b>			
Mobile Broadband Penetration	77.14%	86.78%	-11.11%
<b>4. Active Mobile Broadband Subscribers</b>			
4.1 Standard mobile-broadband Subscribers	520,793	N/A	N/A
4.1 Dedicated mobile-broadband Subscribers	555,461	N/A	N/A
<b>Total Active Mobile Broadband Subscribers</b>	<b>1,076,254</b>	N/A	N/A
Active Mobile Penetration Rate	38.8%	N/A	N/A
<b>5. Internet Users</b>			
5.1 Estimated fixed internet users****	516,548	450,231	14.73%
5.2 Estimated mobile internet users	1,651,484	1,654,274	-0.17%
<b>Total Estimated Internet Users; (4.1+4.2)</b>	<b>2,168,032</b>	<b>2,104,505</b>	<b>3.02%</b>
Estimated Internet Users' Penetration	78%	76%	3.02%

**NOTE:** \*\* Internet prepaid subscribers are calculated on the basis of average dial up usage.  
\*\*\* Equals to the number of mobile subscribers having 3G supported handsets (Potential access).  
\*\*\*\* Fixed estimated internet users calculated using the 5.8 multiplier of the average household size eligible for internet use in Oman from 5 years and above.  
Penetration rates are based on the latest published figures by MoNE Census 2010 (Final Population: 2,773,479 & Estimated Household: 402,286).  
TRA started collecting data for "Active mobile-broadband" effective from December 2011 only as per ITU definition,

**Q4, 2011 data for Mobile Broadband subscribers is showing a decline due to the enhanced tools used to capture the counts.**

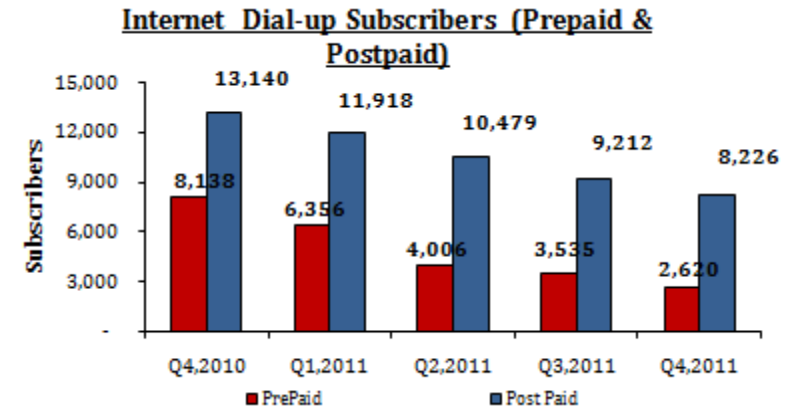
### Fixed Internet Subscribers (Including Dial-Up + Fixed Broadband)



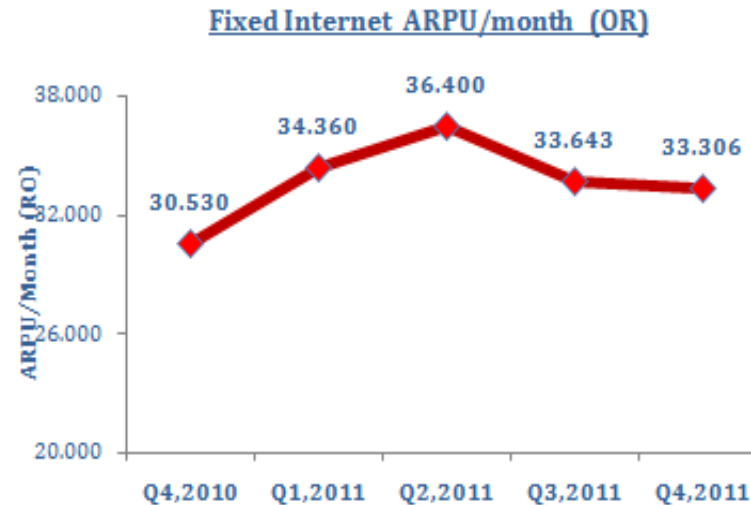
- Q4, 2011 had total fixed Internet subscribers of 89,060 with 14.73% increase against the previous quarter.
- Fixed internet subscribers' penetration rate per Household increased to 22.14% from 19.30% of Q3, 2011.

