



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority

# Telecommunications Price Benchmarking

A study into prices for Telecommunications services in Oman

Produced for TRA Oman  
by Strategy Analytics Ltd, UK

February 2015

# Acknowledgements

- Strategy Analytics wishes to thank:
  - The Telecommunications Regulatory Authority of Oman for support and guidance through this study.
  - The telecommunications operators of Oman for contributions of price information and traffic statistics enabling the creation of the benchmarking methodology.

## **Disclaimer**

This report has been produced for TRA Oman by Strategy Analytics Ltd., UK in 2015. While every possible effort has been made to ensure correctness and completeness of the data and results presented, Strategy Analytics do not assume any responsibility for the actions and decisions taken on the basis of this report and the accompanying data. This report is produced as a summary of key results taken from the main study report which is internal to TRA Oman.

# Background

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- This study is commissioned by TRA Oman to assess the price levels for telecommunications services in Oman, and to compare these with the prices in peer countries.
  - The study shows the comparisons of published prices, but does not go into details of the background for these prices.
- The study covers fixed broadband and voice services, mobile broadband and voice services, and leased line services in Oman and 9 other countries. In addition, a double play analysis (fixed broadband and fixed voice) for GCC countries is also included.
- Prices for the services offered to Omani users in Oman are compared with prices for similar services in the other GCC countries, other Arab countries, and countries in Asia, North Africa and Europe.
  - The comparison does not include prices of services experienced by international travellers.
- The OECD price benchmarking methodology is used, with adjustments to reflect the usage patterns experienced in Oman.

# Scope of this report

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- This report has been specially prepared for public release, and presents the high level results and analysis from the main study.
- The analysis covers the two fixed and two mobile network operators in Oman, as well as the two MVNOS and compares their prices to the main fixed and mobile network operators in the 9 other study countries.
  - At the time of data collection, the Omani operator indicated in this report as Ooredoo was called Nawras
- The data for the study was collected from operator websites in July 2014, and tariff data has been reviewed by the operators in Oman
- With the exception of Oman, results are presented at a country level, with least expensive offer per country shown.
  - For Oman, the least expensive offer per provider is shown, to provide insight into pricing of telecoms services the Oman market.

# Contents of this report

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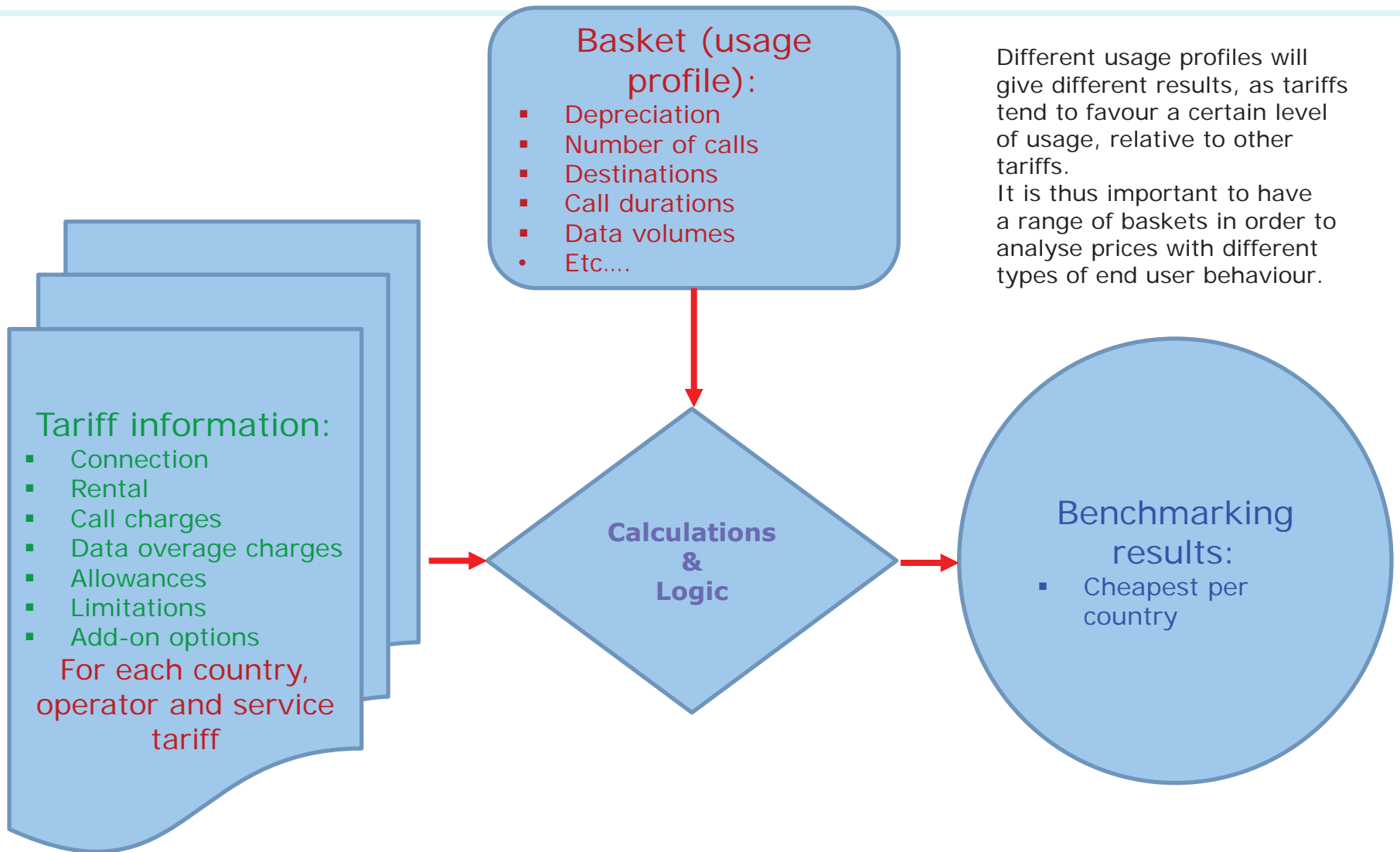
# Study methodology

- Comparing cost of ownership rather than individual prices
  - Meaning that the total cost of using a service as an end user is calculated, taking all major price elements into account. For example:
    - Service connection, distributed over expected lifetime of service
    - Monthly rental, for service and add-on options
    - Allowances, i.e. included minutes, messages or data volume
    - Usage prices, for calls to different destinations, or usage volumes beyond allowances
- Using the OECD benchmarking structures to incorporate the effects of the various price elements in a neutral way
  - Allowing cost calculations close to the operator billing system approach
- Applying usage profiles based on Omani traffic structures
  - Omani operators have been supporting the study with traffic data allowing the creation of specific Omani usage profiles, so called “Baskets”.
  - A range of different profiles have been created, to obtain insight into the price relationships of different types of users.

# The Purchasing Power Parity adjustment

- This study compares the prices of similar services in all countries
  - For example:
    - The cost of having and using a mobile service in Oman for national calls within Oman and international calls from Oman, for an Omani citizen
    - ... with ...
    - the cost of having and using a mobile service in Malaysia for national calls within Malaysia and international calls from Malaysia, for a Malaysian citizen.
- For such comparisons the standard practice is to adjust the results for the “purchasing power” of the consumers in each country, relative to the main study country, in this case, Oman.
  - This use of purchasing power parities (PPPs) allows for a better comparison between countries, taking into account the affordability of domestic users, in addition to price differences. This adjustment is important when considering the costs faced by users of similar services and with similar usage profiles in different countries, as it creates a more even basis for comparison.
  - This study compares the prices experienced by an Omani user in Oman with those experienced by a foreign user in a foreign country. This study is not intended to reflect the prices experienced by an Omani user in a foreign country, for example by international travellers who may use calling cards to call back to the home country.

# Calculation of basket results





# Countries covered in the study





















<b><u>GCC countries</u></b>	<b><u>Non-GCC Middle East/North Africa</u></b>	<b><u>Other</u></b>
<b>Oman</b>		
Bahrain	Jordan	UK
Kuwait	Tunisia	Malaysia
Qatar		
Saudi Arabia		
UAE		

Operators were selected within each of these countries to cover a minimum 80% market share, for each service covered.

# Summary of findings

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# Summary of findings, comparing price levels

	Omani results compared with other GCC countries	Omani results compared with all countries
Fixed voice, residential		
Fixed voice, business		
Mobile voice, pre- and post-paid, with resellers		
Mobile voice, pre-paid, with resellers		
Mobile voice, pre-paid, without resellers		
Mobile voice, business, without resellers		
Fixed broadband, residential		
Fixed broadband, business		
Mobile broadband, low usage		
Mobile broadband, high usage		

	Prices above average
	Prices close to average
	Prices below average

# Summary of findings (1)

## General findings

- The outcome for Oman varies significantly according to the service considered. For the less dynamic services such as fixed, prices in Oman are close to both GCC and overall average prices. Similarly, prices for pre-paid mobile voice users in Oman compare well to other countries, as do low usage mobile business users on business tariffs. Consumers on post-paid tariffs will face high costs compared to users in other study countries, however, as do business users with higher mobile usage.
- Users of fixed broadband services in Oman will generally find services relatively expensive. Mobile broadband users in Oman face average prices for pre-paid services, and for low use postpaid. Postpaid costs for higher usage are among the most expensive.

Taking into account the services, individually:

## PSTN

- Prices in Oman are close to average when compared both to the GCC and overall average, for both residential and business services.
- An increasing number of voice services are bundled with fixed broadband, making it increasingly difficult for consumers to buy a standalone voice service. This trend has been observed in a growing number of countries.
- Prices in Oman have been very stable since 2012, similar to most of the other study countries

# Summary of findings (2)

## **Fixed broadband and double play**

- Pricing of fixed residential broadband services in Oman is amongst the highest of the study countries, with prices above both the GCC and overall average across all the study countries. Residential broadband in Oman is up to 3.7 times more expensive than the cheapest offers in other countries. Low and medium speed business services are on par with most other study countries, but for high speed services, Oman is very expensive.
- For double play services (GCC countries only), Oman is one of the most expensive countries for double play services, irrespective of usage level. In terms of savings achieved from double play, these average around 9% from the Omani providers. This is a reasonable but not particularly large saving.
- Broadband is a dynamic area. Speeds are increasing across all the study countries, and have grown dramatically since 2012, as a result of network developments, and this in turn has impacted the price of services.

## **Mobile voice**

- For residential pre and post-paid offers, Oman is one of the most expensive of the study countries, with prices in Oman are higher than both the overall and GCC average. Oman ranks 9<sup>th</sup> out of the 10 study countries for low usage, and is the most expensive across the study countries for medium and high usage.
- For pre-paid tariffs only, when resellers are taken into account, Oman ranks in 7<sup>th</sup> or 8<sup>th</sup> position, depending on usage. This is particularly important as the vast majority of mobile users in Oman are on a pre-paid tariff.

# Summary of findings (3)

## Mobile voice (cont)

- For business users with low usage, Oman ranks 5<sup>th</sup> cheapest, and sits between the overall and GCC average. For medium and high business usage, Oman is one of the more expensive of the study countries.
- Since 2012, costs for residential users in Oman with low usage have increased slightly (taking into account both pre- and post-paid offers), while users with medium and high usage have seen a decrease. For pre-paid only, costs across all usage levels have risen slightly.
- Mobile voice and handset data pricing is very dynamic in many of the study countries, Key drivers are increased allowances (which can give rise to higher costs for low usage profiles), and data tariffs which are better optimised for data usage, which may result in reduced costs.

## Mobile broadband

- For the pre-paid baskets, Oman ranks from 1<sup>st</sup> (i.e. cheapest) to 7<sup>th</sup>, depending on usage, and is consistently below the GCC and overall average cost. For post-paid, Oman ranks from 5<sup>th</sup> to 10<sup>th</sup> (i.e. most expensive).
- As in many countries, prices in Oman have decreased across all basket types, both pre-paid and post-paid, with bigger decreases for post-paid. In spite of the large price decreases for post-paid, however, Oman still remains one of the most expensive study countries for mobile broadband.

# Fixed voice results

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# Fixed voice baskets

3 Residential baskets and 3 business baskets, Low, medium and high usage volumes.

Volume/month	Calls
Oman Res Low	22
Oman Res Medium	45
Oman Res High	90
Oman Bus Low	110
Oman Bus Medium	220
Oman Bus High	450

Slightly different distribution of calls to destinations.

Destinations	Local	National	F2M	Intrn
Oman Res Low	30%	9%	55%	6%
Oman Res Medium	30%	9%	55%	6%
Oman Res High	30%	9%	55%	6%
Oman Bus Low	24%	6%	66%	4%
Oman Bus Medium	24%	6%	66%	4%
Oman Bus High	24%	6%	66%	4%

Distribution of calls over time is relevant in some countries.

ToD	ToD F2F			ToD F2M			ToD International	
	Day	Evening	Weekend	Day	Evening	Weekend	Peak	Off-peak
Oman Res Low	65%	20%	15%	65%	20%	15%	65%	35%
Oman Res Medium	65%	20%	15%	65%	20%	15%	65%	35%
Oman Res High	65%	20%	15%	65%	20%	15%	65%	35%
Oman Bus Low	65%	20%	15%	65%	20%	15%	65%	35%
Oman Bus Medium	65%	20%	15%	65%	20%	15%	65%	35%
Oman Bus High	65%	20%	15%	65%	20%	15%	65%	35%

An additional set of calculation “rules” apply, ensuring an equal handling of prices in different countries and with different price structures.

One-off charges are depreciated over 5 years.

Call durations vary with type of call and time of day

	Durations Local			Durations National			Durations F2M			Durations International	
	Day	Evening	Weekend	Day	Evening	Weekend	Day	Evening	Weekend	Peak	Off-peak
Oman Res Low	1.9	2.8	2.3	1.9	2.8	2.3	1.9	2.1	2.1	5	6
Oman Res Medium	1.9	2.8	2.3	1.9	2.8	2.3	1.9	2.1	2.1	5	6
Oman Res High	1.9	2.8	2.3	1.9	2.8	2.3	1.9	2.1	2.1	5	6
Oman Bus Low	1.5	1.5	2	1.5	1.5	2	2	2	2.4	4	5
Oman Bus Medium	1.5	1.5	2	1.5	1.5	2	2	2	2.4	4	5
Oman Bus High	1.5	1.5	2	1.5	1.5	2	2	2	2.4	4	5



# Notes to fixed voice results

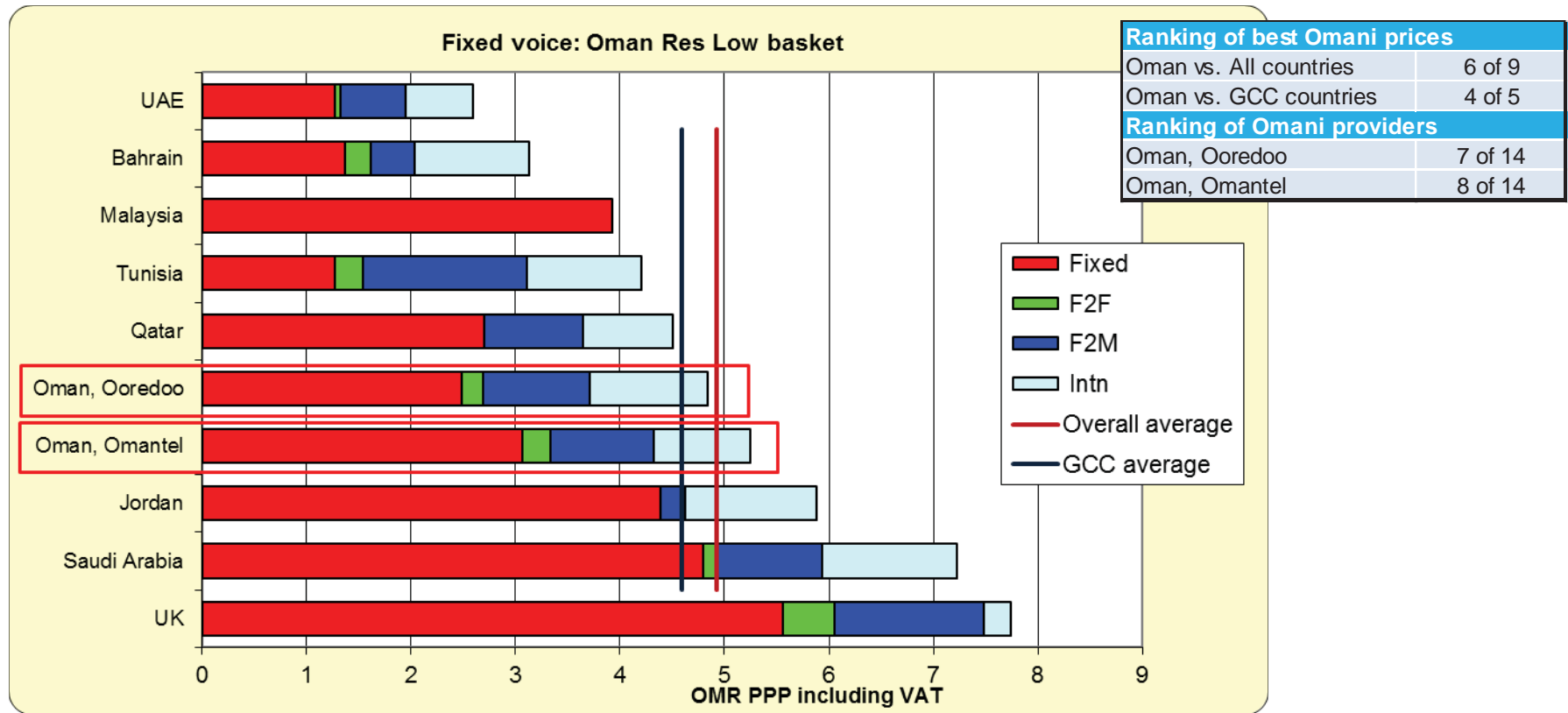
- The results show the lowest cost tariff for each country, for the applied basket.  
A range of other tariffs exist that may be more suitable for users with other usage profiles.
- The following cost elements are shown:
  - Fixed: non-variable monthly costs. e.g. line rental
  - F2F: calls to local and national fixed lines
  - F2M: calls to national mobile phones
  - Intn: calls to international fixed lines
- The fixed costs may include elements of usage, in the form of usage allowances with “free” minutes to some destinations.
- “Average” lines indicate the simple average cost across GCC and all study countries
- Results for Kuwait are not included as no prices are published for this service
- VAT (Value added tax) is considered in the results for those countries that apply such tax. Residential results include VAT, and business results exclude VAT.

# Comments to fixed voice results

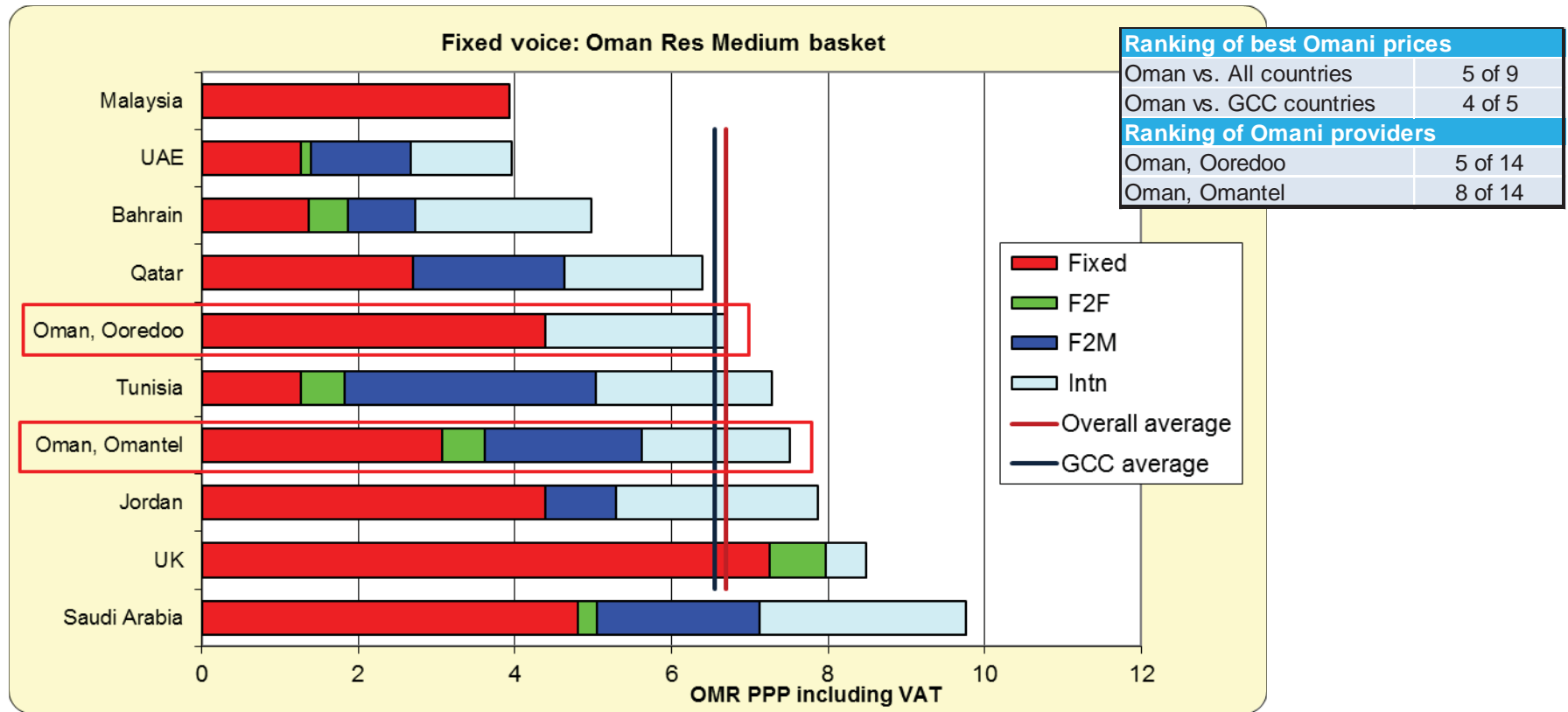
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- Prices in Oman are close to average when compared both to the GCC and overall average, for both residential and business services.
- An increasing number of voice services are bundled with fixed broadband, making it increasingly difficult for consumers to buy a standalone voice service. This trend has been observed in a growing number of countries.
- Prices in Oman have been very stable since 2012, similar to most of the other study countries.