### Internet Dial up (Post paid & Prepaid Subscribers)

➤ The 4<sup>th</sup> quarter also showed a further decline in the number of Internet Dial-up (Postpaid & Prepaid) subscribers by 14.9% from the previous quarter. This is fourth in sequence showing declining trend.



### Fixed Internet ARPU's/month (OR)

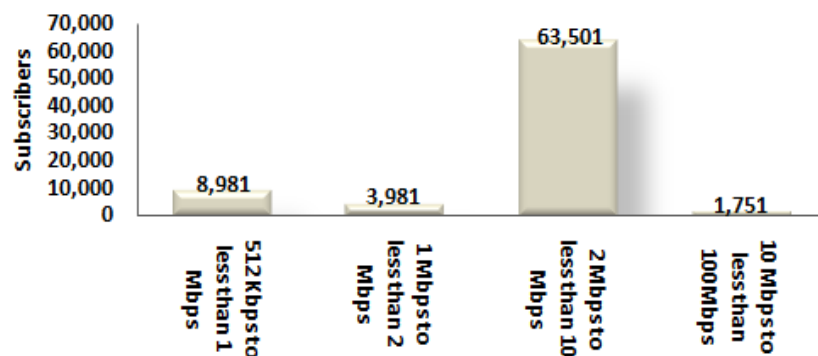


➤ Fixed internet ARPU decreased during Q4, 2011 to 33.306 from 33.643 of Q3, 2011, a decrease of -1% over previous quarter.

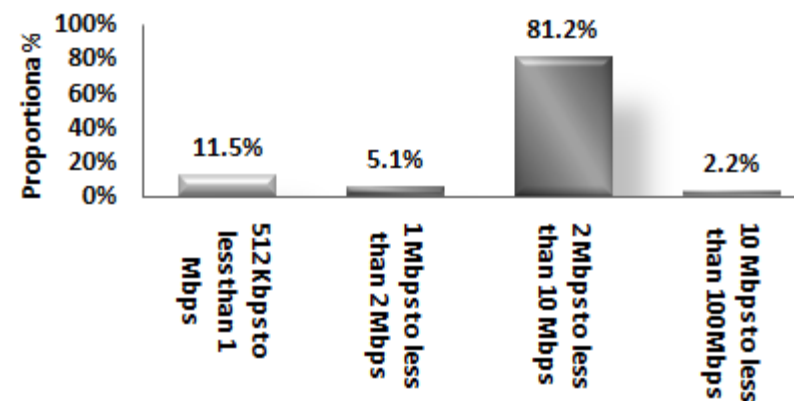
## Fixed Broadband Services

Fixed Broadband Subscribers by Speed	As of Dec 2011	As of Sep 2011	% Change
1. 512 Kbps to less than 1 Mbps	8,991	670	44.6%
2. 2 Mbps to less than 2 Mbps	3,981	8,294	
3. 2 Mbps to less than 10 Mbps	63,501	54,473	81.2%
4. 10 Mbps to less than 100Mbps	1,751	1,442	2.4%
5. 100 Mbps to less than 1 Gbps	-	-	-
6. Above 1 Gbps	-	-	-
<b>Total Fixed Broadband Subscribers (1 to 5)</b>	<b>78,214</b>	<b>64,879</b>	<b>20.6%</b>

**B/B Subscribers by Internet Speed (Q4, 2011)**



**B/B Subscribers - Proportion by Speed (Q4, 2011)**

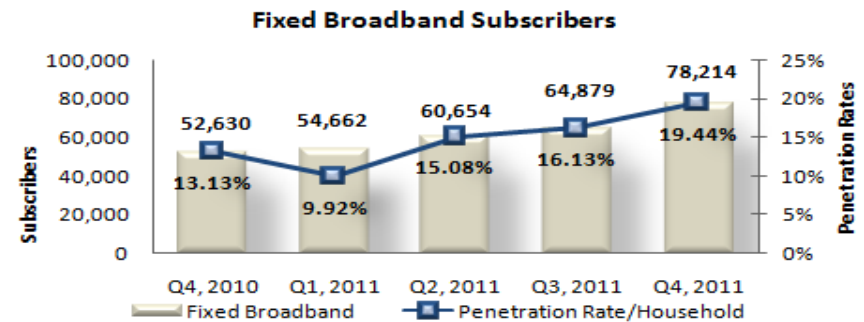


- 11.5% of Broadband subscribers during Q4, 2011 had access speed of 512Kbps to less than 1 Mbps.
- 5.1% of Broadband subscribers during Q4, 2011 had access speed of 1Mbps to less than 2 Mbps.
- 81.2% of Broadband subscribers during Q4, 2011 had access speed of 2 Mbps to less than 10 Mbps.
- 2.2% of the broadband subscribers have access to 10 Mbps and above