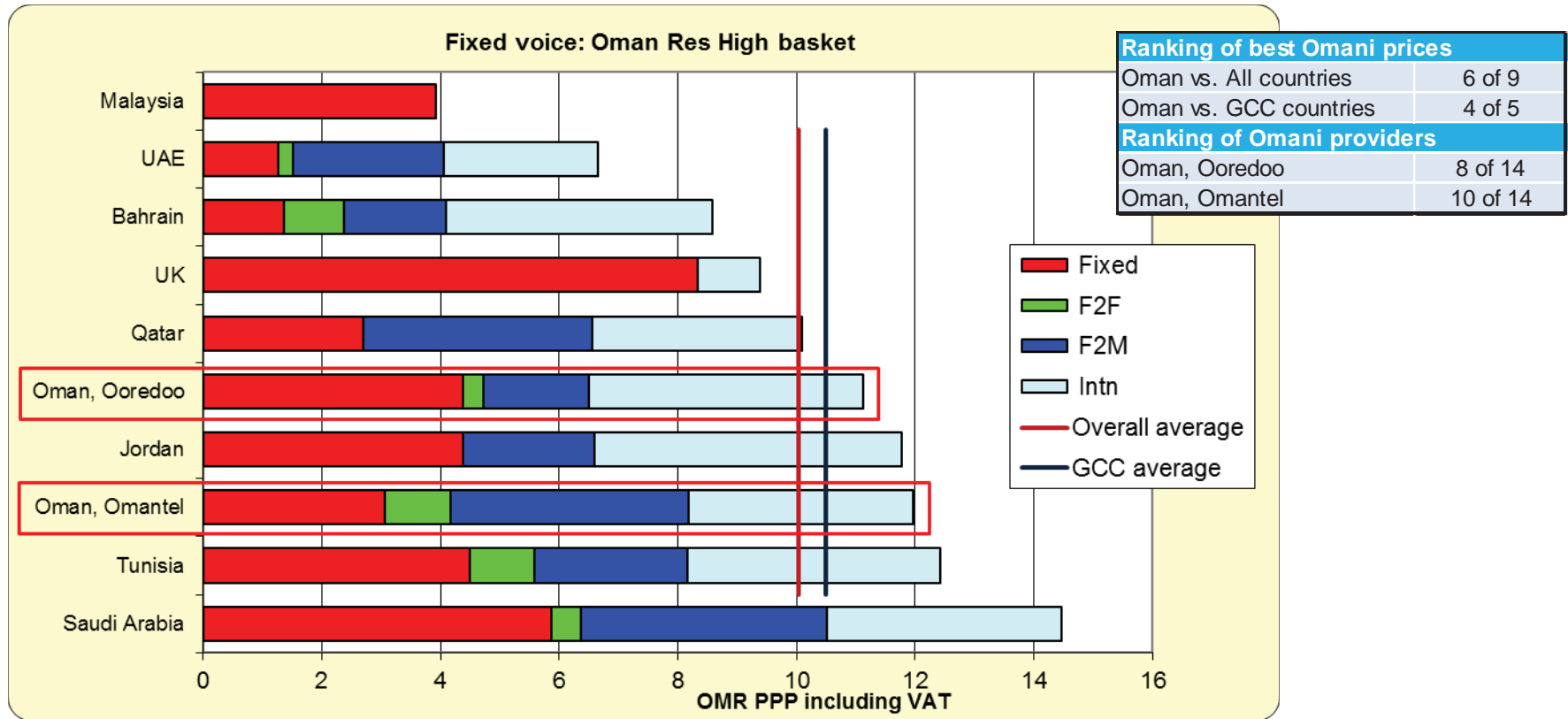
# Fixed voice results: Low residential usage



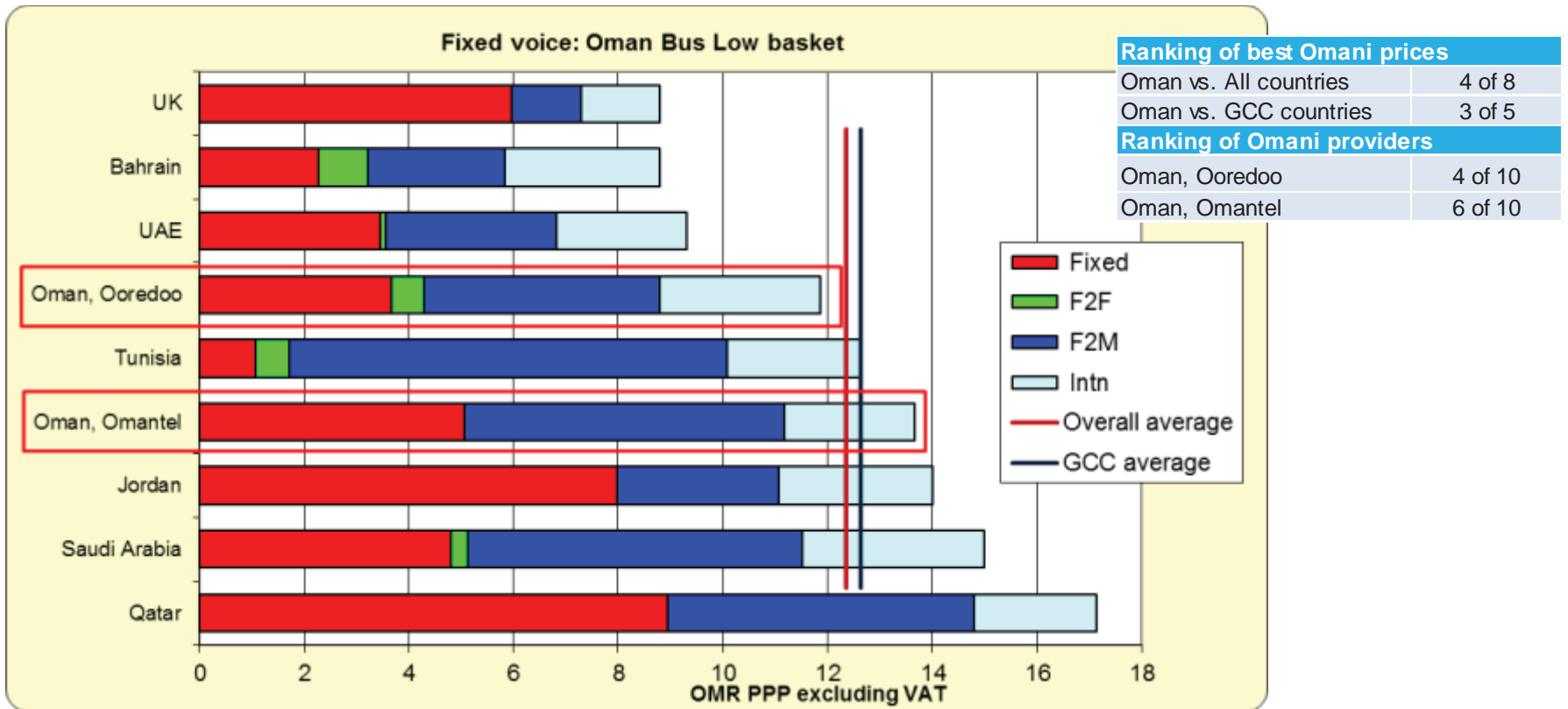
# Fixed voice results: Medium residential usage



# Fixed voice results: High residential usage

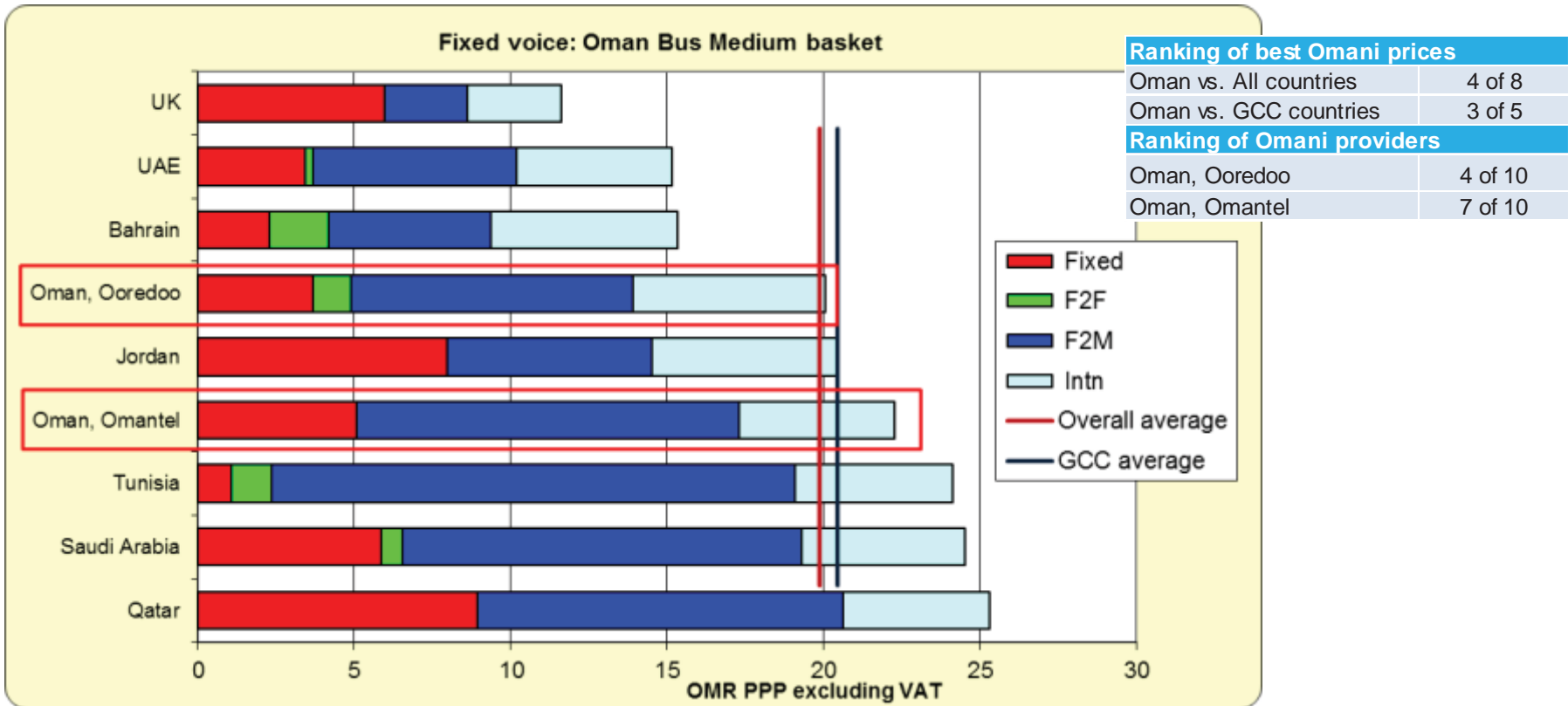


# Fixed voice results: Low business usage



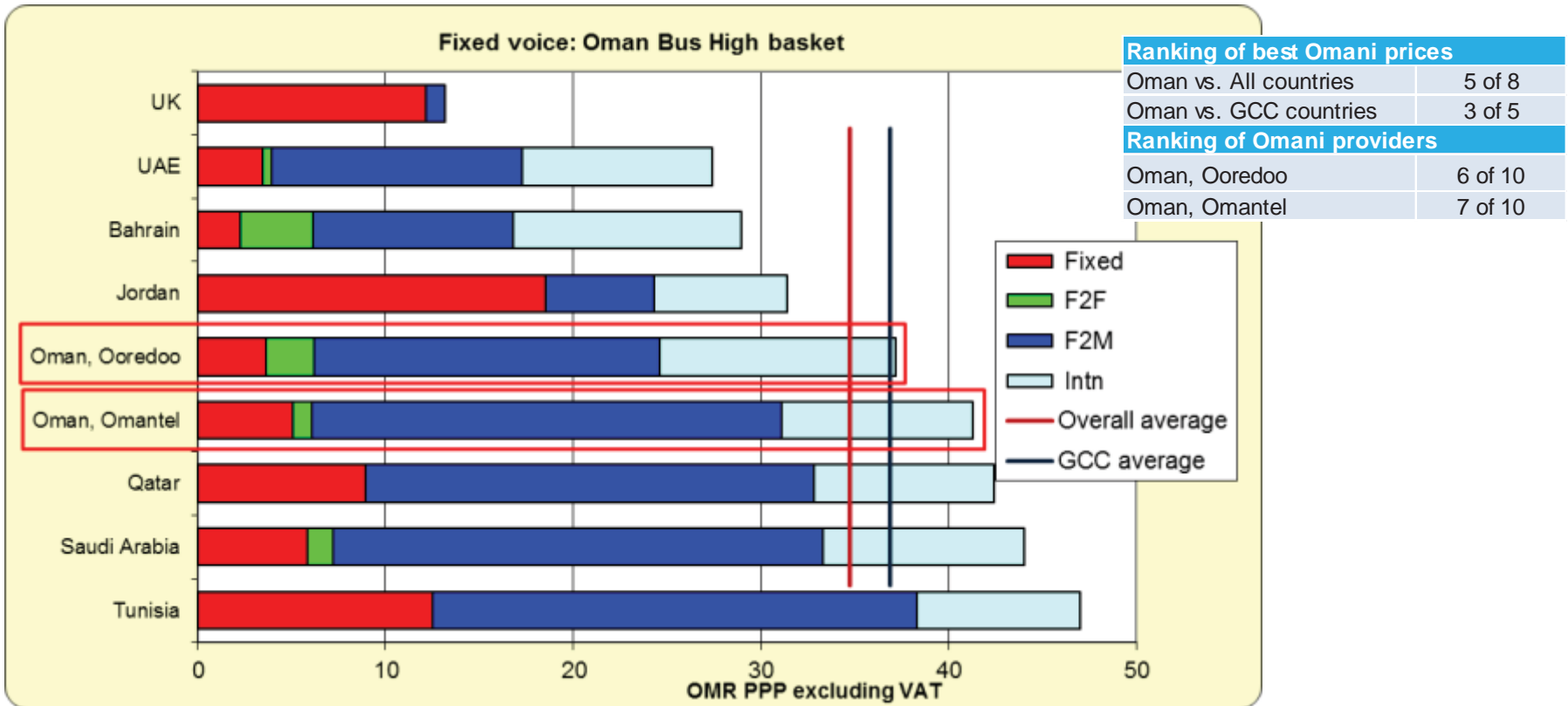
Note: No price information is available for business tariffs in Malaysia.

# Fixed voice results: Medium business usage



Note: No price information is available for business tariffs in Malaysia.

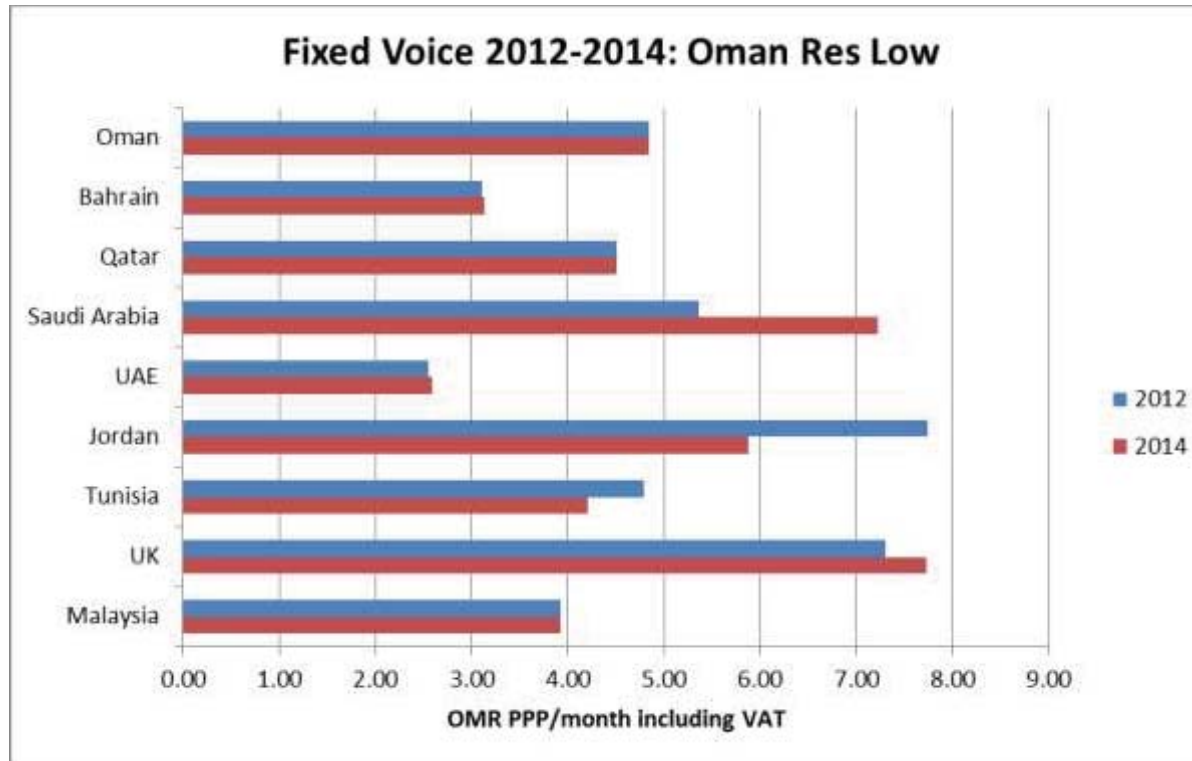
# Fixed voice results: High business usage



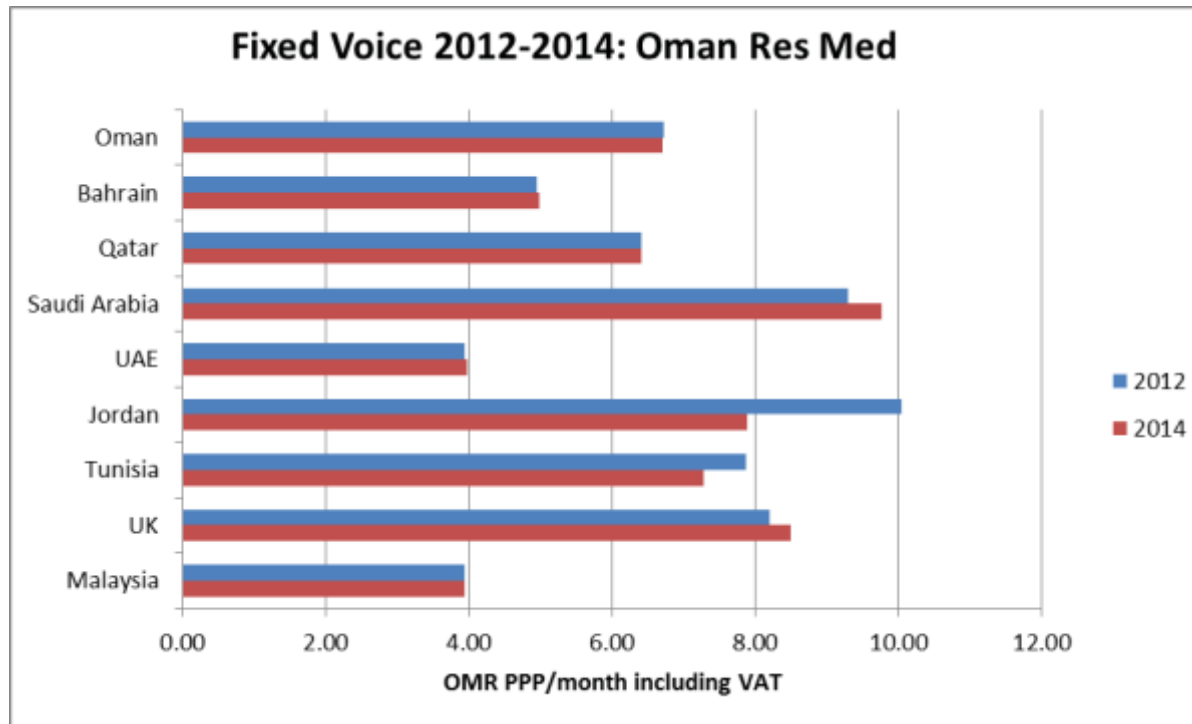
Note: No price information is available for business tariffs in Malaysia.



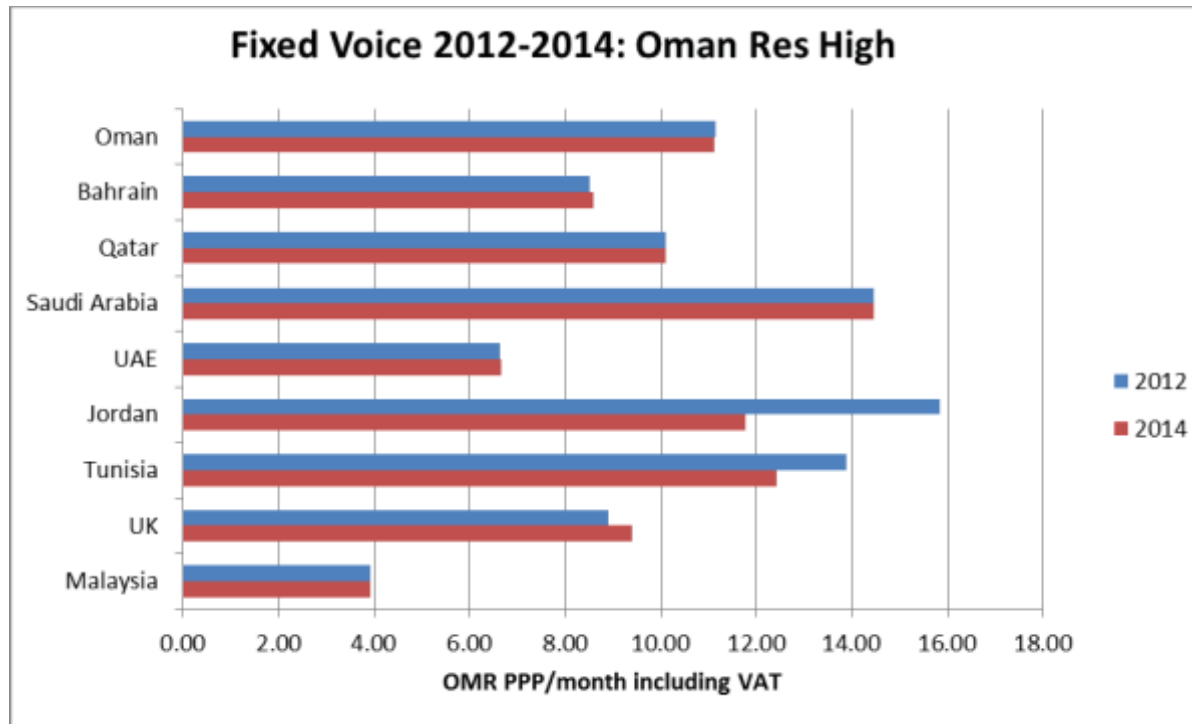
# Fixed voice time series: Residential low usage



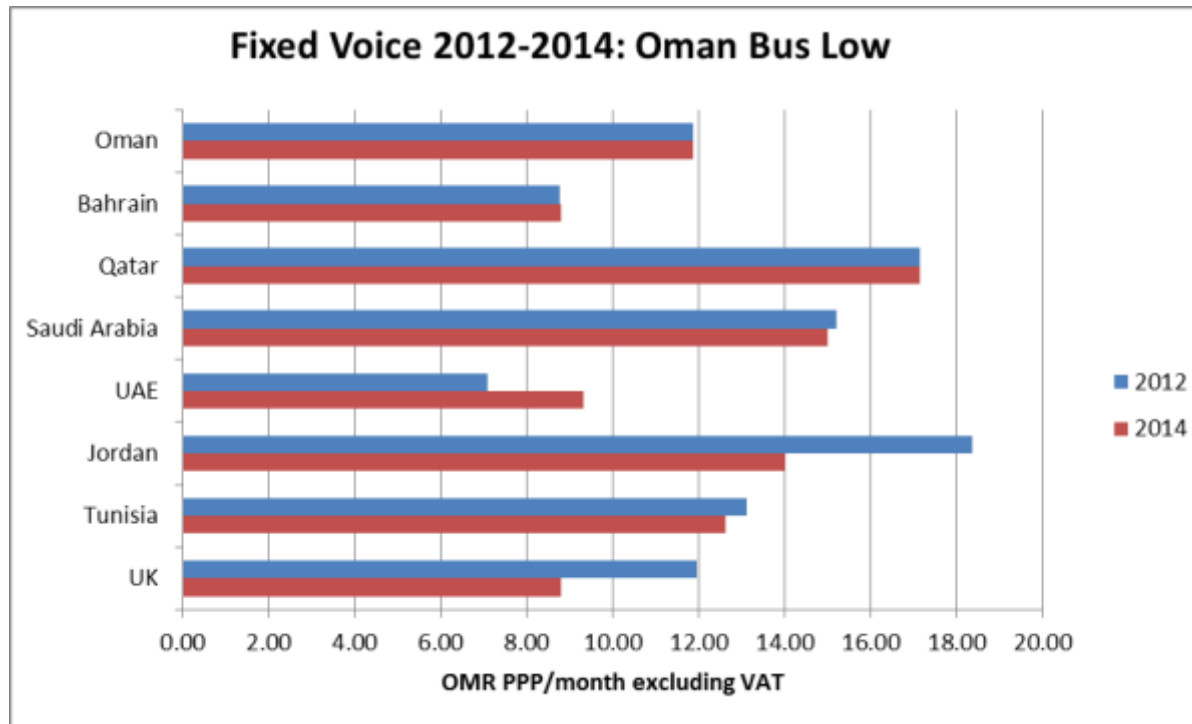
# Fixed voice time series: Residential medium usage



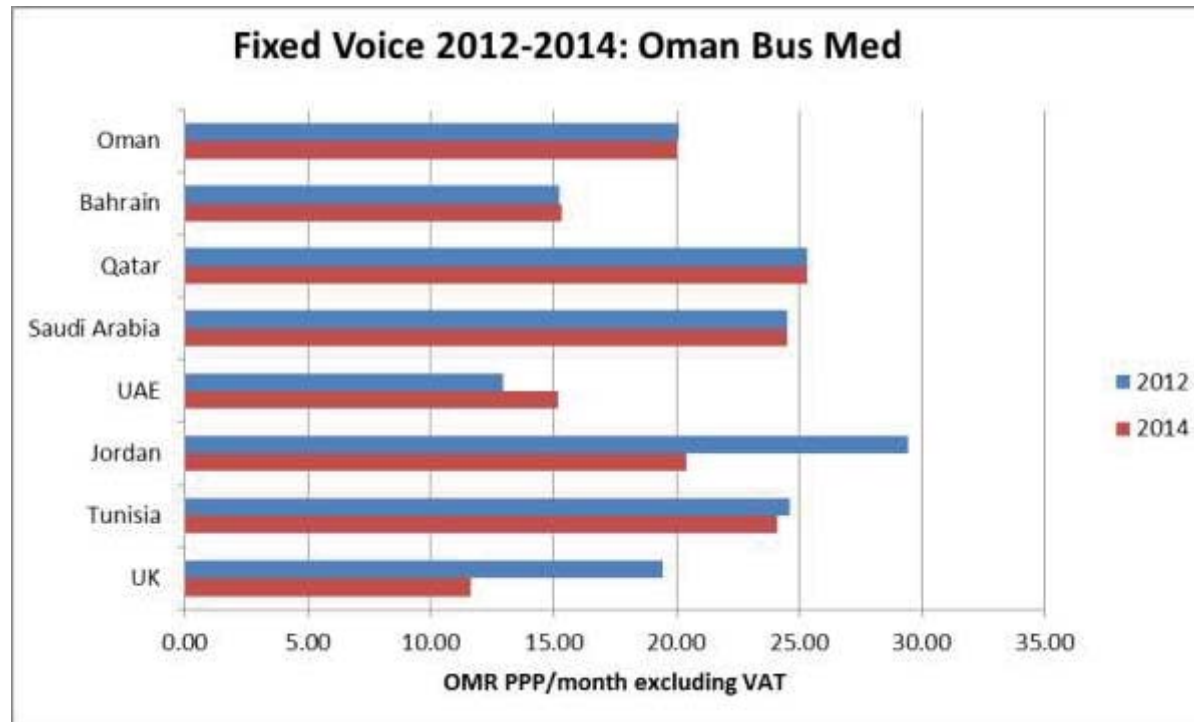
# Fixed voice time series: Residential high usage



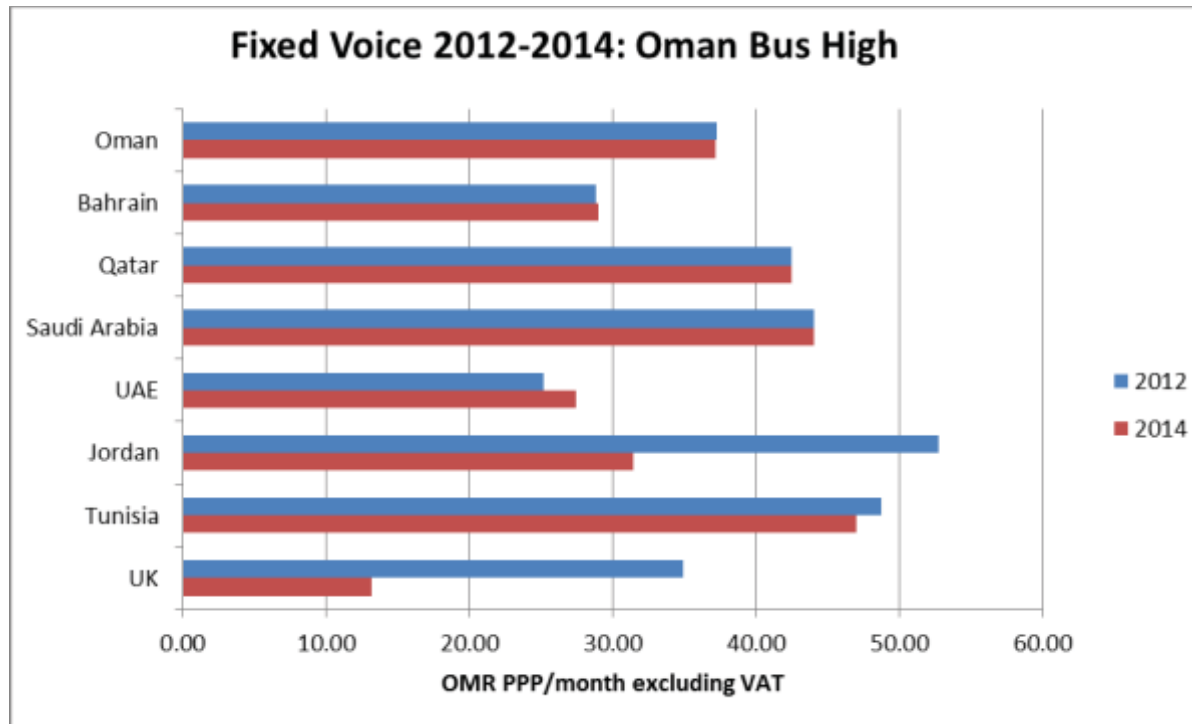
# Fixed voice time series: Business low usage



# Fixed voice time series: Business medium usage



# Fixed voice time series: Business high usage



# Mobile voice results

# Mobile voice baskets

3 Residential baskets, 3 business baskets, and 3 pre-paid baskets.

Low, medium and high usage volumes\*.

Volume	Outgoing	SMS	MMS
Oman Res Low	65	100	0
Oman Res Medium	190	280	0
Oman Res High	570	700	0
Oman Bus Low	60	30	0
Oman Bus Medium	180	90	0
Oman Bus High	540	250	0
Oman Res Pre Low	12	40	0
Oman Res Pre Medium	36	110	0
Oman Res Pre High	108	300	0

Distribution of calls over time.

ToD	Peak	Off-peak	Weekend	SMS peak	SMS OP
Oman Res Low	66%	19%	15%	65%	35%
Oman Res Medium	66%	19%	15%	65%	35%
Oman Res High	66%	19%	15%	65%	35%
Oman Bus Low	66%	19%	15%	70%	30%
Oman Bus Medium	66%	19%	15%	70%	30%
Oman Bus High	66%	19%	15%	70%	30%
Oman Res Pre Low	60%	25%	15%	60%	40%
Oman Res Pre Medium	60%	25%	15%	60%	40%
Oman Res Pre High	60%	25%	15%	60%	40%

An additional set of calculation "rules" apply, ensuring an equal handling of prices in different countries and with different price structures. One-off charges are depreciated over 3 years.

\*Usage volume in outgoing calls.

Distribution of calls to destinations.

Destinations	Local	National	Mobile On	Mobile Off	Mail	Intrn	SMS On	SMS Off
Oman Res Low	3%	1%	62%	32%	2%	2%	66%	34%
Oman Res Medium	3%	1%	62%	32%	2%	2%	66%	34%
Oman Res High	3%	1%	62%	32%	2%	2%	66%	34%
Oman Bus Low	3%	1%	62%	32%	2%	2%	66%	34%
Oman Bus Medium	3%	1%	62%	32%	2%	2%	66%	34%
Oman Bus High	3%	1%	62%	32%	2%	2%	66%	34%
Oman Res Pre Low	1%	1%	59%	37%	2%	8%	66%	34%
Oman Res Pre Medium	1%	1%	59%	37%	2%	8%	66%	34%
Oman Res Pre High	1%	1%	59%	37%	2%	8%	66%	34%

Call durations vary with type of call (minutes)

Durations	Local	National	Mobile On	Mobile Off	Mail	Intrn
Oman Res Low	1.4	1.4	1.9	1.7	1	3.7
Oman Res Medium	1.4	1.4	1.9	1.7	1	3.7
Oman Res High	1.4	1.4	1.9	1.7	1	3.7
Oman Bus Low	1.3	1.3	1.5	1.4	1	3.5
Oman Bus Medium	1.3	1.3	1.5	1.4	1	3.5
Oman Bus High	1.3	1.3	1.5	1.4	1	3.5
Oman Res Pre Low	1.1	1.1	3.1	1.8	1	2.1
Oman Res Pre Medium	1.1	1.1	3.1	1.8	1	2.1
Oman Res Pre High	1.1	1.1	3.1	1.8	1	2.1

Data usage volumes and periods

	Data MB	Data minutes	Data days
Oman Res Low	150	200	10
Oman Res Medium	500	200	20
Oman Res High	1000	200	30
Oman Bus Low	200	200	25
Oman Bus Medium	650	200	25
Oman Bus High	2000	200	25
Oman Res Pre Low	100	200	5
Oman Res Pre Medium	300	200	10
Oman Res Pre High	900	200	20



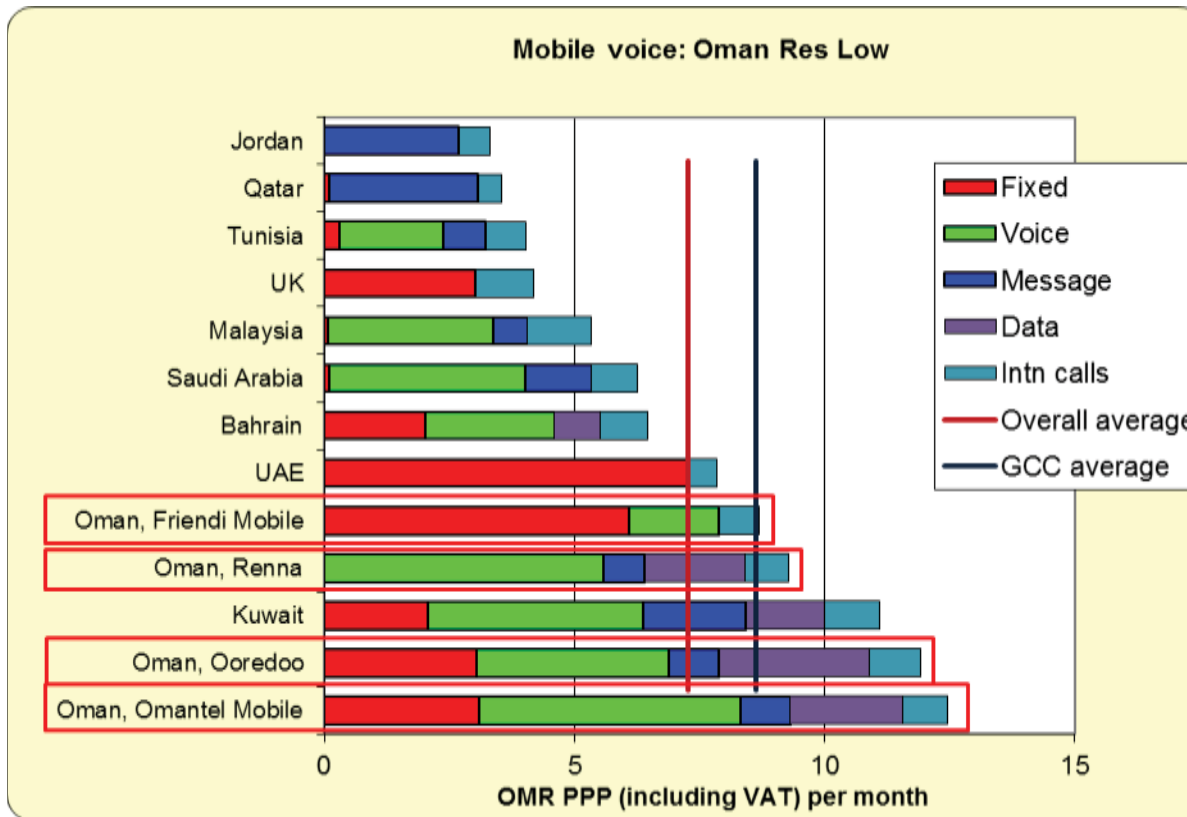
# Notes to mobile voice results

- The results show the lowest cost tariff for each country, for the applied basket.  
A range of other tariffs exist that may be more suitable for users with other usage profiles.
- The following cost elements are shown:
  - Fixed: non-variable monthly costs. e.g. service rental
  - Voice: calls to national fixed lines and mobile phones
  - Message: SMS to national mobile phones
  - Data: data usage from mobile handset
  - Intn: calls to international fixed lines
- The fixed costs may include elements of usage, in the form of usage allowances with “free” minutes, “free” messages or “free” data usage. This may result in the corresponding cost element disappearing as a separate cost.
  - Pre-paid tariffs will most often have no fixed cost element
- “Average” lines indicate the simple average cost across GCC and all study countries
- VAT (Value added tax) is considered in the results for those countries that apply such tax. Residential results include VAT, and business results exclude VAT.

# Comments to mobile voice results

- For residential pre and post-paid offers, Oman is one of the most expensive of the study countries, with prices in Oman are higher than both the overall and GCC average. Oman ranks 9<sup>th</sup> out of the 10 study countries for low usage, and is the most expensive across the study countries for medium and high usage.
- For pre-paid tariffs only, when resellers are taken into account, Oman ranks in 7<sup>th</sup> or 8<sup>th</sup> position, depending on usage. It is important to note that the vast majority of mobile users in Oman are on a pre-paid tariff.
- For business users with low usage, Oman ranks 5<sup>th</sup> cheapest, and sits between the overall and GCC average. For medium and high business usage, Oman is one of the more expensive of the study countries.
- Since 2012, costs for residential users in Oman with low usage have increased slightly (taking into account both pre- and post-paid offers), while users with medium and high usage have seen a decrease. For pre-paid only, costs across all usage levels have risen slightly.
- Mobile voice and handset data pricing is very dynamic in many of the study countries, Key drivers are increased allowances (which can give rise to higher costs for low usage profiles), and data tariffs which are better optimised for data usage, which may result in reduced costs.

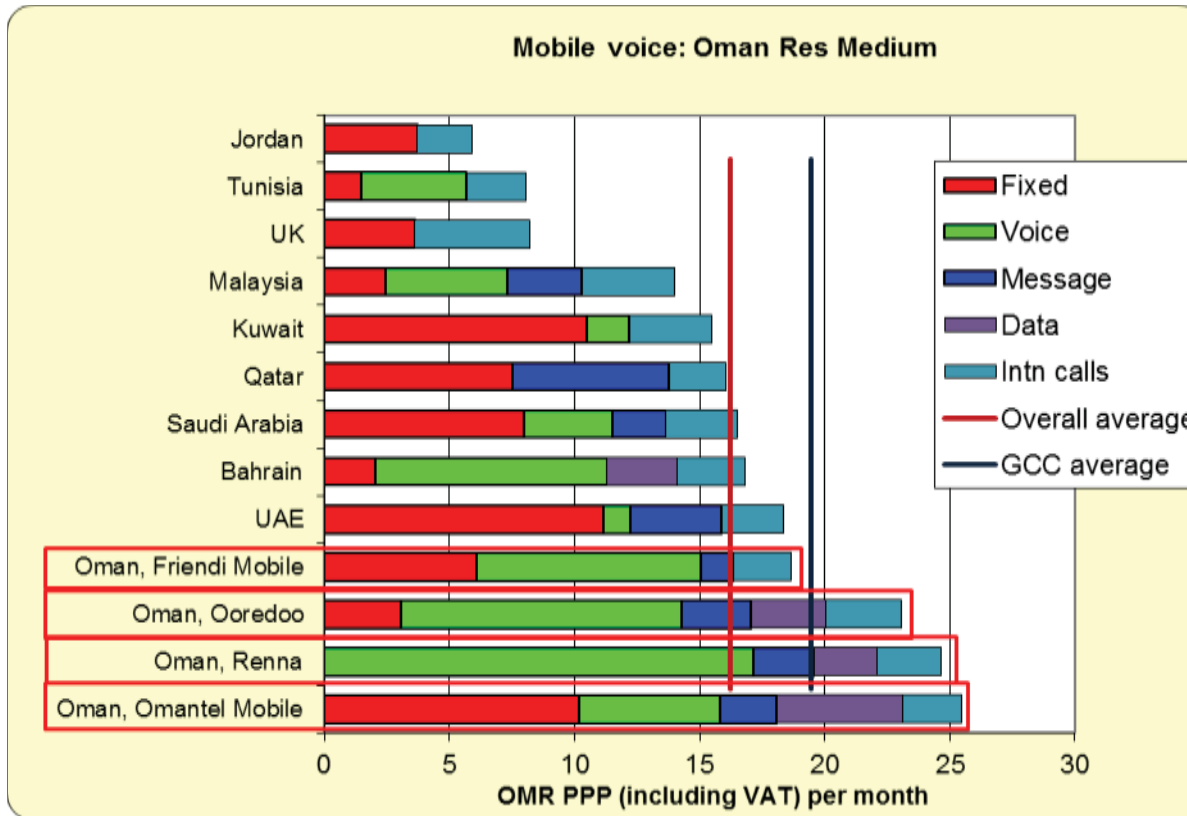
# Mobile voice results: Low residential usage



Ranking of best Omani prices	
Oman vs. All countries	9 of 10
Oman vs. GCC countries	5 of 6
Ranking of Omani providers	
Oman, Friendi Mobile	17 of 32
Oman, Renna	19 of 32
Oman, Ooredoo	27 of 32
Oman, Omantel Mobile	28 of 32

Includes both pre- and post-paid tariffs.

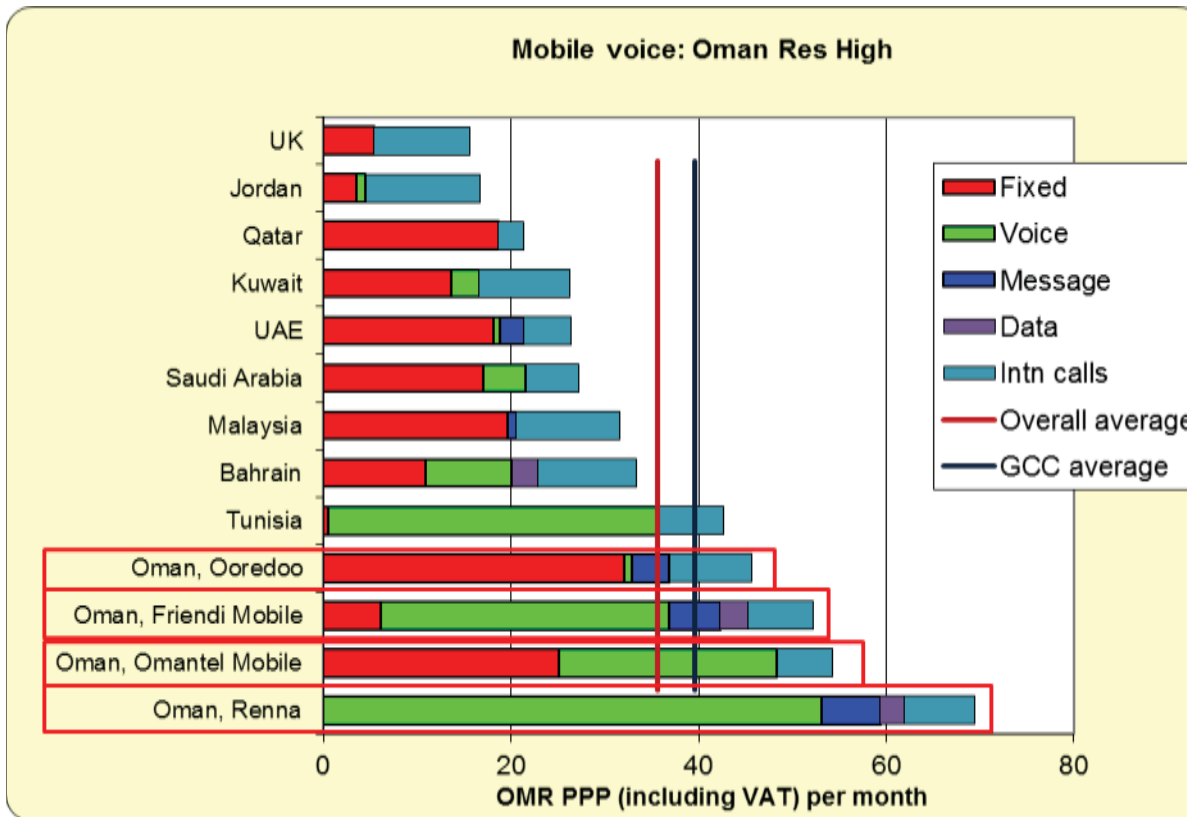
# Mobile voice results: Medium residential usage



Ranking of best Omani prices	
Oman vs. All countries	10 of 10
Oman vs. GCC countries	6 of 6
Ranking of Omani providers	
Oman, Friendi Mobile	22 of 32
Oman, Ooredoo	26 of 32
Oman, Renna	27 of 32
Oman, Omantel Mobile	28 of 32

Includes both pre- and post-paid tariffs.

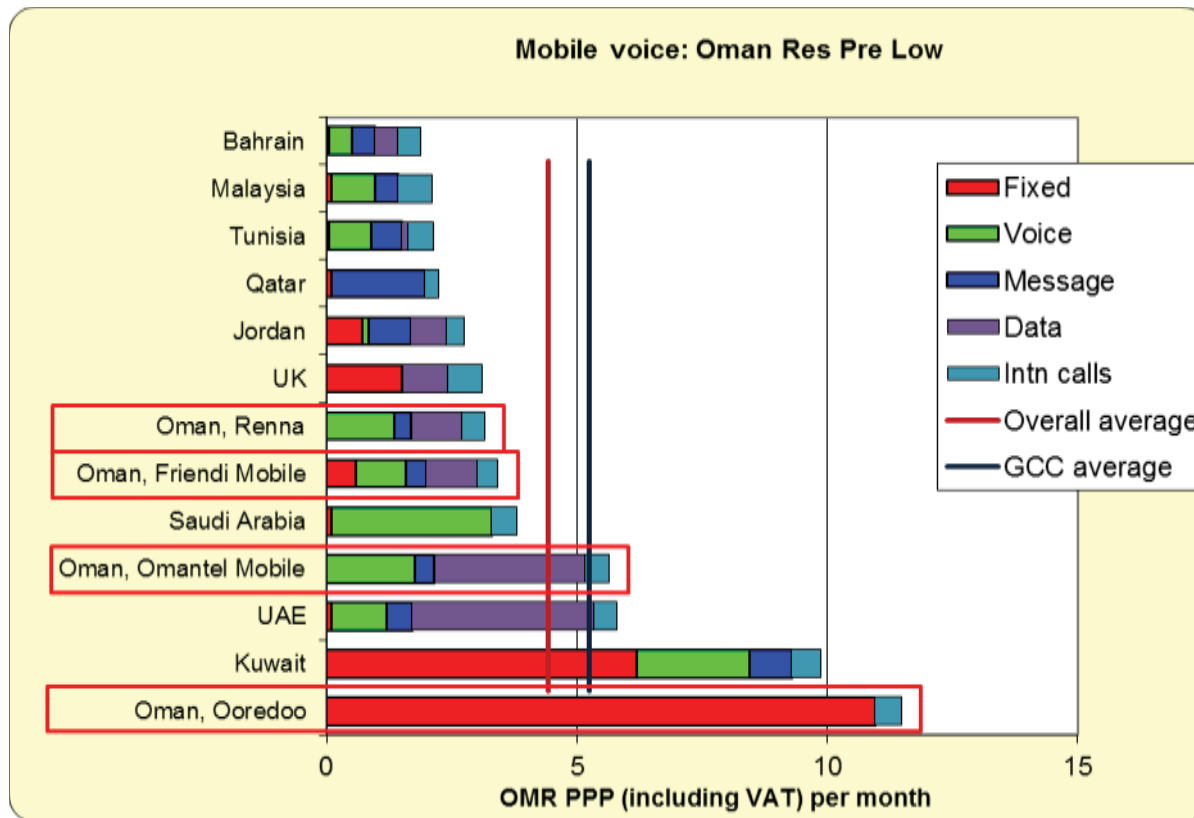
# Mobile voice results: High residential usage



Ranking of best Omani prices	
Oman vs. All countries	10 of 10
Oman vs. GCC countries	6 of 6
Ranking of Omani providers	
Oman, Ooredoo	23 of 32
Oman, Friendi Mobile	26 of 32
Oman, Omantel Mobile	28 of 32
Oman, Renna	31 of 32

Includes both pre- and post-paid tariffs.

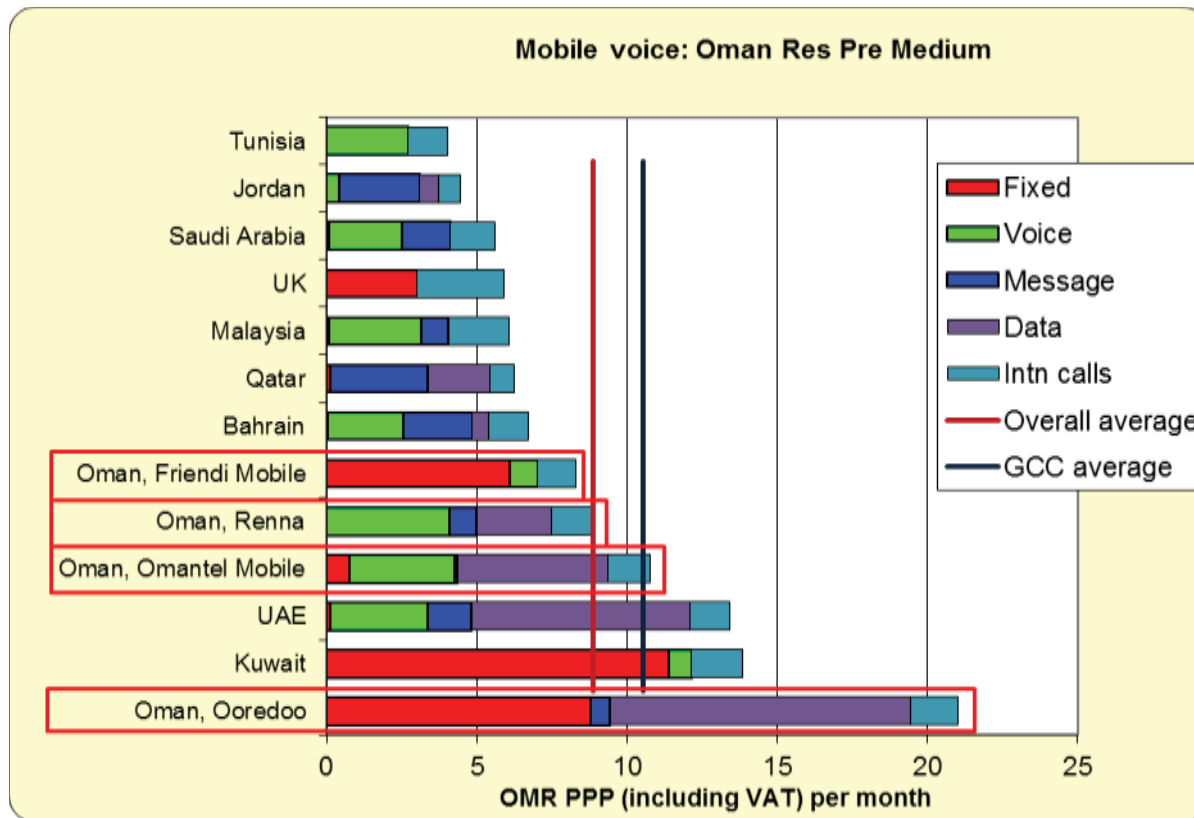
# Mobile voice results: Low pre-paid usage



Ranking of best Omani prices	
Oman vs. All countries	7 of 10
Oman vs. GCC countries	3 of 6
Ranking of Omani providers	
Oman, Renna	10 of 29
Oman, Friendi Mobile	11 of 29
Oman, Omantel Mobile	20 of 29
Oman, Ooredoo	26 of 29

Includes pre-paid tariffs only.