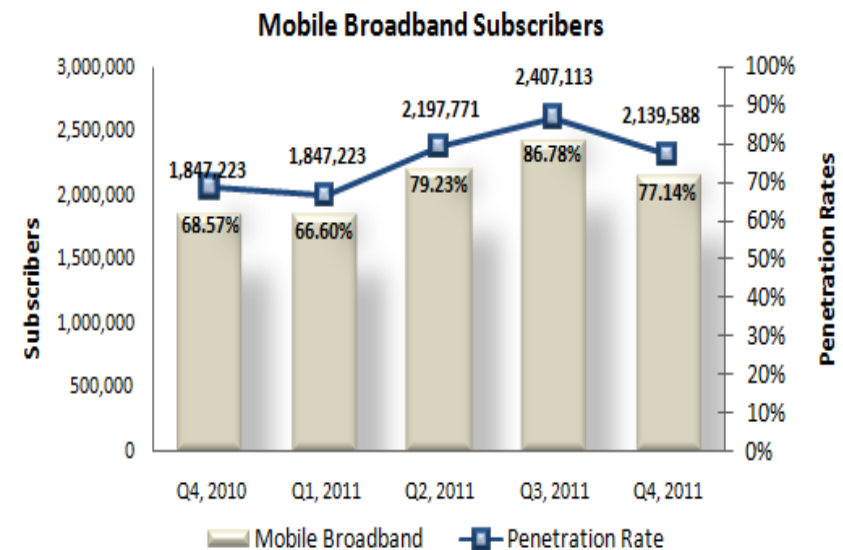
## Fixed Broadband Subscribers

- Fixed Broadband subscription increased by 13,335 to 78,214. Penetration rate per Household also increased to 19.44% from 16.13% of Q3, 2011.