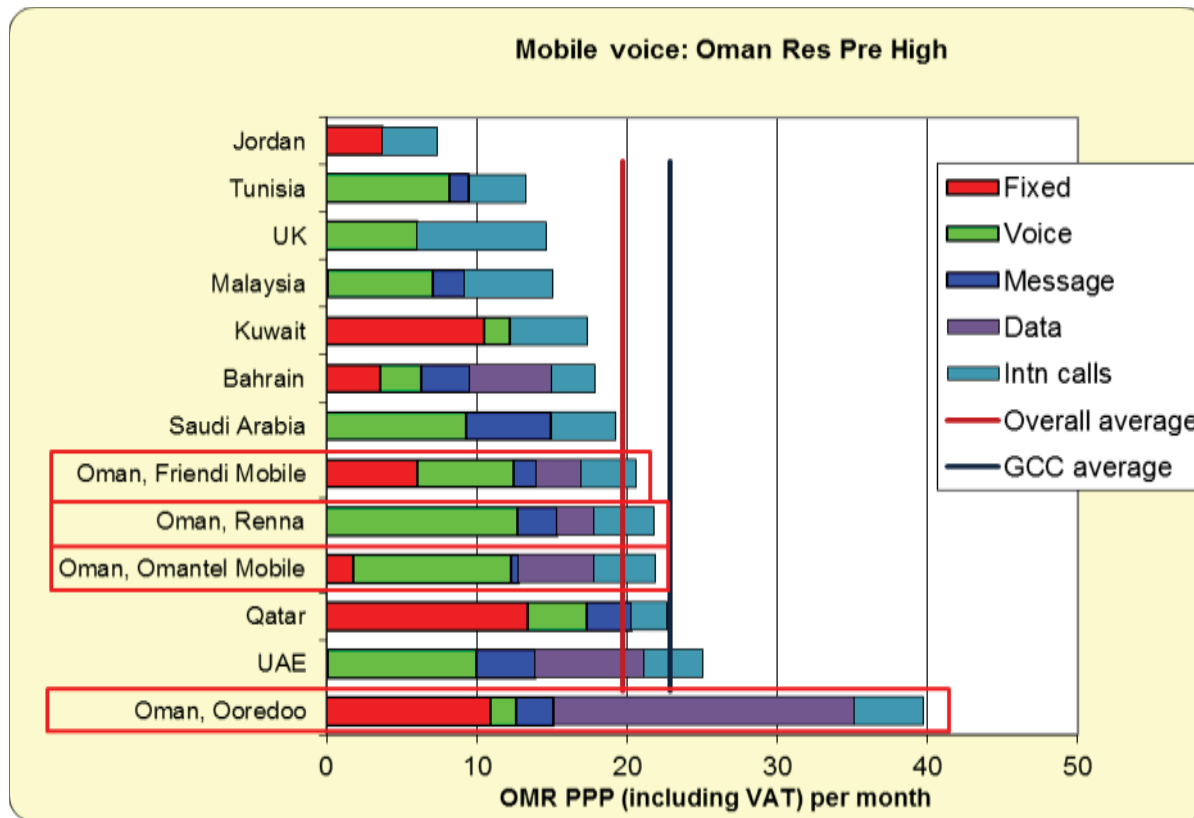
# Mobile voice results: Medium pre-paid usage



Includes pre-paid tariffs only.

Ranking of best Omani prices	
Oman vs. All countries	8 of 10
Oman vs. GCC countries	4 of 6
Ranking of Omani providers	
Oman, Friendi Mobile	15 of 28
Oman, Renna	16 of 28
Oman, Omantel Mobile	19 of 28
Oman, Ooredoo	27 of 28

# Mobile voice results: High pre-paid usage

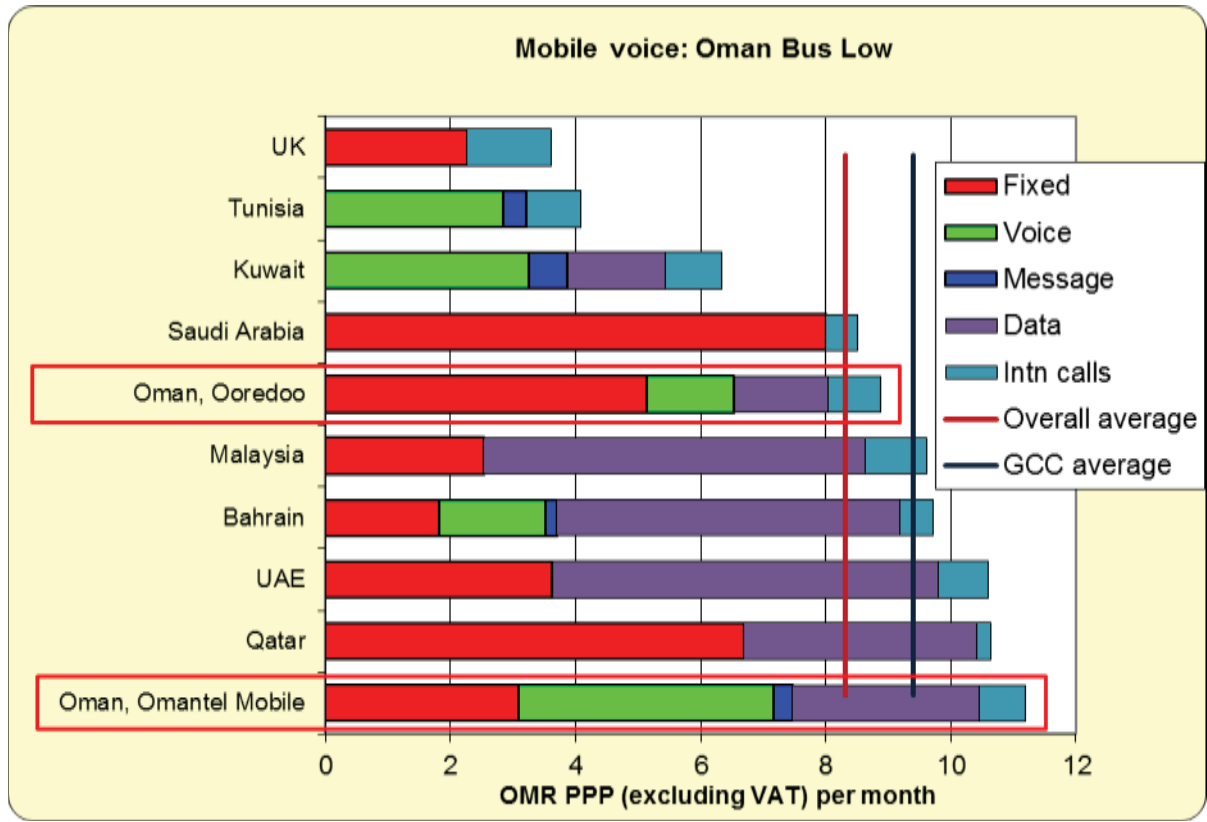


Ranking of best Omani prices	
Oman vs. All countries	8 of 10
Oman vs. GCC countries	4 of 6
Ranking of Omani providers	
Oman, Friendi Mobile	15 of 28
Oman, Renna	17 of 28
Oman, Omantel Mobile	18 of 28
Oman, Ooredoo	27 of 28

Includes pre-paid tariffs only.



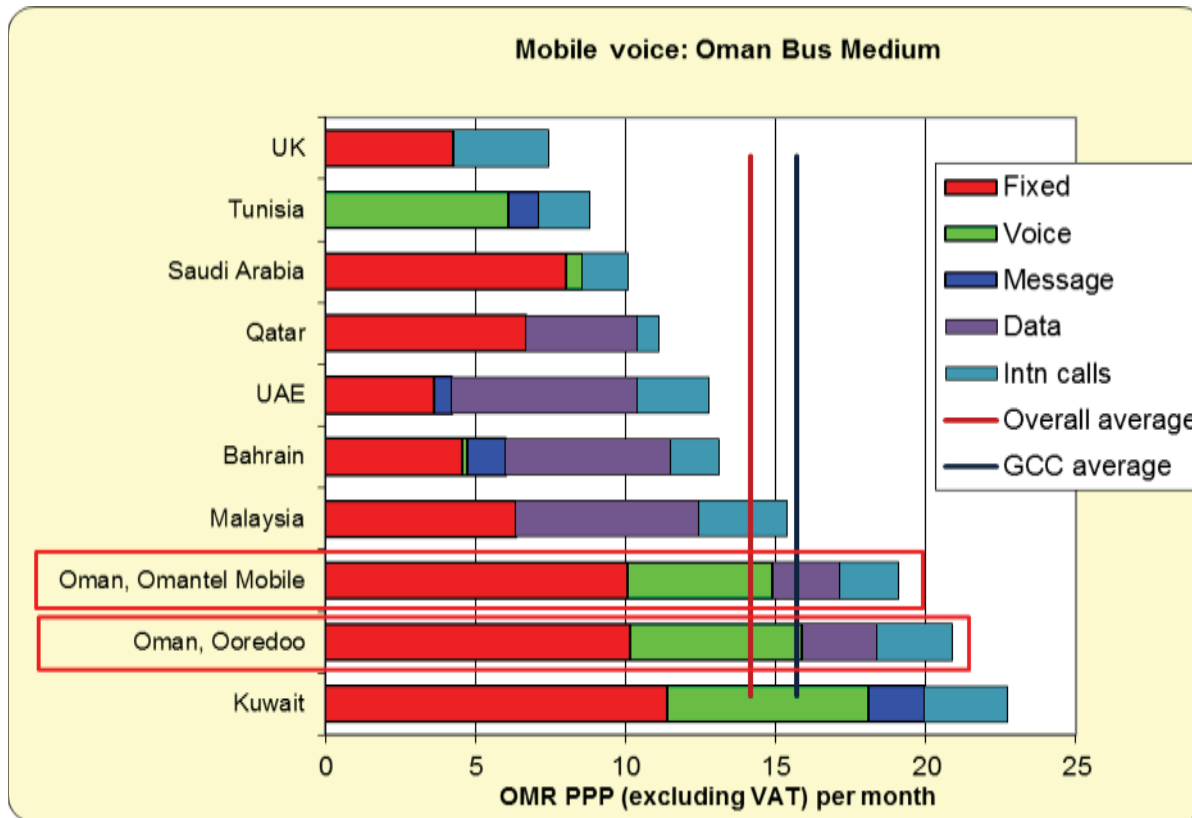
# Mobile voice results: Low business usage



Ranking of best Omani prices	
Oman vs. All countries	5 of 9
Oman vs. GCC countries	3 of 6
Ranking of Omani providers	
Oman, Ooredoo	10 of 19
Oman, Omantel Mobile	17 of 19

Includes business pre- and post-paid tariffs.  
 For Jordan, there are no relevant offers available which include data, hence results for Jordan are not shown.

# Mobile voice results: Medium business usage



### Ranking of best Omani prices

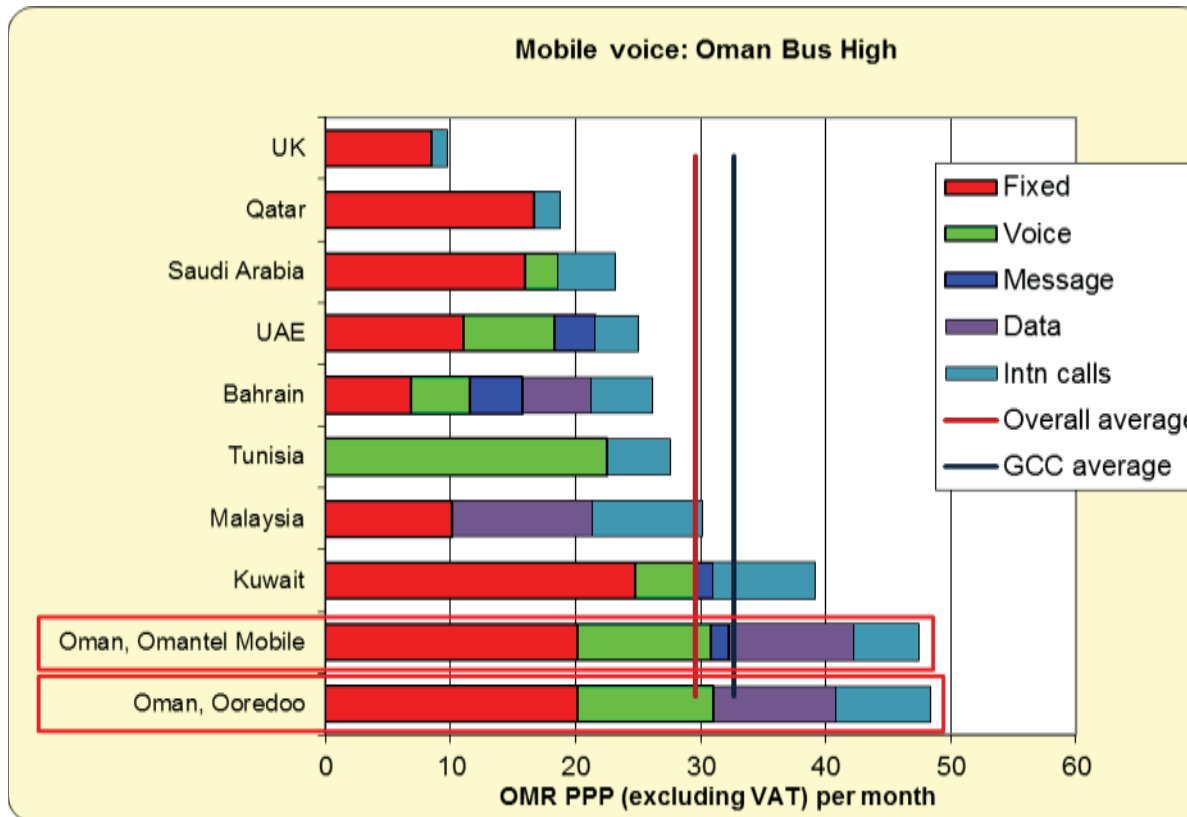
Oman vs. All countries	8 of 9
Oman vs. GCC countries	5 of 6

### Ranking of Omani providers

Oman, Omantel Mobile	15 of 19
Oman, Ooredoo	18 of 19

Includes business pre- and post-paid tariffs.  
 For Jordan, there are no relevant offers available which include data, hence results for Jordan are not shown.

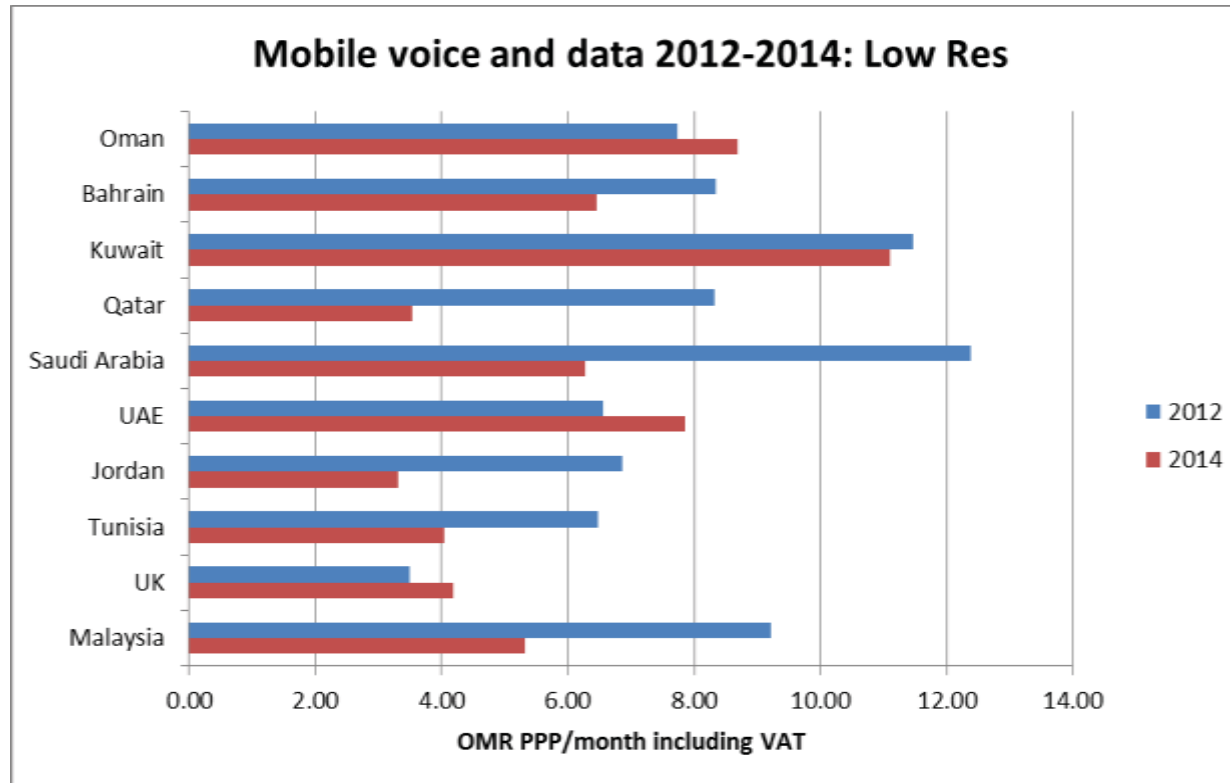
# Mobile voice results: High business usage



Ranking of best Omani prices	
Oman vs. All countries	9 of 9
Oman vs. GCC countries	6 of 6
Ranking of Omani providers	
Oman, Omantel Mobile	17 of 18
Oman, Ooredoo	18 of 18

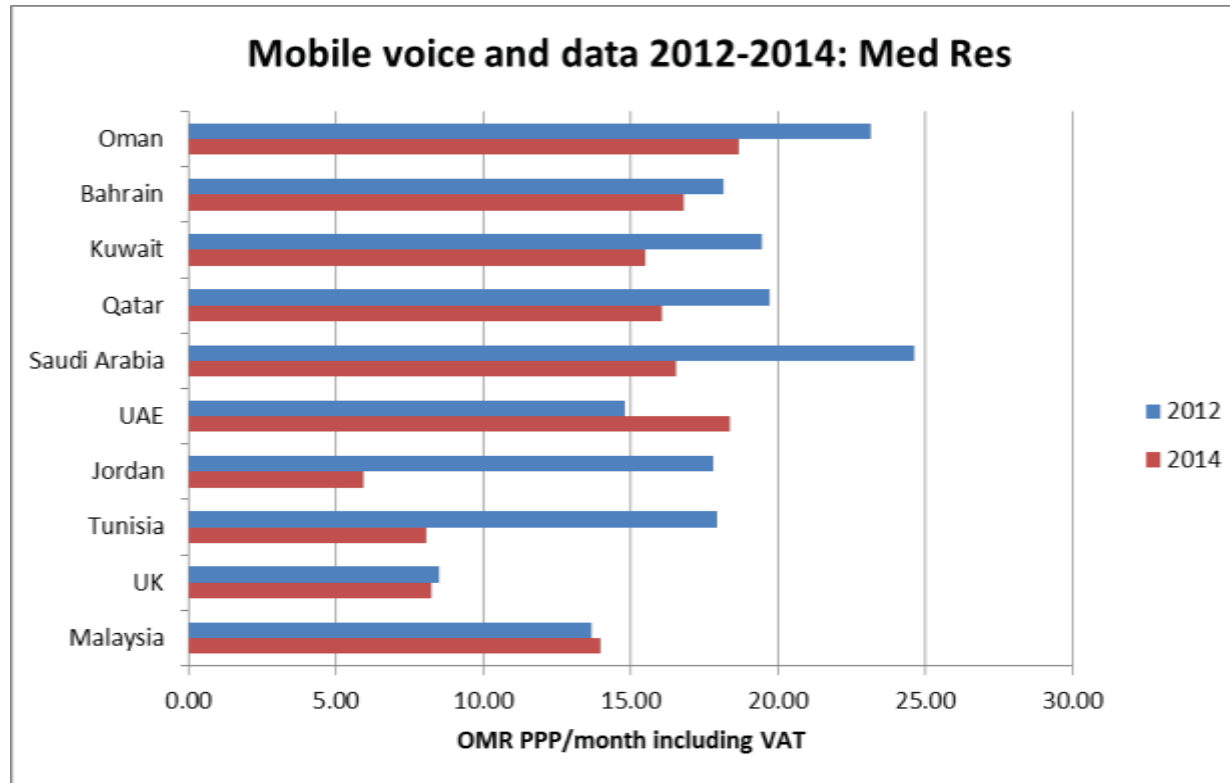
Includes business pre- and post-paid tariffs.  
 For Jordan, there are no relevant offers available which include data, hence results for Jordan are not shown.

# Mobile voice time series: Residential low usage



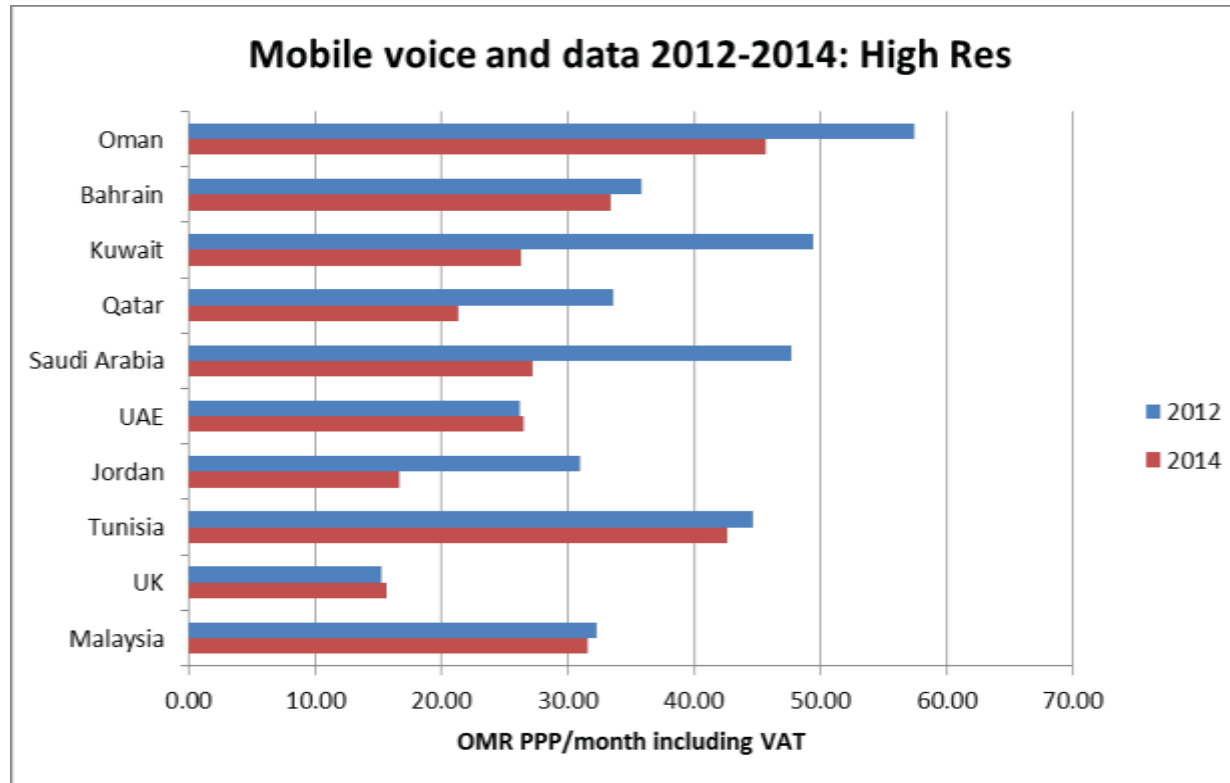
Includes both pre- and post-paid tariffs.

# Mobile voice time series: Residential medium usage



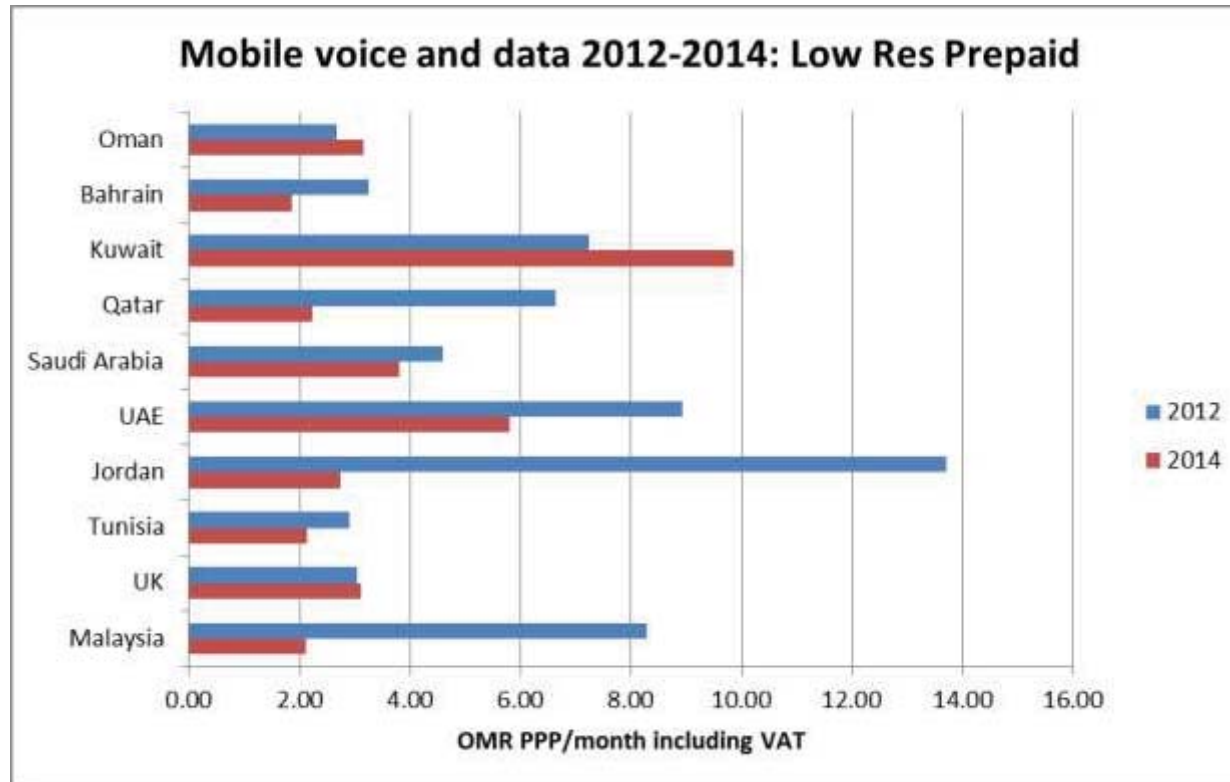
Includes both pre- and post-paid tariffs.