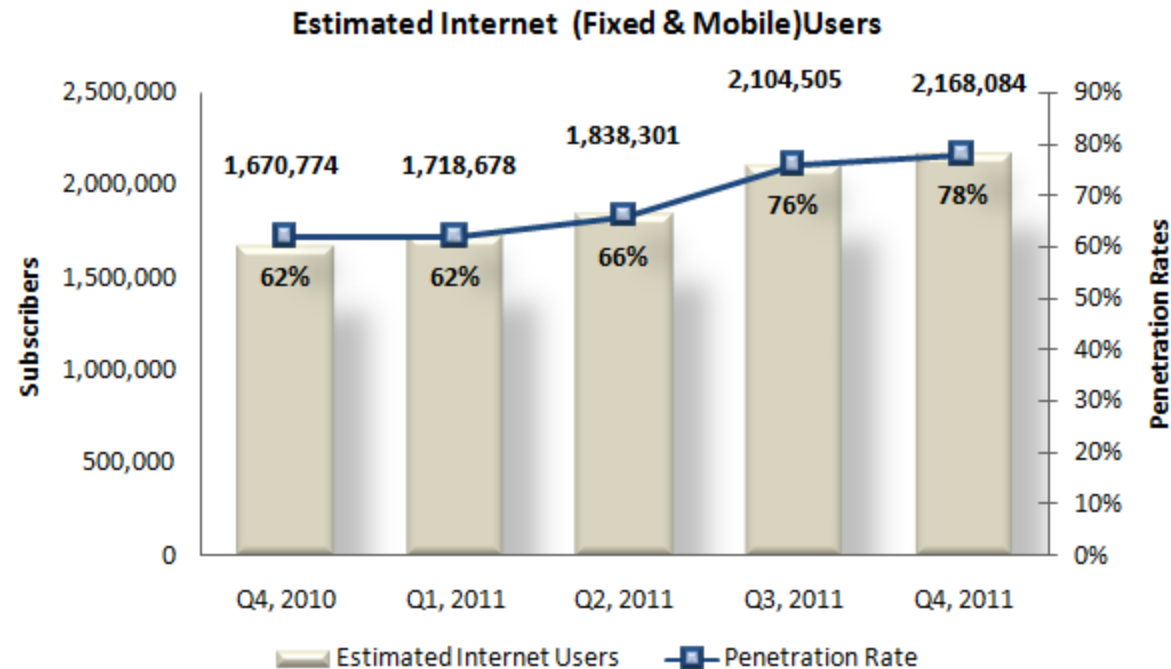


## Mobile Broadband Subscribers

- Q4, 2011 recorded 2,139,588 as total mobile broadband subscribers with unique 3G supported devices.
- Mobile broadband subscribers' penetration rate declined to 77.14% from 86.78% of Q3, 2011.
- Q4, 2011 data for Mobile Broadband subscribers is showing a decline due to the enhanced tools used to capture the counts.
- At the end of Q4, 2011 the Total Active Mobile Broadband subscribers as per ITU definition were 1,076,254 and the penetration rate was 38.8%. TRA started collecting data for this indicator effective from December 2011 only.



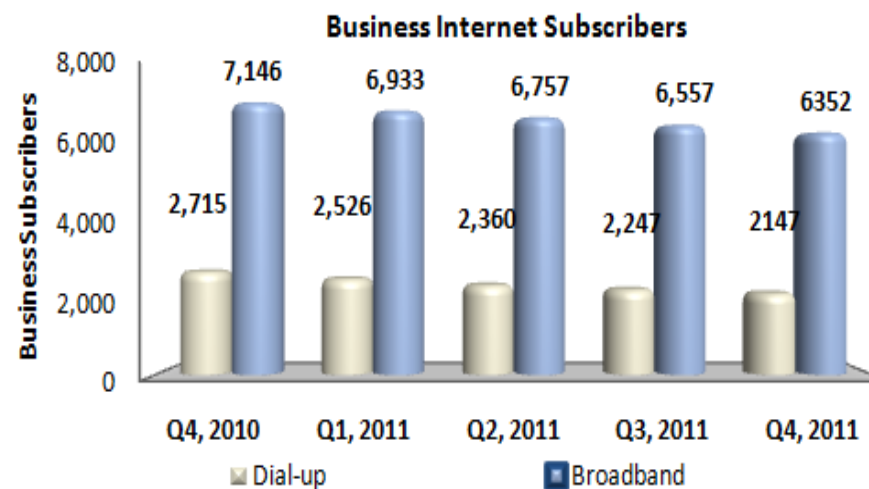
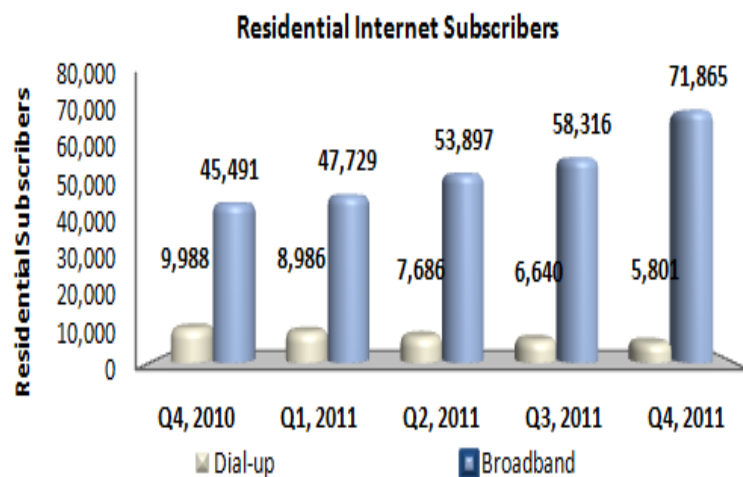
## Estimated Internet Users (Fixed Internet Users + Mobile Internet Users)



- In 4<sup>th</sup> quarter 2011 it recorded 2.168 Million Internet users with a decrease of 3.02% over the previous quarter.
- Estimated internet users penetration rate increased to 78% from 76% of Q3, 2011.
- The Fixed estimated internet users are calculated using the 5.8 multiplier of the average household size eligible for internet use in Oman which includes population of the age of 5 years and above.
- Mobile Internet Users are calculated as sum of the actual 2G and 3G sessions of users who manage download / upload.