# Mobile voice time series: Residential high usage



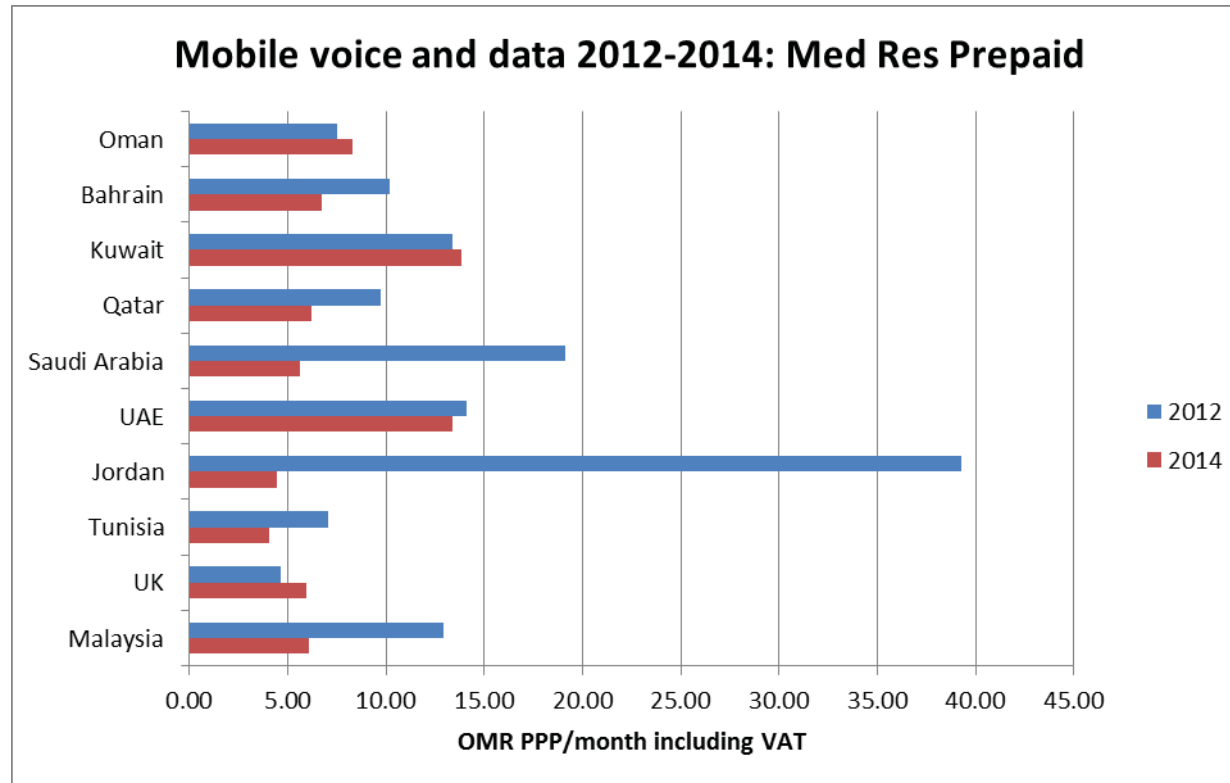
Includes both pre- and post-paid tariffs.

# Mobile voice time series: Residential low prepaid usage



Includes pre-paid tariffs only.

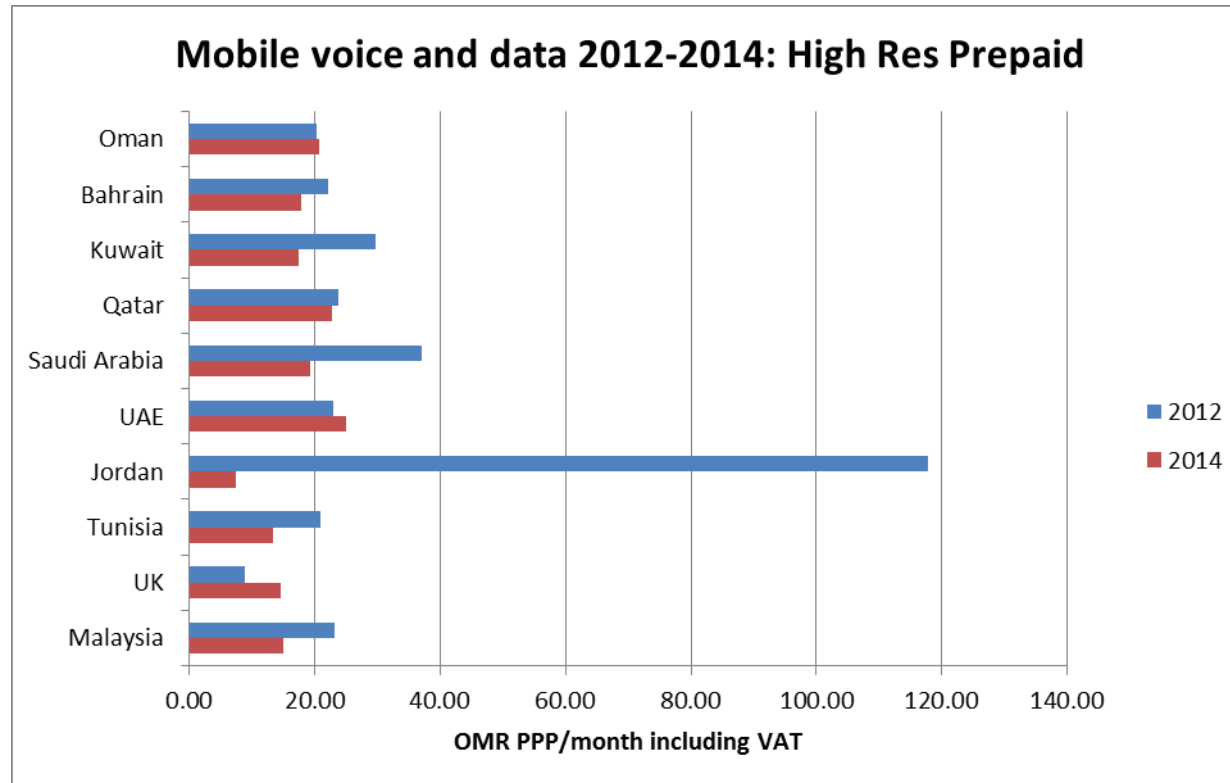
# Mobile voice time series: Residential medium prepaid usage



Includes pre-paid tariffs only.

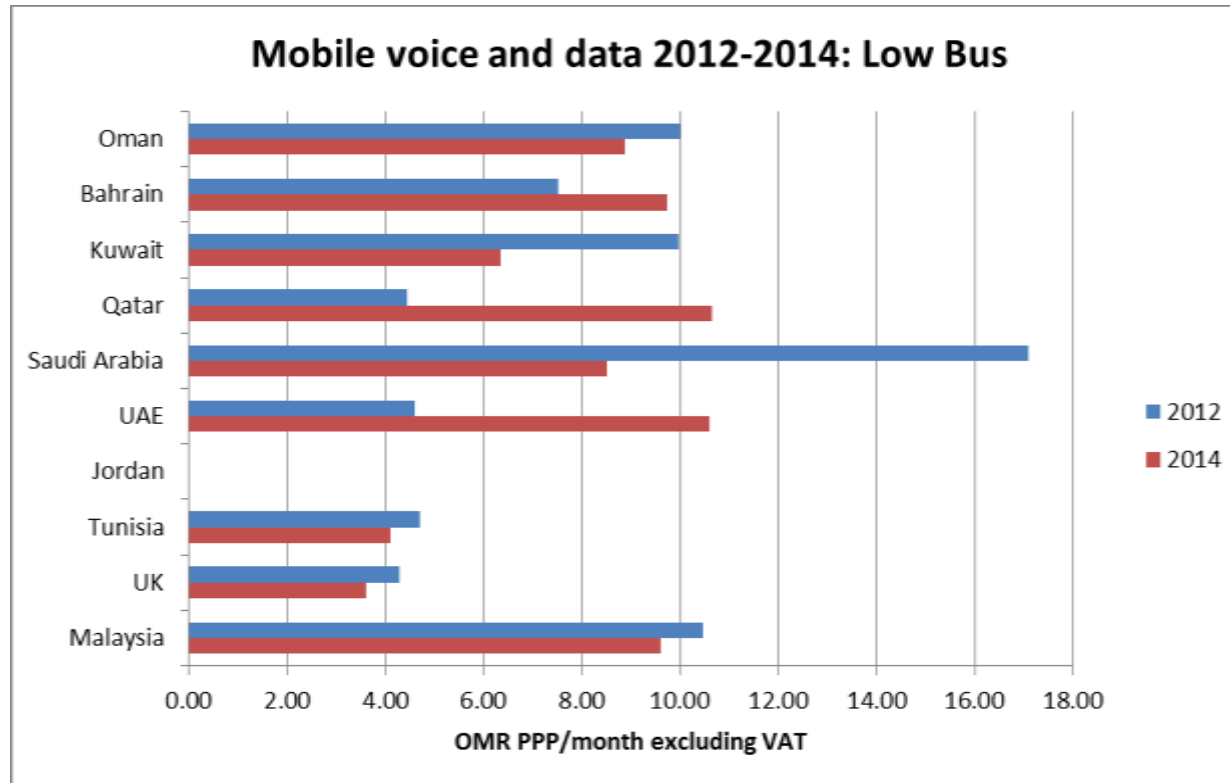


# Mobile voice time series: Residential high prepaid usage



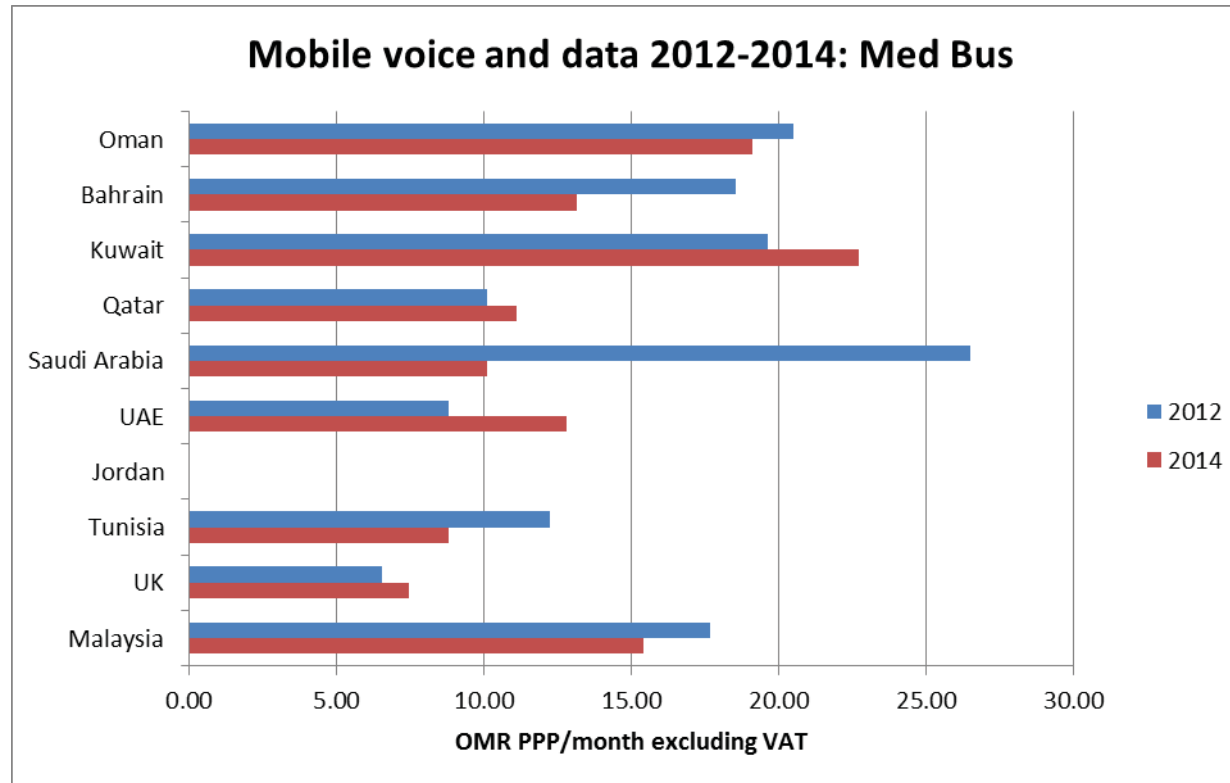
Includes pre-paid tariffs only.

# Mobile voice time series: Business low usage



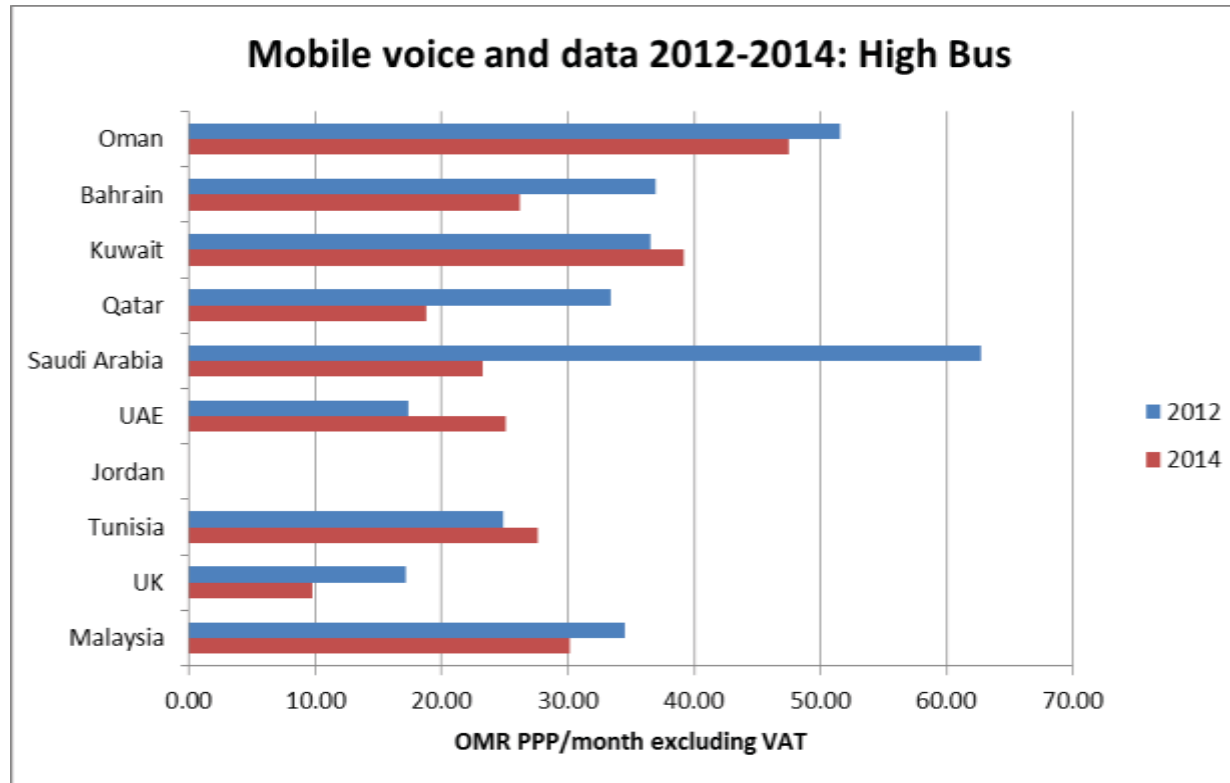
Includes business pre- and post-paid tariffs.

# Mobile voice time series: Business medium usage



Includes business pre- and post-paid tariffs.

# Mobile voice time series: Business high usage



Includes business pre- and post-paid tariffs.

# Fixed broadband results

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# Fixed broadband baskets

All baskets are assumed residential.

3 baskets for low usage (2 – 11 GB) and 3 baskets for high usage (6 – 33 GB).

	Basket #	Usage duration	Each session	Usage volume	Depreciation	Speed range	
		Hours per month	Minutes per session	GB per month	Years	Low	High
Oman Low speed, Low usage	Oman 1	10	60	2	3	0.25	99999
Oman Medium speed, Low usage	Oman 2	15	60	6	3	2.5	99999
Oman High speed, Low usage	Oman 3	20	60	11	3	8	99999
Oman Low speed, High usage	Oman 4	30	60	6	3	0.25	99999
Oman Medium speed, High usage	Oman 5	45	60	18	3	2.5	99999
Oman High speed, High usage	Oman 6	60	60	33	3	8	99999

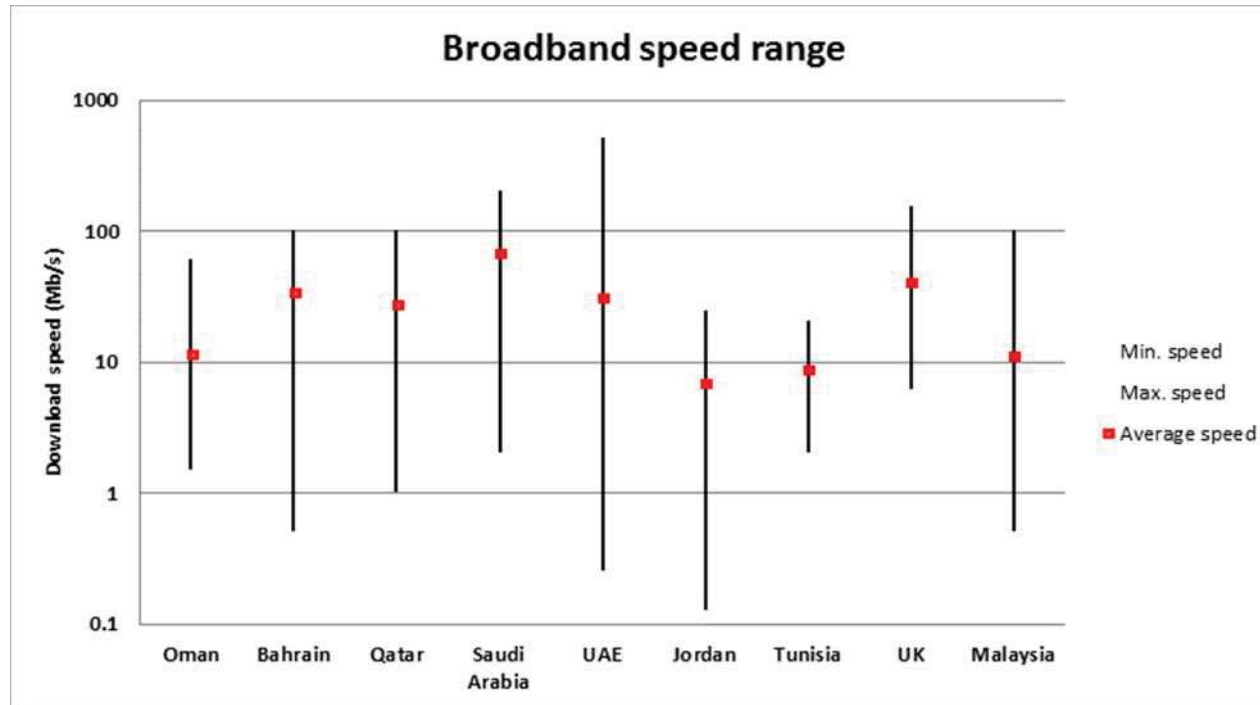
The speed ranges only define a lower limit. This means that any higher speed package that still has a lower price will be considered in the context of finding the cheapest offer. Speed is given in Mb/s.

An additional set of calculation “rules” apply, ensuring an equal handling of prices in different countries and with different price structures.

# Notes to fixed broadband results

- The results show the lowest cost tariff for each country, for the applied basket.  
Residential tariffs are shown.  
A range of other tariffs exist that may be more suitable for users with other usage profiles.
- The following cost elements are shown:
  - Fixed: non-variable monthly costs. e.g. service rental
  - Usage: data use beyond any allowance, i.e. so called Overage
- The fixed costs may include elements of usage, in the form of usage allowances with “free” data usage. This may result in the corresponding usage cost element disappearing as a separate cost.
- “Average” lines indicate the simple average cost across GCC and all study countries
- VAT (Value added tax) is considered in the results for those countries that apply such tax. All fixed broadband results include VAT as payable by the end user.

# Fixed broadband speeds offered in study countries



- Of the 13 countries there are three where speeds as low as 256 Kb/s are offered. By OECD standards this is the lowest speed that can be called “broadband”. At the other end 5 of the countries offer speeds of 100 Mb/s or higher. It is likely that these speeds are not available across the entire market in each country.
- The average speed is the simple average across all download speeds in each country. The higher the average sits on the bar the more high speed packages are offered in the country.
- For Oman the range of advertised maximum speeds go from 0.5 – 40 Mb/s, which is in the middle of the range of study countries, but better than most of the neighbouring countries.



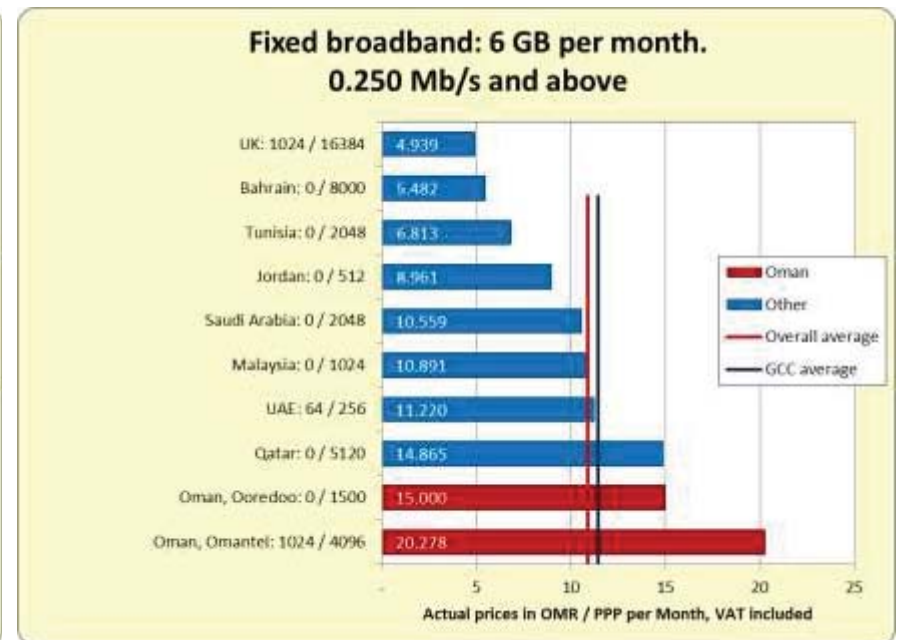
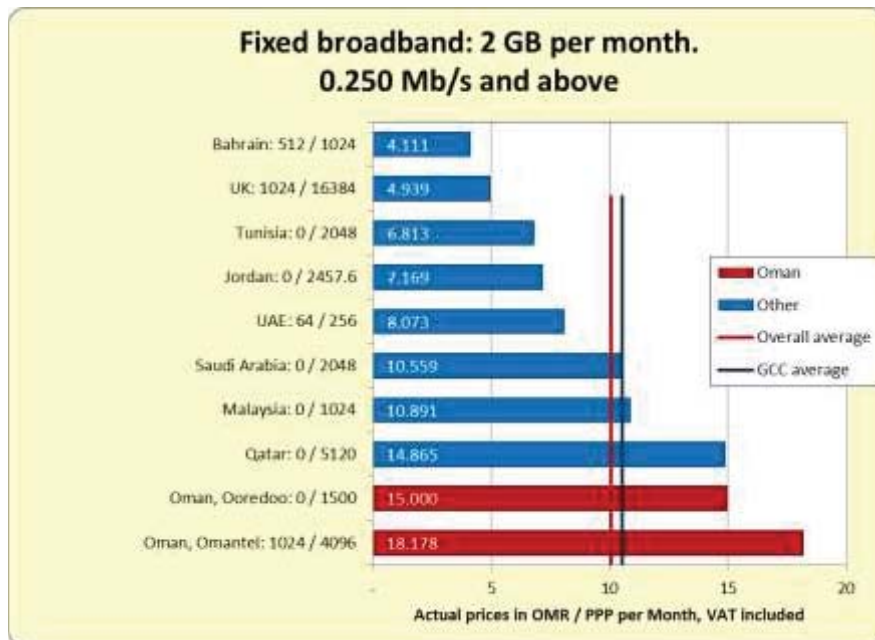
# Comments to fixed broadband results

- Pricing of fixed residential broadband services in Oman is amongst the highest of the study countries, with prices above both the GCC and overall average across all the study countries Residential broadband in Oman is up to 3.7 times more expensive than the cheapest offers in other countries. Low and medium speed business services are on par with most other study countries, but for high speed services, Oman is very expensive.
- For double play services (GCC countries only), Oman is one of the most expensive countries for double play services, irrespective of usage level. In terms of savings achieved from double play, these average around 9% from the Omani providers. This is a reasonable but not particularly large saving.
- Broadband is a dynamic area. Speeds are increasing across all the study countries, and have grown dramatically since 2012, as a result of network developments, and this in turn has impacted the price of services.
- Bundled services are increasingly prevalent, and this too can impact service costs, as it becomes more difficult for a user to buy standalone broadband.

# Residential fixed broadband: Low speed, low and high usage

Low usage: 2GB/10 hours per month

High usage: 6GB/30 hours per month



### Ranking of best Omani prices

Oman vs. All countries	9 of 9
Oman vs. GCC countries	5 of 5

### Ranking of Omani providers

Oman, Ooredoo	19 of 23
Oman, Omantel	21 of 23

### Ranking of best Omani prices

Oman vs. All countries	9 of 9
Oman vs. GCC countries	5 of 5

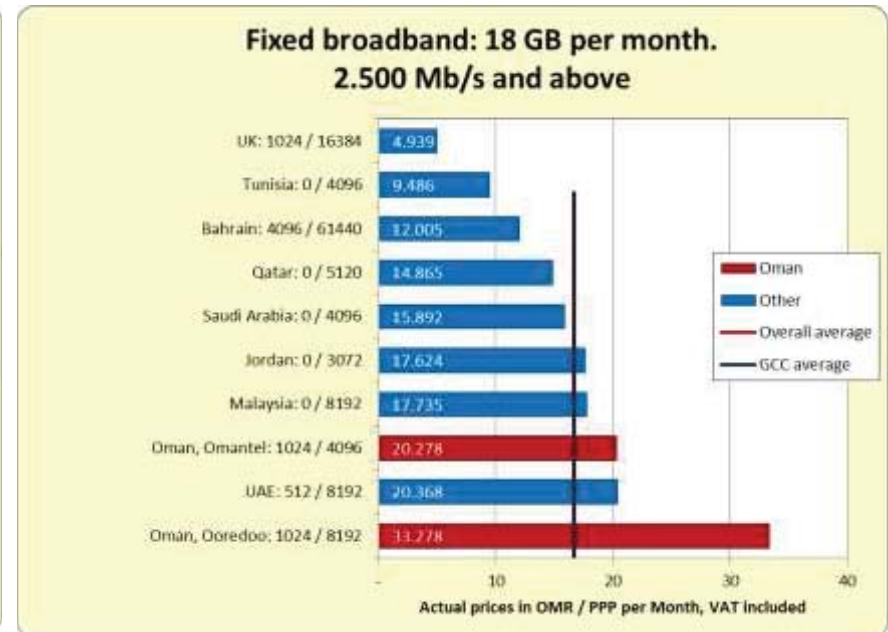
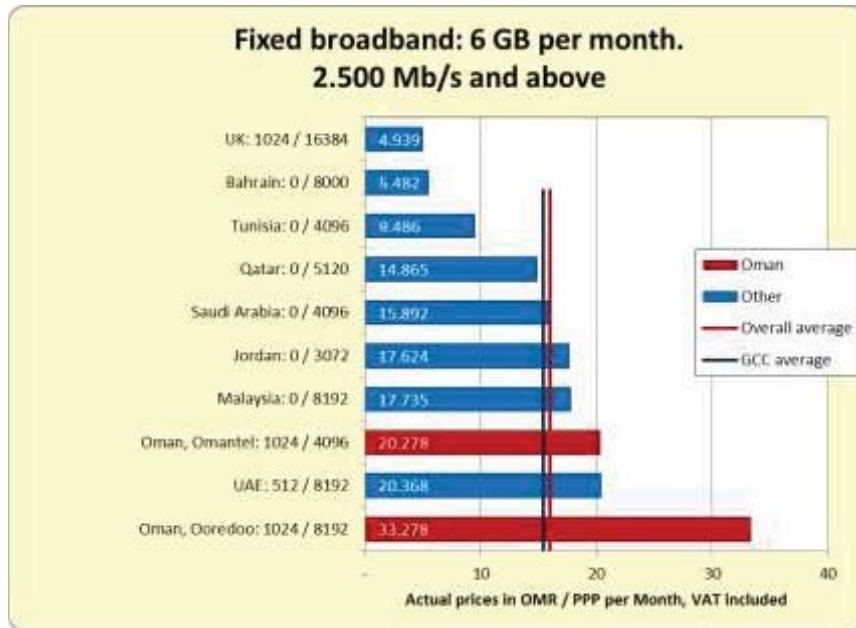
### Ranking of Omani providers

Oman, Ooredoo	19 of 23
Oman, Omantel	22 of 23

# Residential fixed broadband: Medium speed, low and high usage

Low usage: 6GB/15 hours per month

High usage: 18GB/45 hours per month



### Ranking of best Omani prices

Oman vs. All countries	8 of 9
Oman vs. GCC countries	4 of 5

### Ranking of Omani providers

Oman, Omantel	18 of 23
Oman, Ooredoo	23 of 23

### Ranking of best Omani prices

Oman vs. All countries	8 of 9
Oman vs. GCC countries	4 of 5

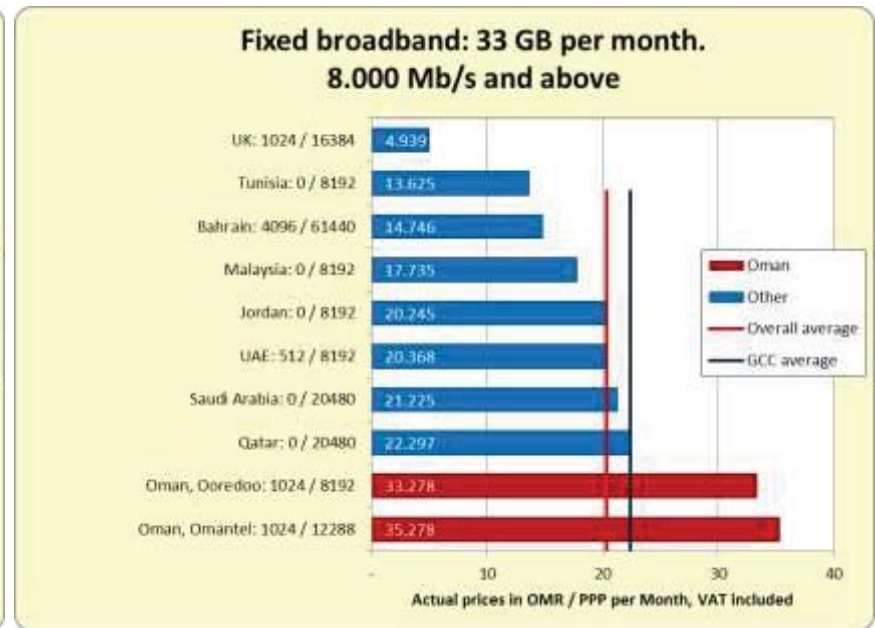
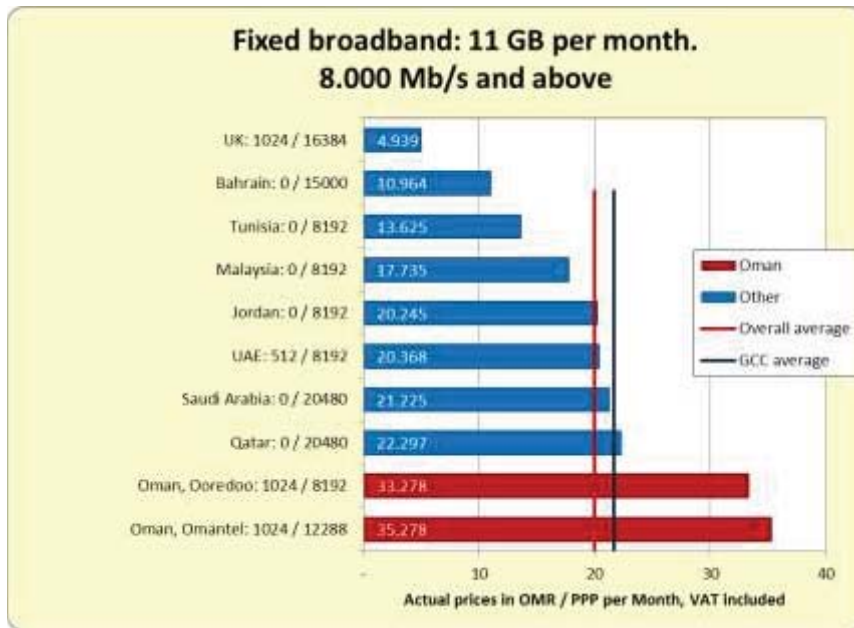
### Ranking of Omani providers

Oman, Omantel	18 of 23
Oman, Ooredoo	23 of 23

# Residential fixed broadband: High speed, low and high usage

Low usage: 11GB/20 hours per month

High usage: 33GB/60 hours per month

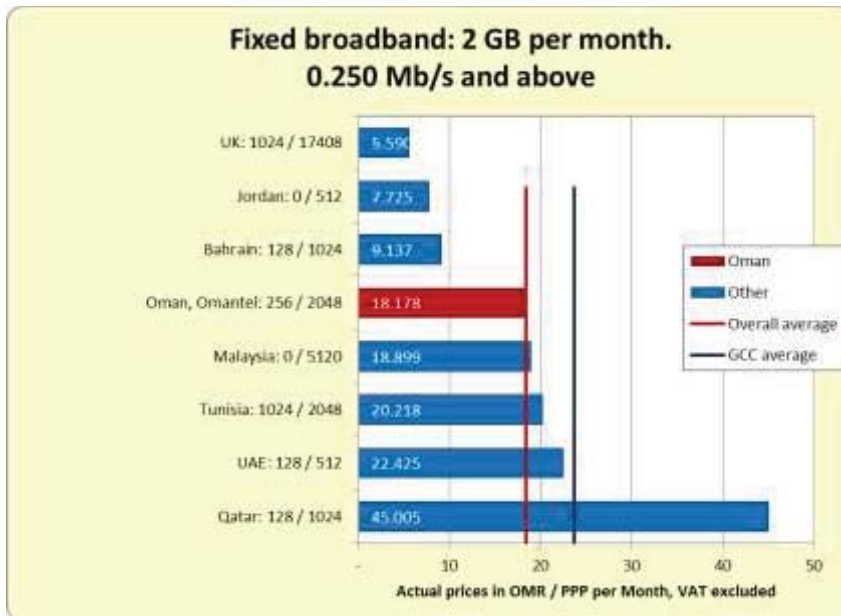


Ranking of best Omani prices	
Oman vs. All countries	9 of 9
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	21 of 22
Oman, Omantel	22 of 22

Ranking of best Omani prices	
Oman vs. All countries	9 of 9
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	21 of 22
Oman, Omantel	22 of 22

# Business fixed broadband: Low speed, low and high usage

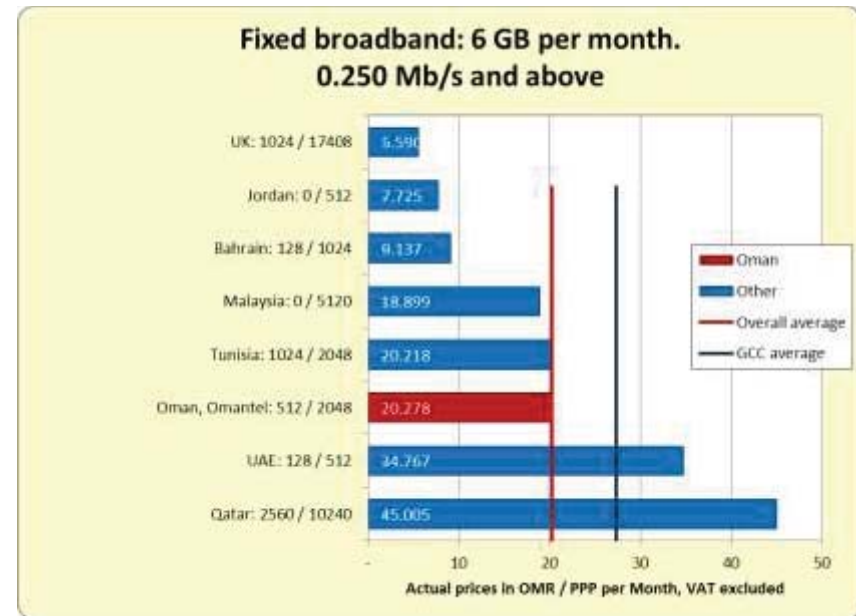
## Low usage: 2GB/10 hours per month



### Ranking of best Omani prices

Oman vs. All countries	4 of 8
Oman vs. GCC countries	2 of 5

## High usage: 6GB/30 hours per month



### Ranking of best Omani prices

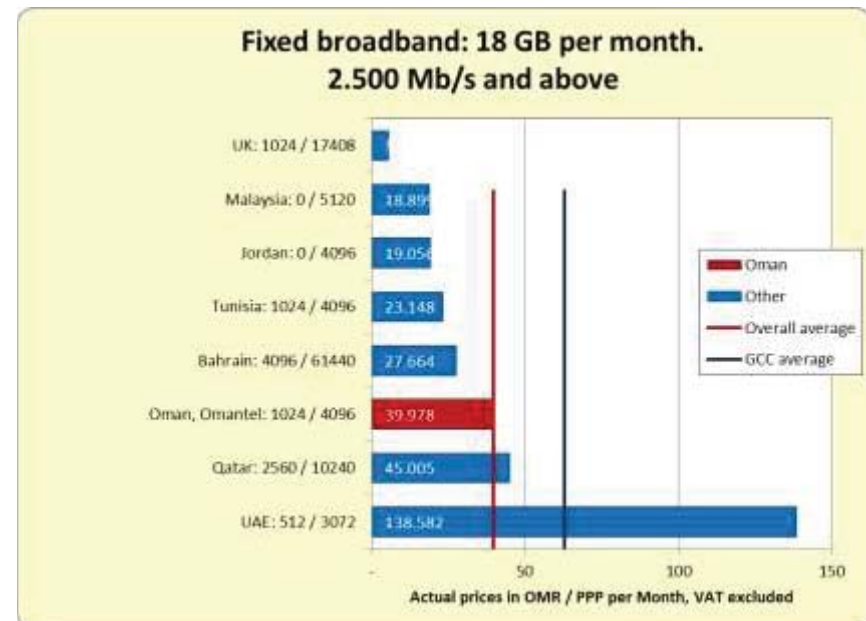
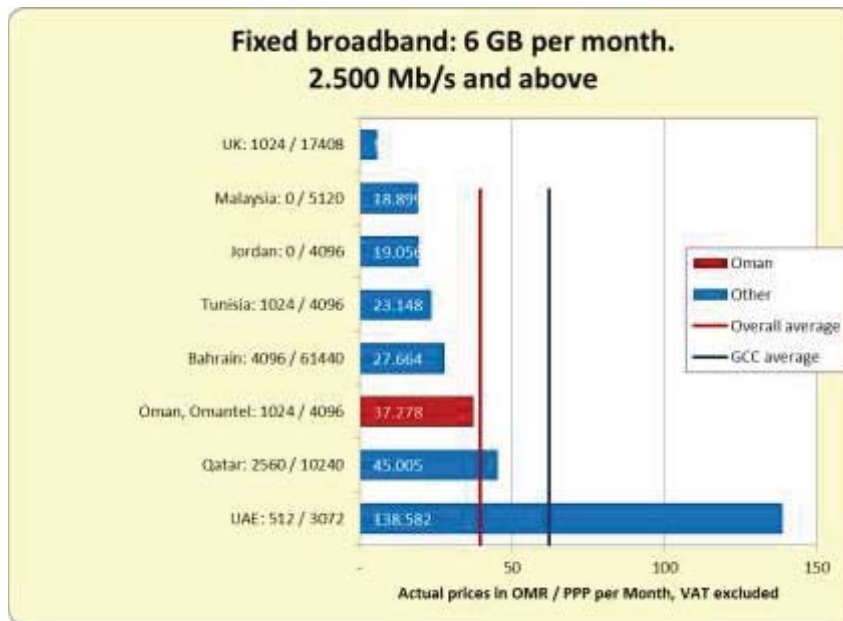
Oman vs. All countries	6 of 8
Oman vs. GCC countries	2 of 5



# Business fixed broadband: Medium speed, low and high usage

Low usage: 6GB/15 hours per month

High usage: 18GB/45 hours per month



**Ranking of best Omani prices**

Oman vs. All countries	6 of 8
Oman vs. GCC countries	2 of 5

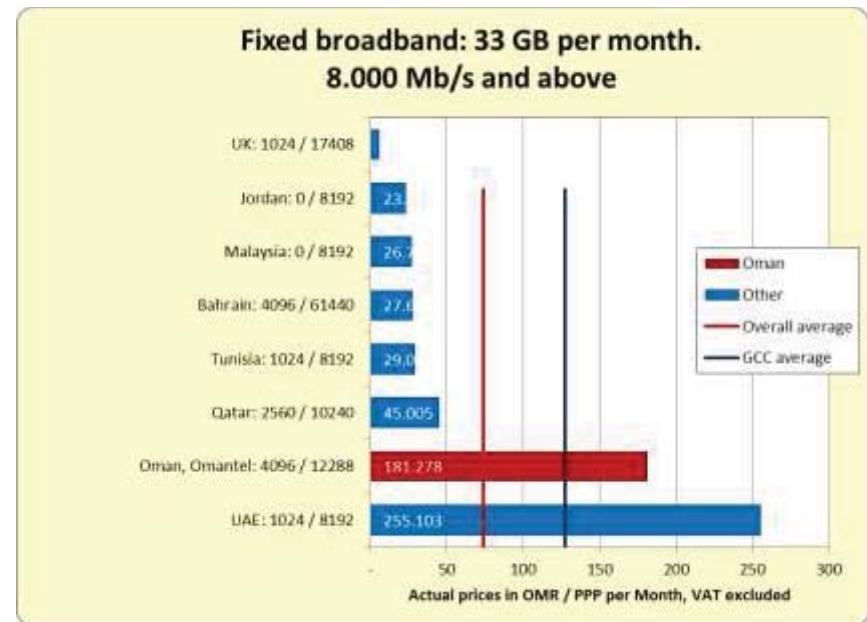
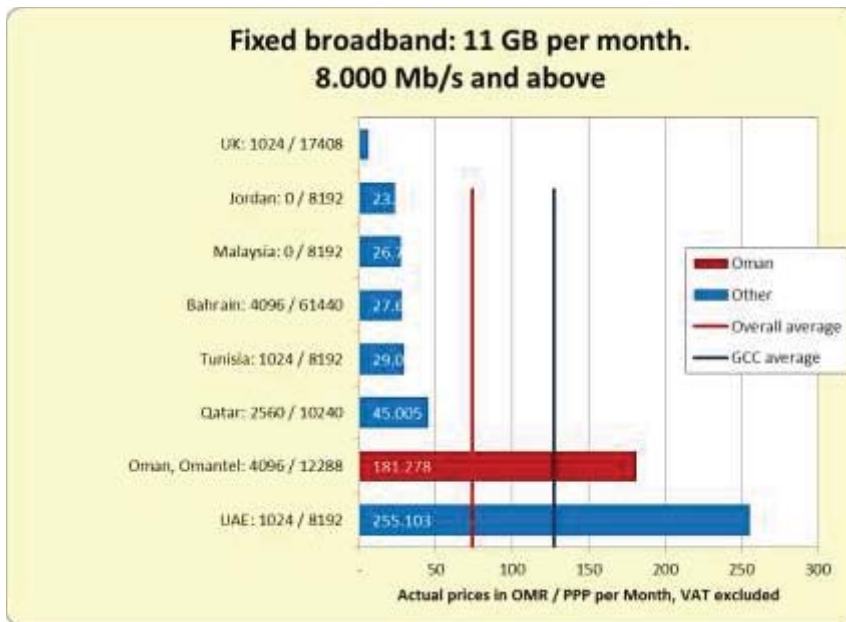
**Ranking of best Omani prices**