## Residential Vs Business Internet Subscribers

Type of Service		As of Dec 2011	As of Sep 2011	% Change
<b>Resident &amp; Business Internet Subscribers</b>				
1. Dial Up Lines	1.1 Residential	5,801	6,640	-12.64%
	1.2 Business / Government	2,147	2,247	-4.45%
<b>Total Dial up Internet Subscribers (1.1-1.2)</b>		<b>7,948</b>	<b>8,887</b>	<b>-10.57%</b>
2. Broadband Lines	2.1 Residential	71,865	58,316	23.23%
	2.2 Business / Government	6,352	6,557	-3.13%
<b>Total Broadband Internet Subscribers (2.1-2.2)</b>		<b>78,217</b>	<b>64,873</b>	<b>20.57%</b>
<b>GRAND TOTAL (1 + 2)</b>		<b>86,165</b>	<b>73,760</b>	<b>16.82%</b>

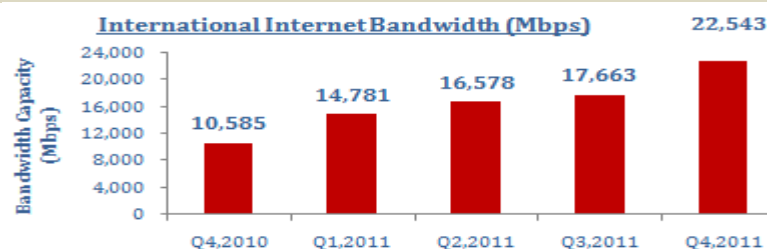


## International Internet Bandwidth (Mbps) - Capacity

Type of Service	As of Dec 2011	As of Sep 2011	% Change
<b>International Internet Bandwidth (Mbps)</b>			
1. International Internet Bandwidth (Mbps) - Capacity	22,543	17,663	27.63%
2. International Internet Bandwidth (Mbps) - % Utilized (Outgoing)	8.7	8.4%	3.7%
3. International Internet Bandwidth (Mbps) - % Utilized (Incoming)	54.4	59.2%	-8.3%

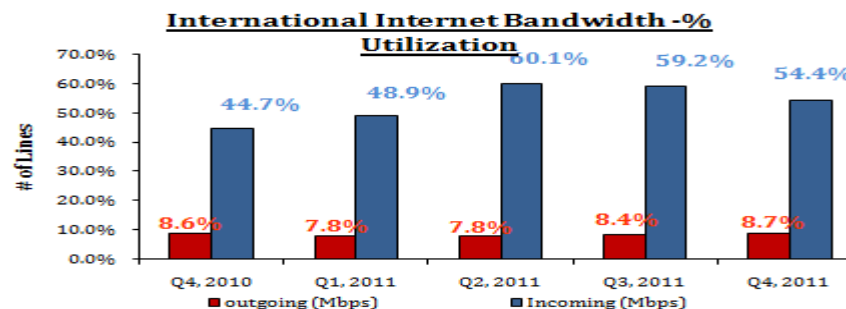
### International Internet Bandwidth (Mbps)

- Q4, 2011 recorded 22,5733 Mbps as total of international internet bandwidth capacity in the market. An increase of 27.63% over the previous quarter.



### International Internet Bandwidth - % utilization

- Out of 22,543 Mbps capacity, on an average 8.7% has been utilized for the outgoing and 54.4% for the incoming.

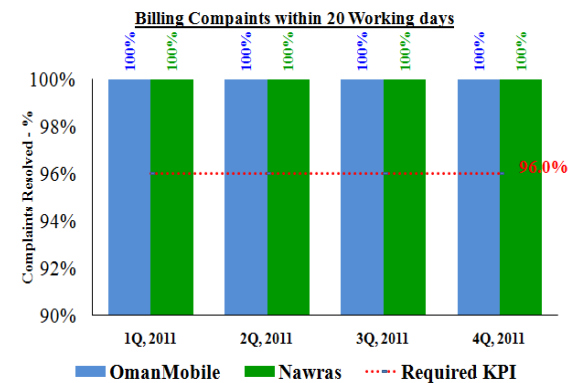
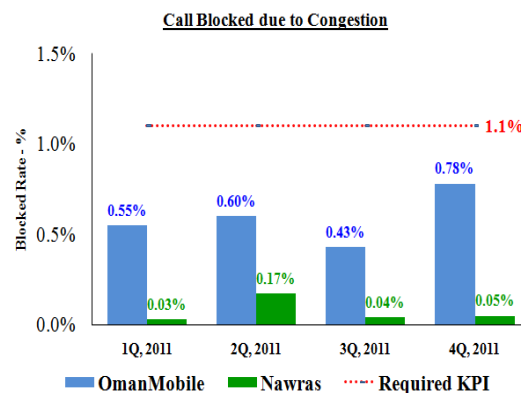
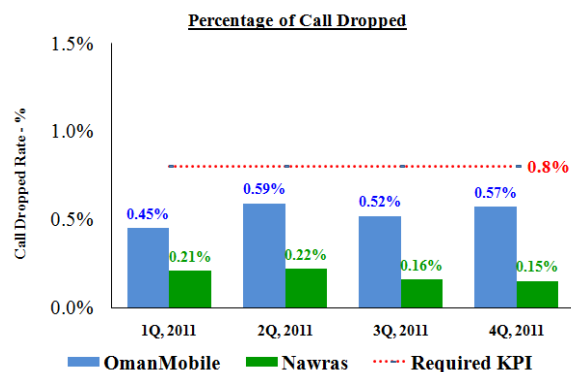