Oman vs. All countries	6 of 8
Oman vs. GCC countries	2 of 5

# Business fixed broadband: High speed, low and high usage

Low usage: 11GB/20 hours per month

High usage: 33GB/60 hours per month



**Ranking of best Omani prices**

Oman vs. All countries	7 of 8
Oman vs. GCC countries	3 of 5

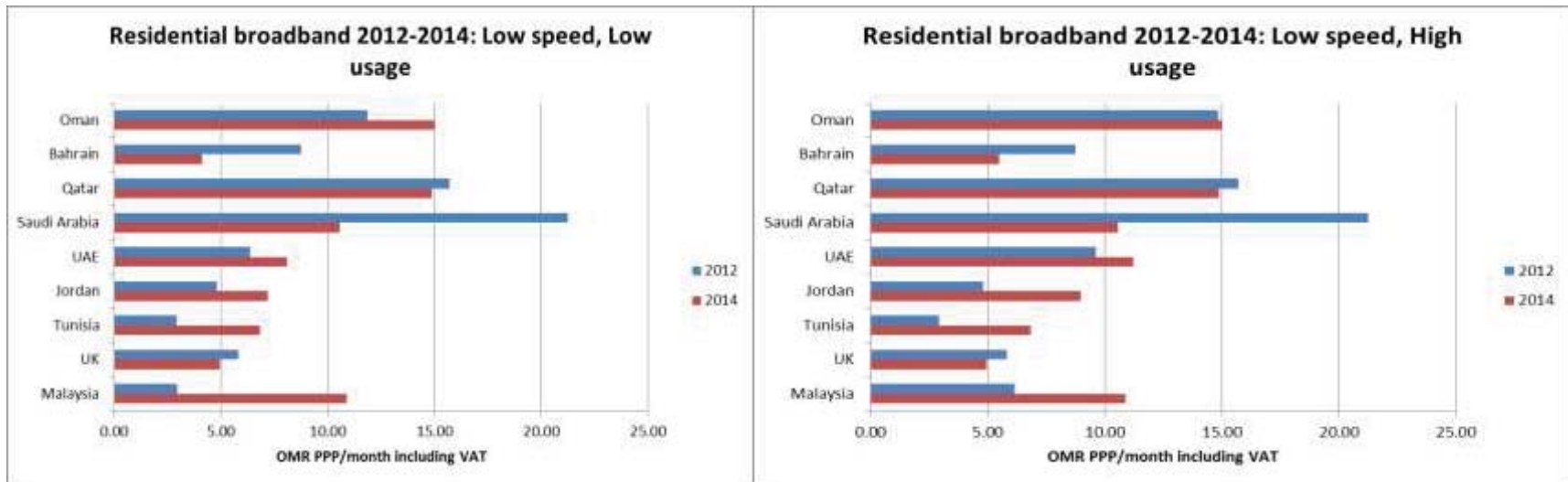
**Ranking of best Omani prices**

Oman vs. All countries	7 of 8
Oman vs. GCC countries	3 of 5

# Fixed broadband time series: Residential low speed, low and high usage

Low usage: 2GB/10 hours per month

High usage: 6GB/30 hours per month

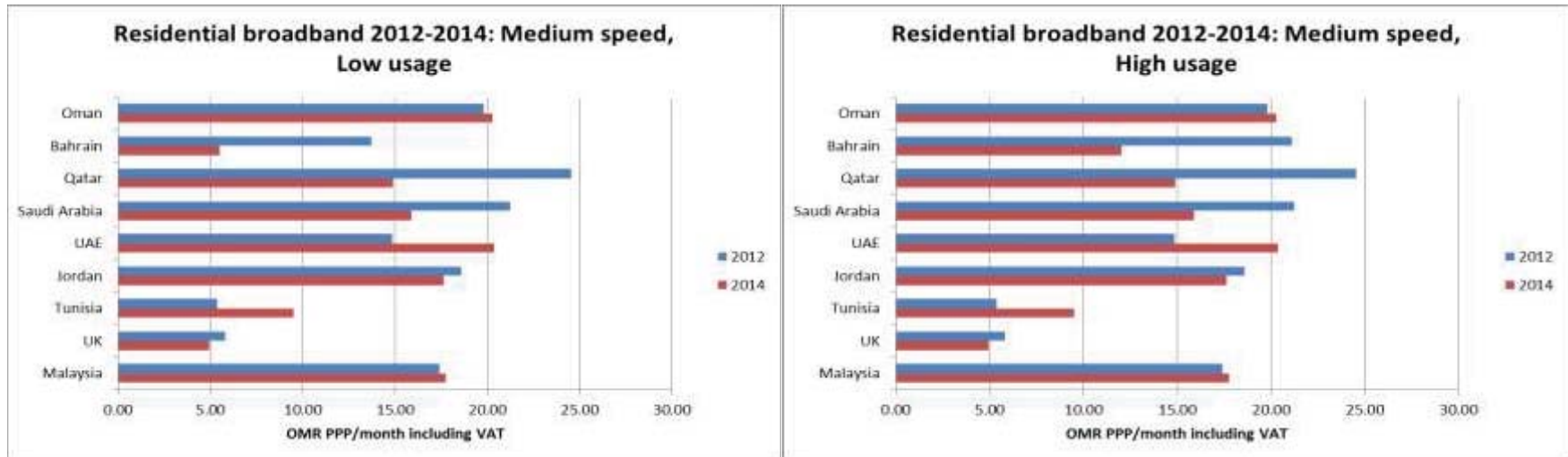




# Fixed broadband time series: Residential medium speed, low and high usage

Low usage: 6GB/15 hours per month

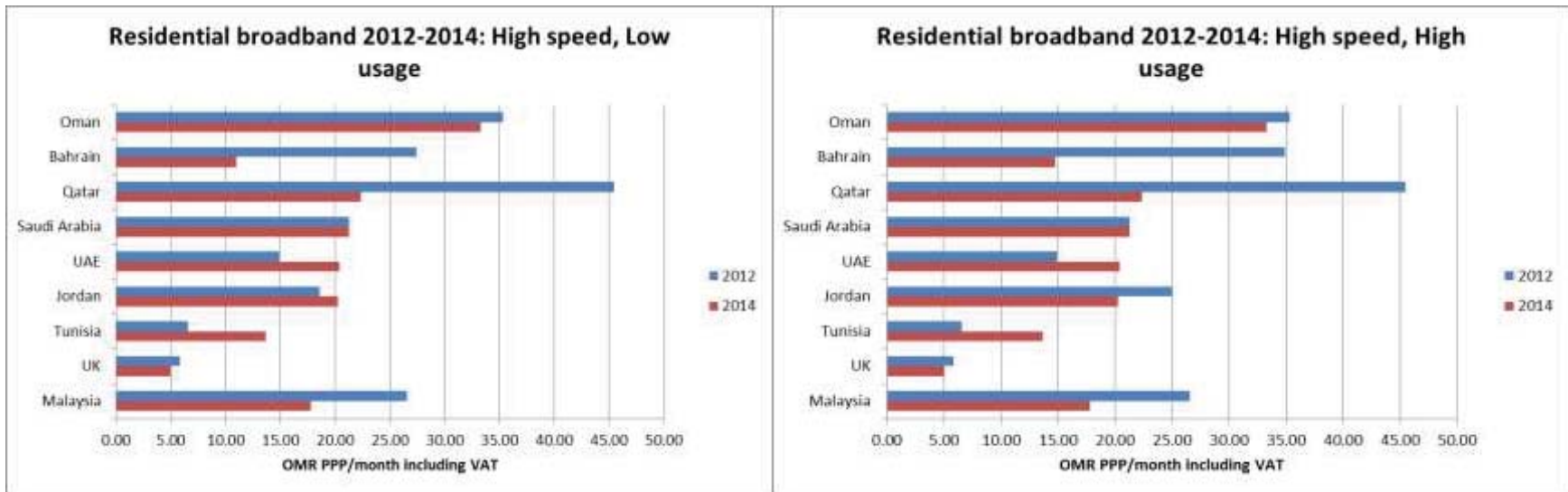
High usage: 18GB/45 hours per month



# Fixed broadband time series: Residential high speed, low and high usage

Low usage: 11GB/20 hours per month

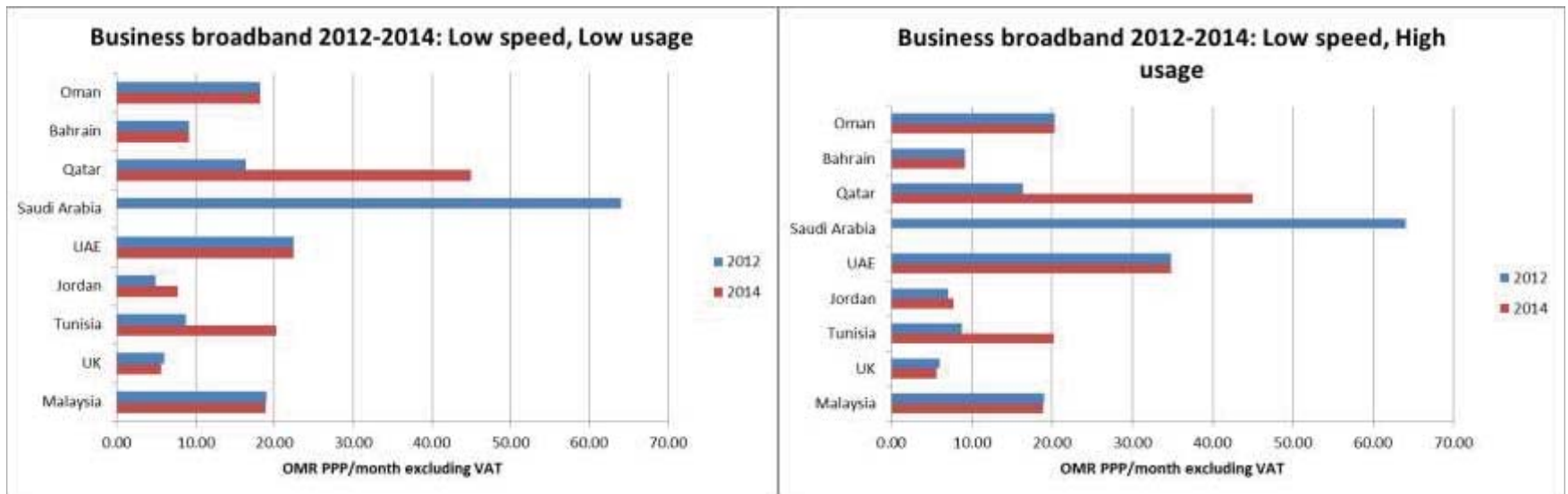
High usage: 33GB/60 hours per month



# Fixed broadband time series: Business low speed, low and high usage

Low usage: 2GB/10 hours per month

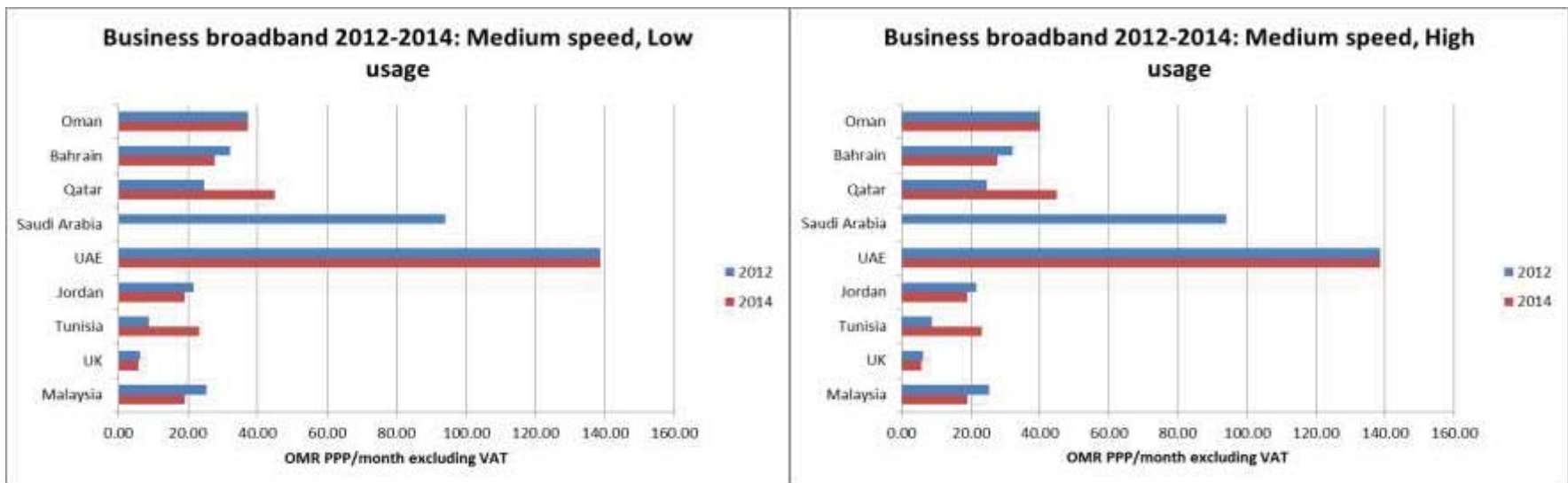
High usage: 6GB/30 hours per month



# Fixed broadband time series: Business medium speed, low and high usage

Low usage: 6GB/15 hours per month

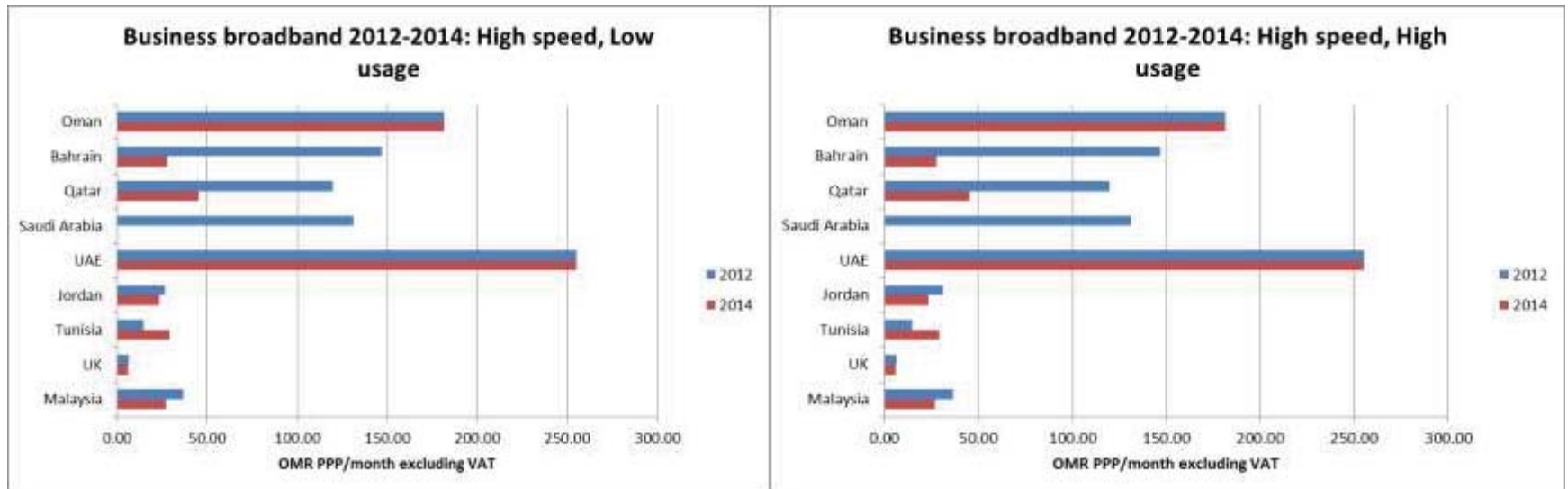
High usage: 18GB/45 hours per month



# Fixed broadband time series: Business high speed, low and high usage

Low usage: 11GB/20 hours per month

High usage: 33GB/60 hours per month



# Double play results

# Double play baskets

To reflect the growing trend in the GCC countries of fixed broadband services offers with accompanying fixed voice services in a bundled package, a separate benchmarking analysis has been conducted, to examine the prevalence of such offers, and the extent to which they benefit the end user. Although some of the providers offer triple play which also include TV, these have been excluded from the analysis.

A summary of the baskets used for this analysis is shown below.

All baskets are assumed residential. 2 baskets for low usage, and 3 baskets for high usage.

The low and medium voice baskets have relatively high international traffic, while the high basket has a lot less international calls, in line with the traffic data reported by the operators.

Broadband	Usage GB	Speed Mb/s	Voice	Calls
Low speed, low usage	2	0.25	Low	20
Medium speed, low usage	6	2.5	Medium	50
Medium speed, high usage	18	2.5	Medium	50
Medium speed, high usage	18	2.5	High	150
High speed, high usage	33	8	High	150

The speed ranges only define a lower limit. This means that any higher speed package that still has a lower price will be considered in the context of finding the cheapest offer. Speed is given in Mb/s.

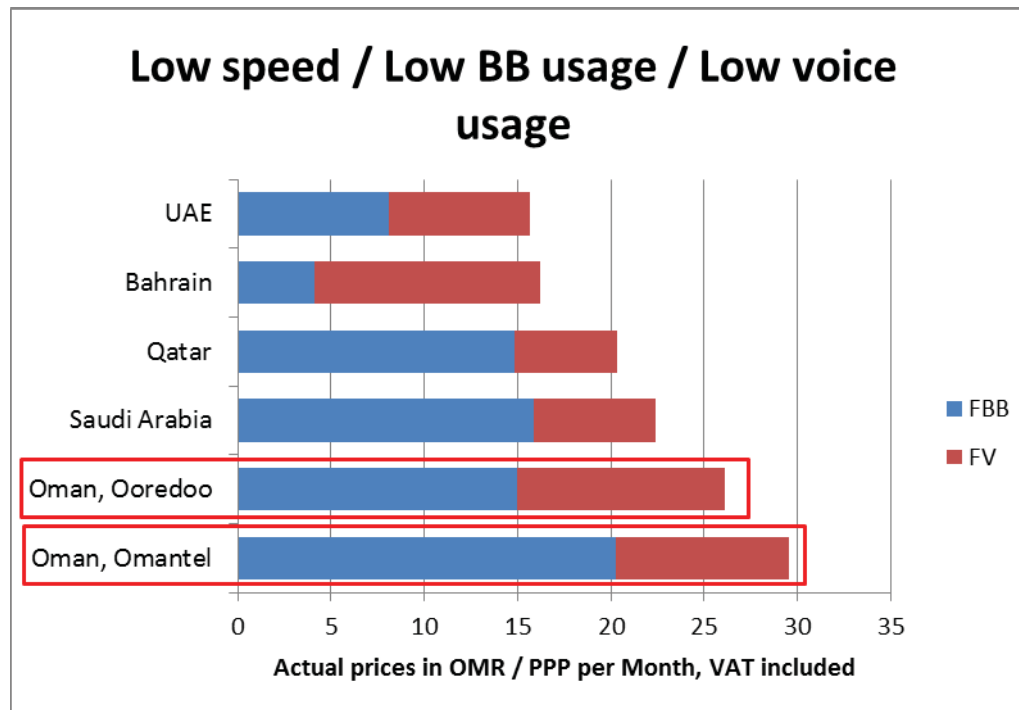
An additional set of calculation “rules” apply, ensuring an equal handling of prices in different countries and with different price structures.

# Notes to double play results

- The results show the lowest cost tariff for each country, for the applied basket. A range of other tariffs exist that may be more suitable for users with other usage profiles.
- Results show a breakdown for fixed broadband and fixed voice costs separately.
- When looking at the costs of the combined use of fixed broadband and fixed voice there are two possible scenarios:
  - A combination of two “single” service offers, i.e. buying fixed broadband and fixed voice services separately from different providers. This can sometimes be the cheapest solution if:
    - the provider in question is a more expensive provider for one or both services.
    - Multiplay / double play offers are not available.
  - Buying the two services as a bundle, i.e. the double play offer.
- Some fixed broadband providers will only offer double play, i.e. it may not be possible to buy the broadband service without the voice option. There are still cases where it can be cheaper to use an alternative voice service and not use the voice service delivered with the broadband service, if for example there are significant differences in call charges for the voice services.
- “Average” lines indicate the simple average cost across GCC and all study countries
- VAT (Value added tax) is considered in the results for those countries that apply such tax. All fixed broadband results include VAT as payable by the end user.

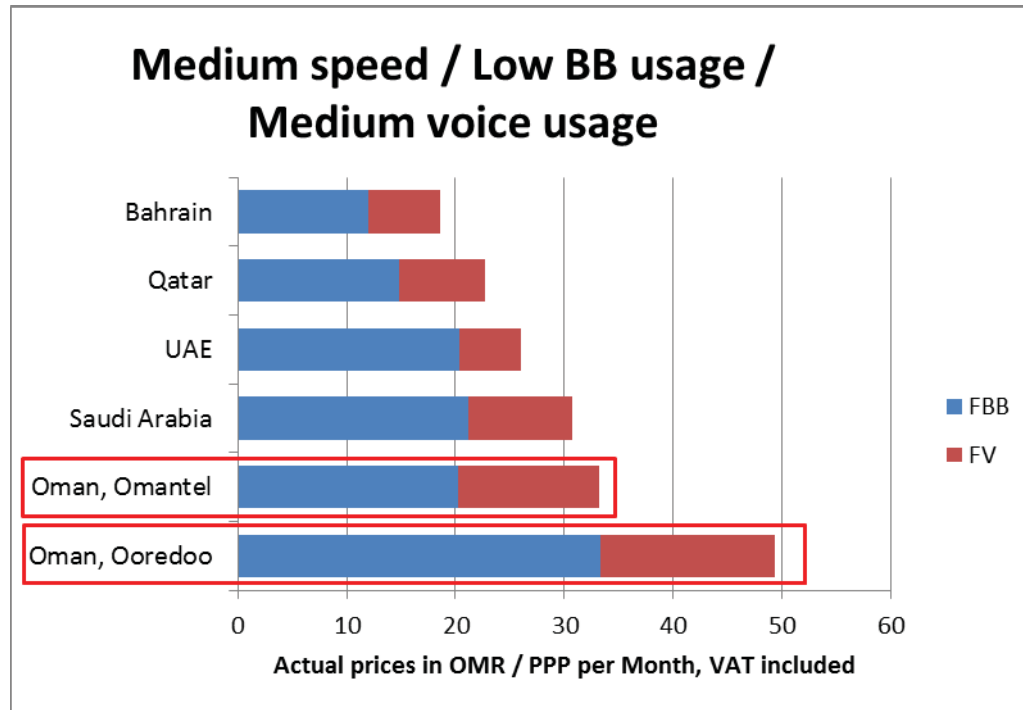


# Double play: Low speed, low BB, low voice usage



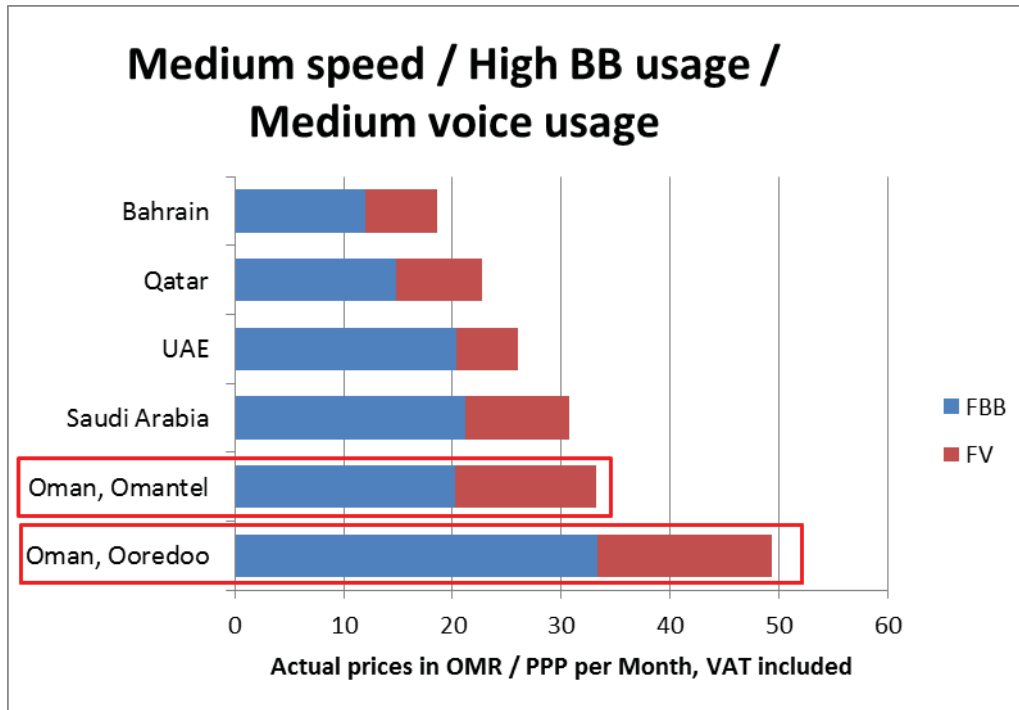
Ranking of best Omani prices	
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	8 of 10
Oman, Omantel	9 of 10

# Double play: Medium speed, low BB, medium voice



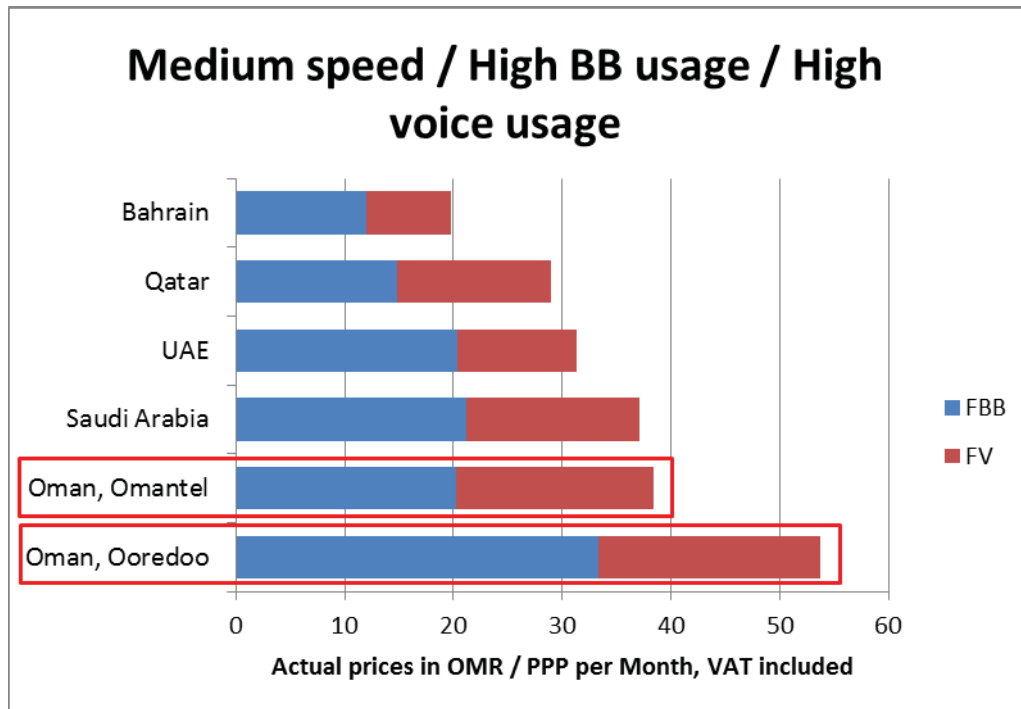
Ranking of best Omani prices	
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	10 of 10
Oman, Omantel	7 of 10

# Double play: Medium speed, high BB, medium voice



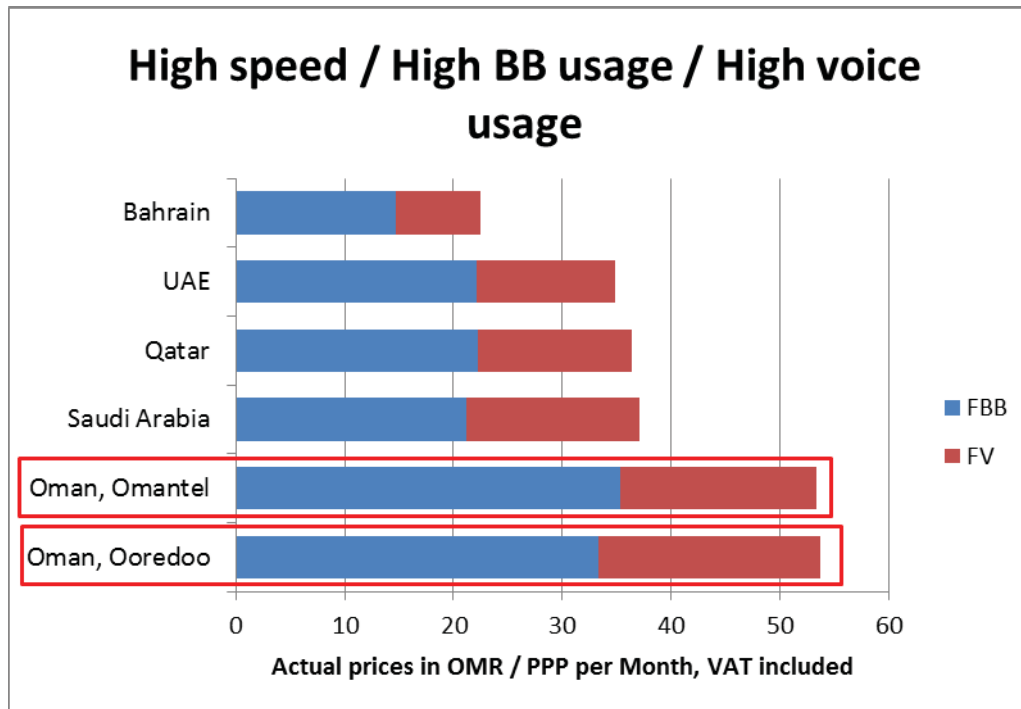
Ranking of best Omani prices	
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	10 of 10
Oman, Omantel	7 of 10

# Double play: Medium speed, high BB, high voice



Ranking of best Omani prices	
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	10 of 10
Oman, Omantel	8 of 10

# Double play: High speed, high BB, high voice



Ranking of best Omani prices	
Oman vs. GCC countries	5 of 5
Ranking of Omani providers	
Oman, Ooredoo	10 of 10
Oman, Omantel	9 of 10

# Double play savings

	Possible savings
Oman	Up to 11.3%
Bahrain	Up to 31.5%
Qatar	Up to 23.1%
Saudi Arabia	Up to 21.6%
UAE	Up to 28.2%

- Table shows potential savings when buying a double play offer over individual services.
- These vary with the usage requirements (i.e. the basket), and the prices of the offers

The availability of bundled services has increased since 2012, and while not all providers offer bundled services, they are available across all the GCC countries.

Oman is the most expensive of the GCC countries for bundled offers, while Bahrain is either cheapest or second cheapest.

Bahrain offers the most significant savings. The voice service is VoIP, and cost is highly dependent on the voice usage profile.

The savings from the Omani providers while reasonable, are not excessive - on average just under 9%.

# Mobile broadband results

# Mobile broadband baskets

All baskets are assumed residential.

3 basket for pre-paid and 3 baskets for post-paid. Usage varies from 100 MB to 1 GB for pre-paid, and from 1 GB to 6 GB for post-paid.

		Usage duration	Days in use	Usage volume	Depreciation
	Basket #	Hours per month	Days in use per month	GB per month	Years
Oman Pre Low	O PreL	10	5	0.1	3
Oman Pre Medium	O PreM	15	10	0.3	3
Oman Pre High	O PreH	20	20	1	3
Oman Post Low	O PoL	20	20	1	3
Oman Post Medium	O PoM	40	25	3	3
Oman Post High	O PoH	80	30	6	3

An additional set of calculation “rules” apply, ensuring an equal handling of prices in different countries and with different price structures.



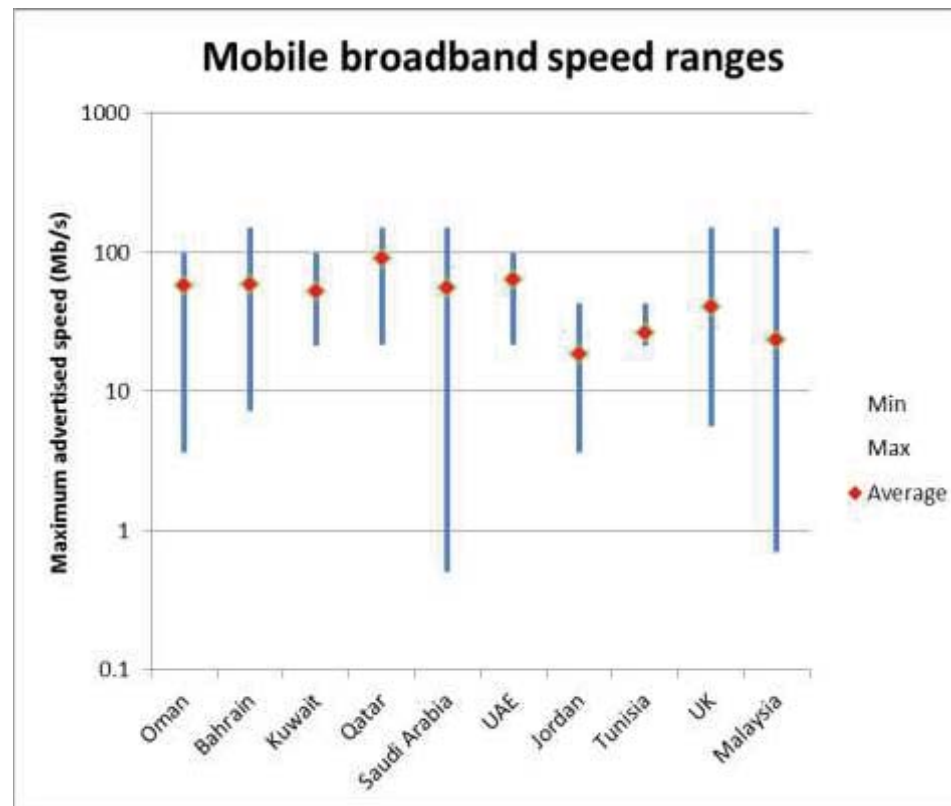
# Notes to mobile broadband results

- The results show the lowest cost tariff for each country, for the applied basket.  
A range of other tariffs exist that may be more suitable for users with other usage profiles.
- The following cost elements are shown:
  - Fixed: non-variable monthly costs. e.g. service rental
  - Usage: data use beyond any allowance, i.e. so called Overage
- The fixed costs may include elements of usage, in the form of usage allowances with “free” data usage. This may result in the corresponding usage cost element disappearing as a separate cost.
- “Average” lines indicate the simple average cost across GCC and all study countries
- VAT (Value added tax) is considered in the results for those countries that apply such tax. All fixed broadband results include VAT as payable by the end user.