## Quality of Service

Mobile KPIs	Required KPI (Bi-Annual)	As of Dec 2011		As of Sep 2011	
		Oman Mobile	Nawras	Oman Mobile	Nawras
1. Percentage of Calls Dropped	Less than 0.8%	0.57%	0.15%	0.52%	0.16%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.78%	0.05%	0.43%	0.04%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%

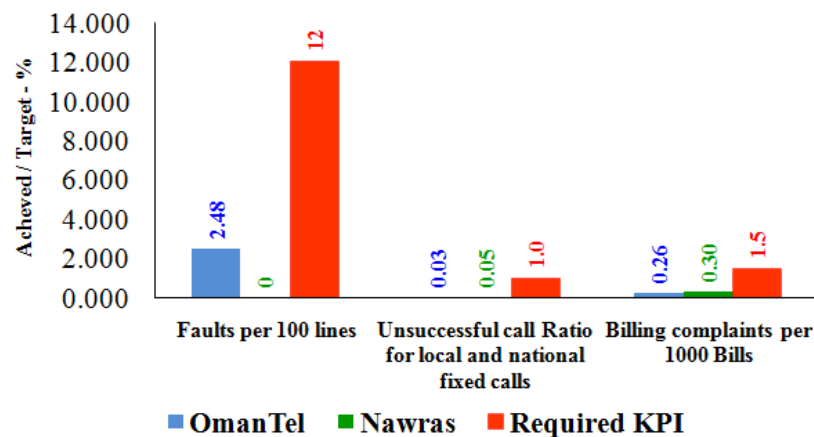
Fixed KPIs	Required KPI (Bi-Annual)	As of Dec 2011		As of Sep 2011	
		OmanTel	Nawras	OmanTel	Nawras
1. Faults per 100 lines	Less than 12	2.48	0	2.24	0
2. % of faults to be cleared within 24 hours	More than 90%	95.48	100%	95.89%	100%
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.03%	0.05%	0.96%	0.09%
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	N/A	94%	91.14%	98%
5. Percentage of payphones in working order	More than 96%	99.83%	N/A	99.90%	N/A
6. Billing complaints per 1000 Bills	Less than 1.5%	0.26%	0.30%	1.9%	0.03%
7. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%

## Mobile KPIs

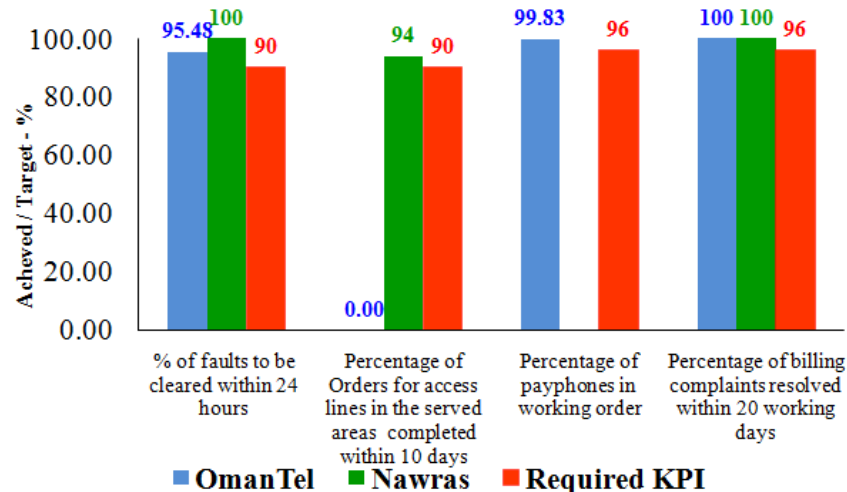


## Fixed KPIs

### Fixed KPIs (Lower than RED bar is GOOD)



### Fixed KPIs (Higher than RED bar is GOOD)



## Traffic

Type of Service	As of Dec 2011	As of Sep 2011	% Change
<b>Traffic:</b>			
1. International Outgoing Telephone (minutes) -In Millions	133.3	132.0	1.0%
2. International Incoming Telephone (minutes) -In Millions	126.1	110.7	13.9%
3. Outgoing Mobile Traffic (Minutes) –In Millions	1,823	1,728	5.5%
4. Total Mobile SMS Sent - In Millions	1,448	1,539	-5.9%
5. Total Mobile MMS Sent - In Millions	7.77	7.34	5.8%

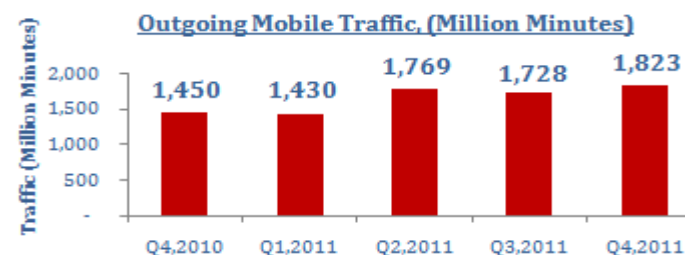
### International Traffic for Voice (Million Minutes): Outgoing & Incoming

- During the quarter, outgoing International Traffic experienced an increased by 1.0%. The Incoming international traffic experienced an increase of 13.9% over the previous quarters.



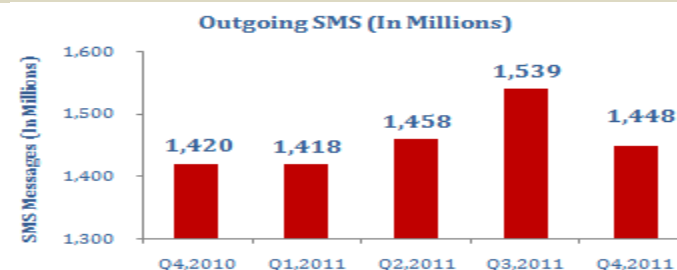
### Outgoing Mobile Traffic (Minutes)

- The total originated mobile traffic increased to 1,823 million during the quarter from 1,728 million minutes achieved during the previous quarter. This has shown an increase of 5.5% compared to the previous quarter.



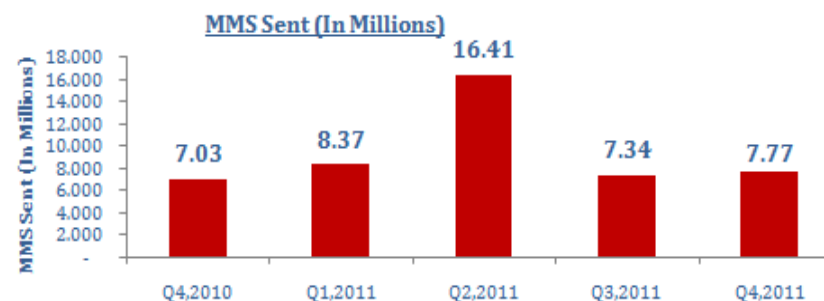
### SMS (Sent) – In Millions

- During the quarter, the total volume of Sent SMS messages decreased to 1,448 million from 1,539 million SMS which is 5.9% lower compared to Q3, 2011.



### Mobile MMS (Sent) – On Millions

- Q2, 2011 MMS traffic was high due to MMS Promotion offer during the months of April & May 2011.
- Q4, 2011 MMS traffic attained its normal trend in line with previous quarters and recoded at 7.77 Millions, an increase of 5.8% over previous quarter.





## Type Approval

### Type Approval

During the 4<sup>th</sup> Quarter 2011, TRA :

- Approved a total number of 201 (Previous Quarter 167) Telecom Equipments.
- Renewed 66 (Previous Quarter: 47) registrations of Telecom Dealers .
- Registered 76 (Previous Quarter: 77) new dealers.
- Issued 326 (Previous Quarter: 231) Releases to Customs for Imported Telecom equipments.
- Inspected 4 (Previous month 130) Violations (Breakdown by Type indicated in the graph).