# Comments to mobile broadband results

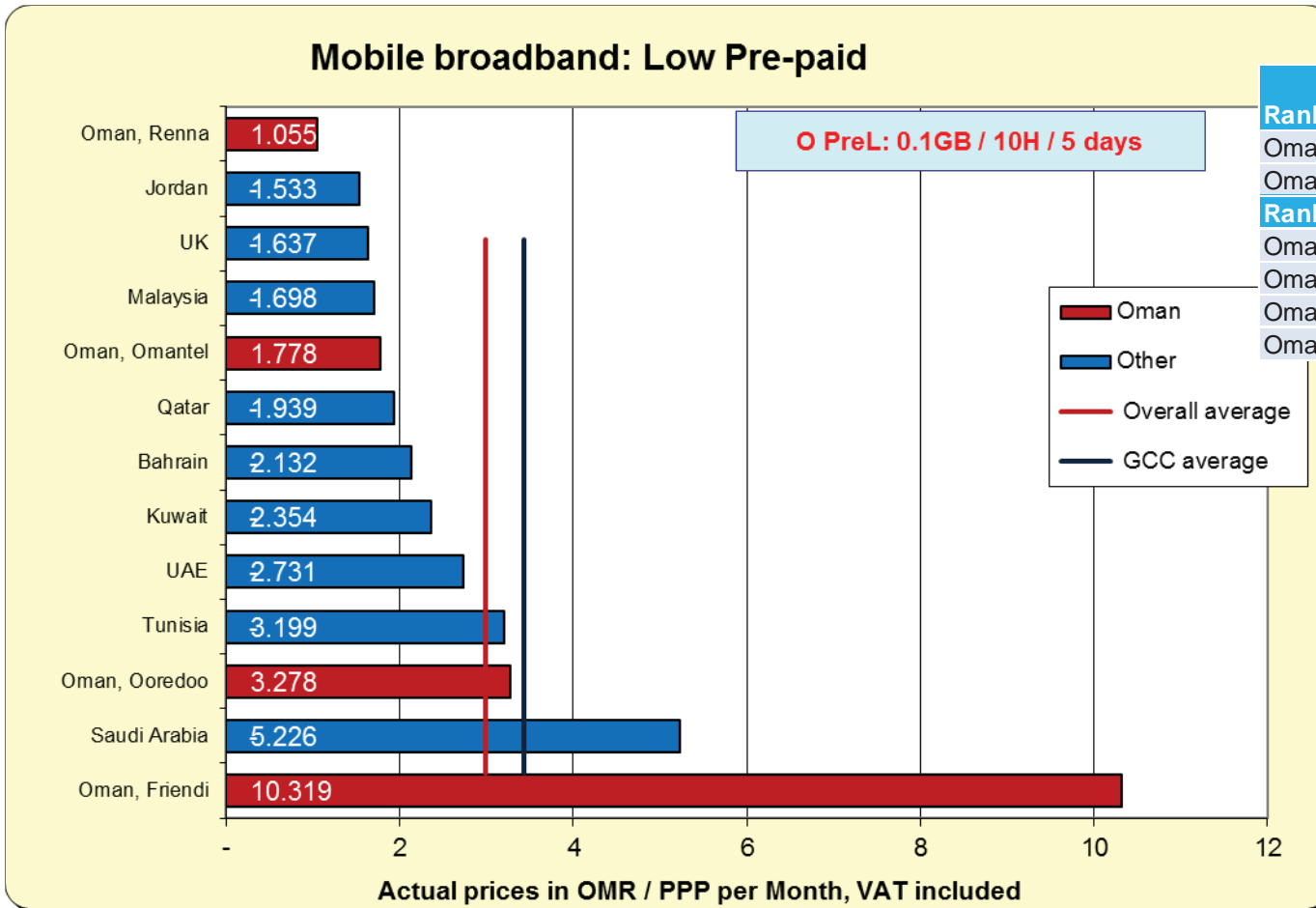
- For the pre-paid baskets, Oman ranks 1<sup>st</sup>, 3<sup>rd</sup> and 7<sup>th</sup> for the low, medium and high usage basket respectively. The cheapest cost for all of these profiles is consistently below both the overall and GCC average costs.
- For post-paid mobile broadband, Oman ranks 5<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> , for low, medium and high usage respectively.
- In most countries, and across most usage levels, mobile broadband pricing has decreased since 2012. While many decreases are relatively modest, they may not fully reflect things such as overall usage allowance, and speed of service.
- In Oman, prices have decreased across all basket types, both pre-paid and post-paid, with post-paid prices seeing greater reductions. For prepaid services, Oman is one of the cheapest countries overall for low usage, and it ranks as average for medium and to a lesser extent high usage. In spite of the large price decreases for post-paid, Oman still remains one of the most expensive study countries for mobile broadband.

# Mobile broadband speeds offered in study countries



- Although speed is not necessarily the key parameter that providers publish with mobile broadband services, the theoretical maximum speed available is a result of the network technologies used by the provider.
- The range of speeds available for Oman is relatively small, and the maximum speed available among the lowest in the study countries.

# Mobile broadband: Low usage, pre-paid



## Ranking of best Omani prices

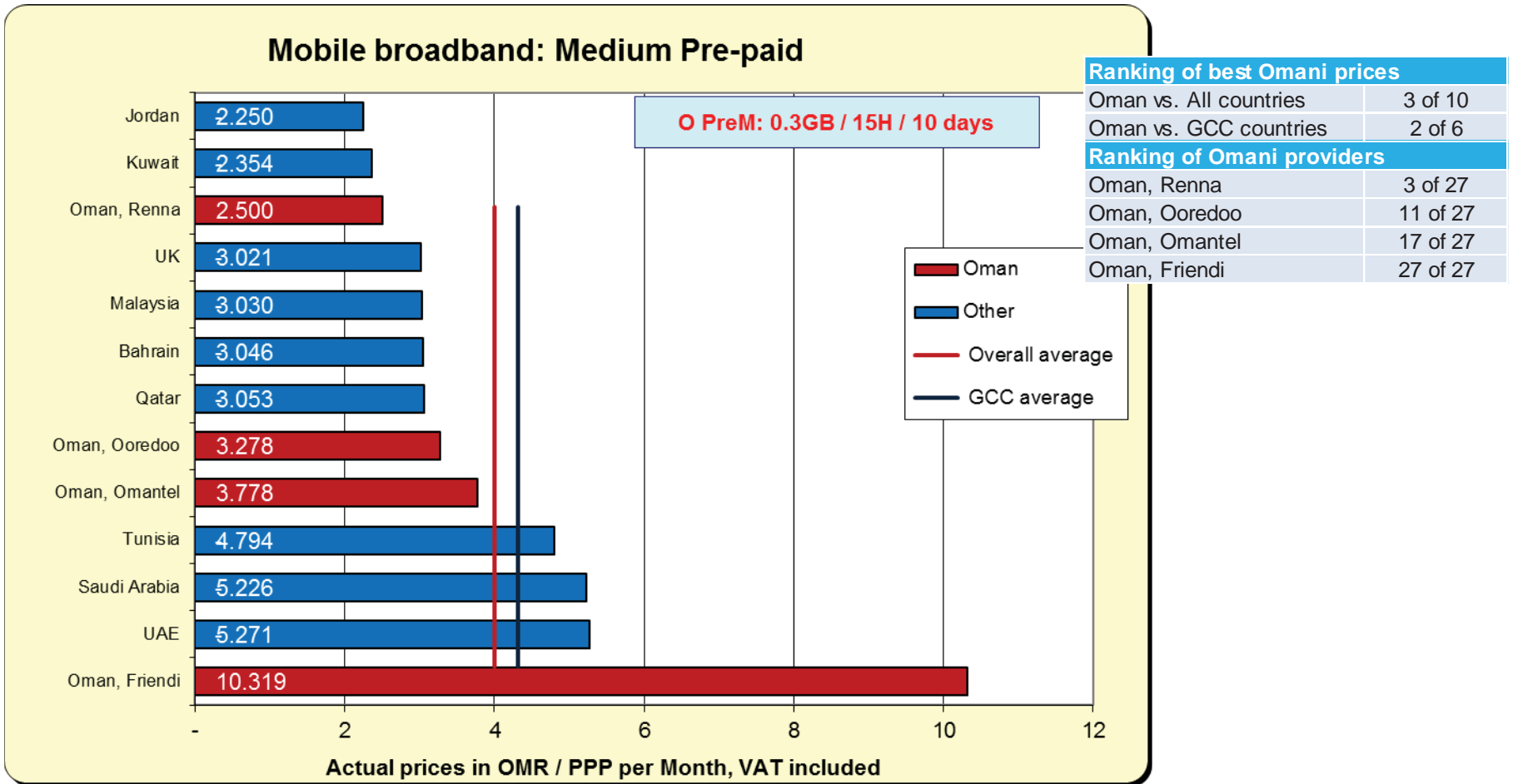
Oman vs. All countries	1 of 10
Oman vs. GCC countries	1 of 6

## Ranking of Omani providers

Oman, Renna	1 of 27
Oman, Omantel	5 of 27
Oman, Ooredoo	17 of 27
Oman, Friendi	27 of 27

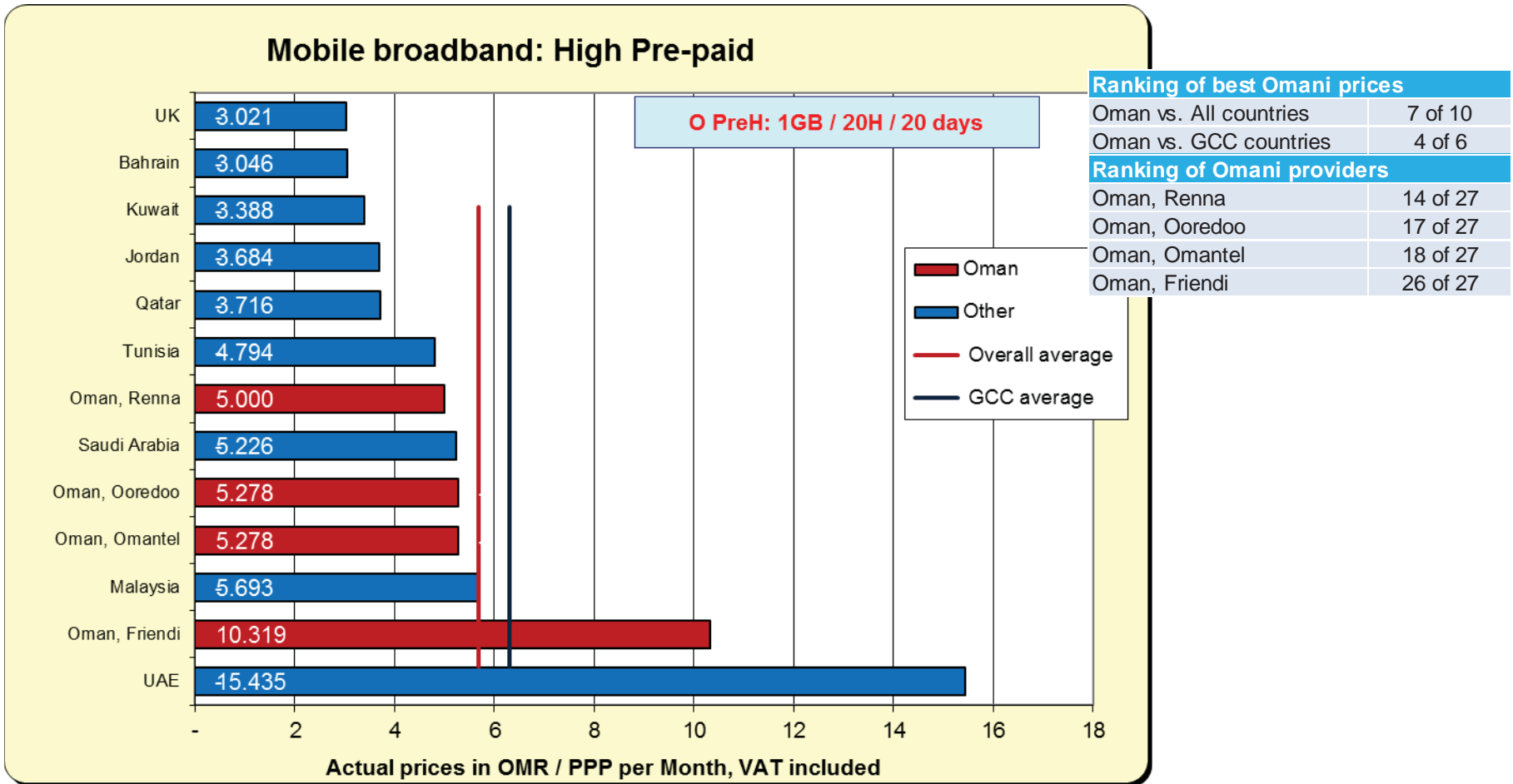
Includes pre-paid tariffs only.

# Mobile broadband: Medium usage, pre-paid



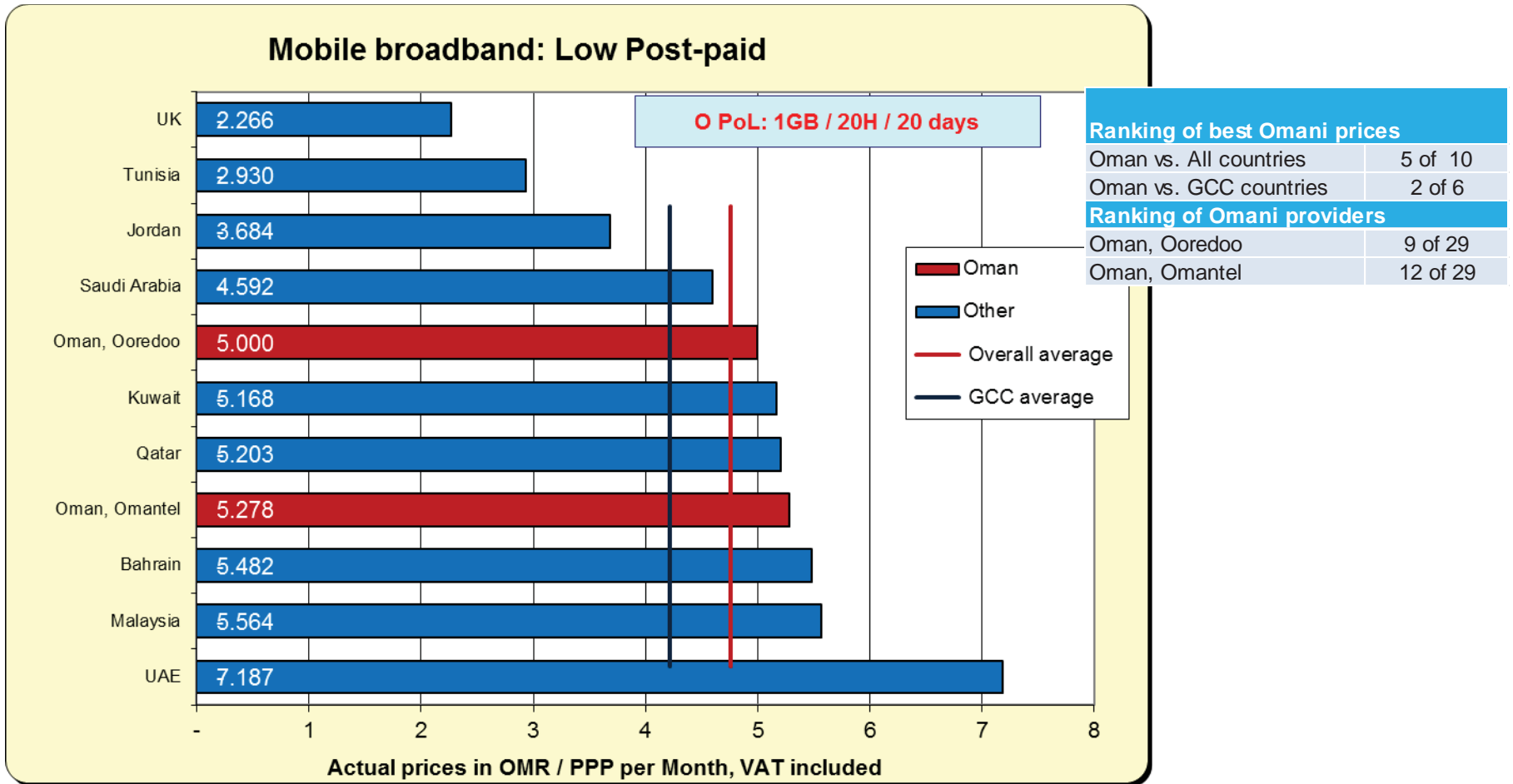
Includes pre-paid tariffs only.

# Mobile broadband: High usage, pre-paid



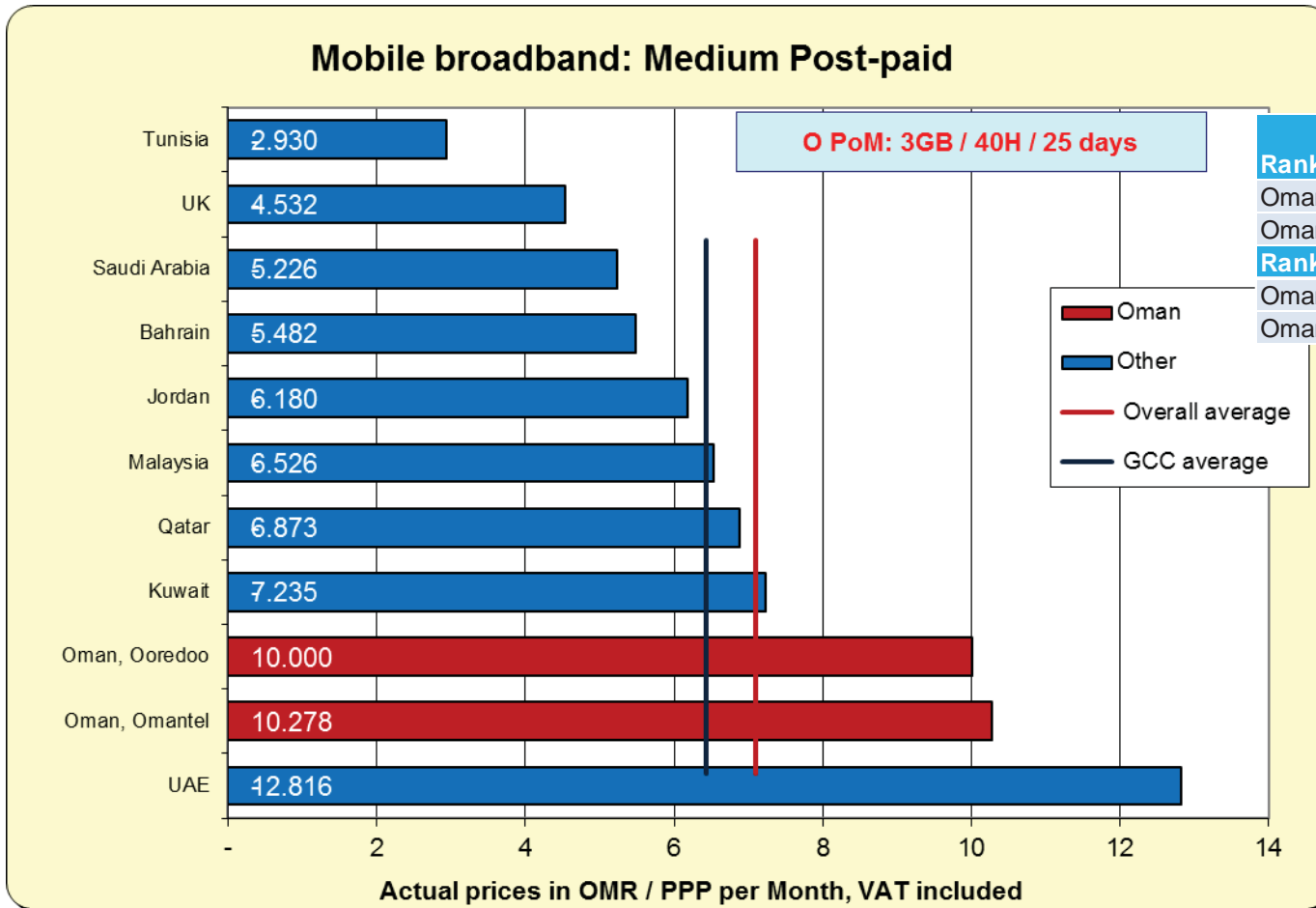
Includes pre-paid tariffs only.

# Mobile broadband: Low usage, post-paid



Includes post-paid tariffs only.

# Mobile broadband: Medium usage, post-paid



Ranking of best Omani prices	
Oman vs. All countries	9 of 10
Oman vs. GCC countries	5 of 6

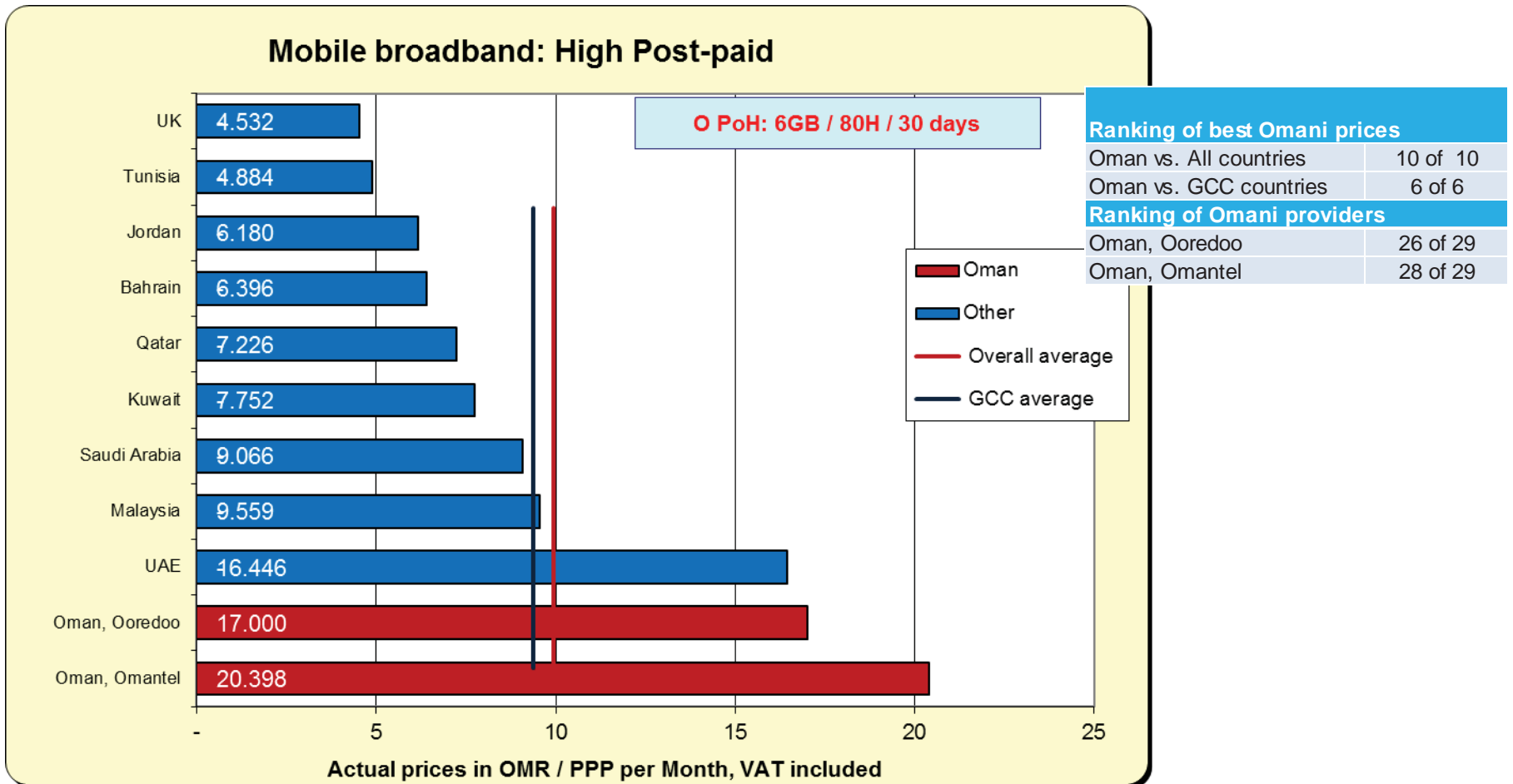
  

Ranking of Omani providers	
Oman, Ooredoo	25 of 29
Oman, Omantel	26 of 29

Includes post-paid tariffs only.

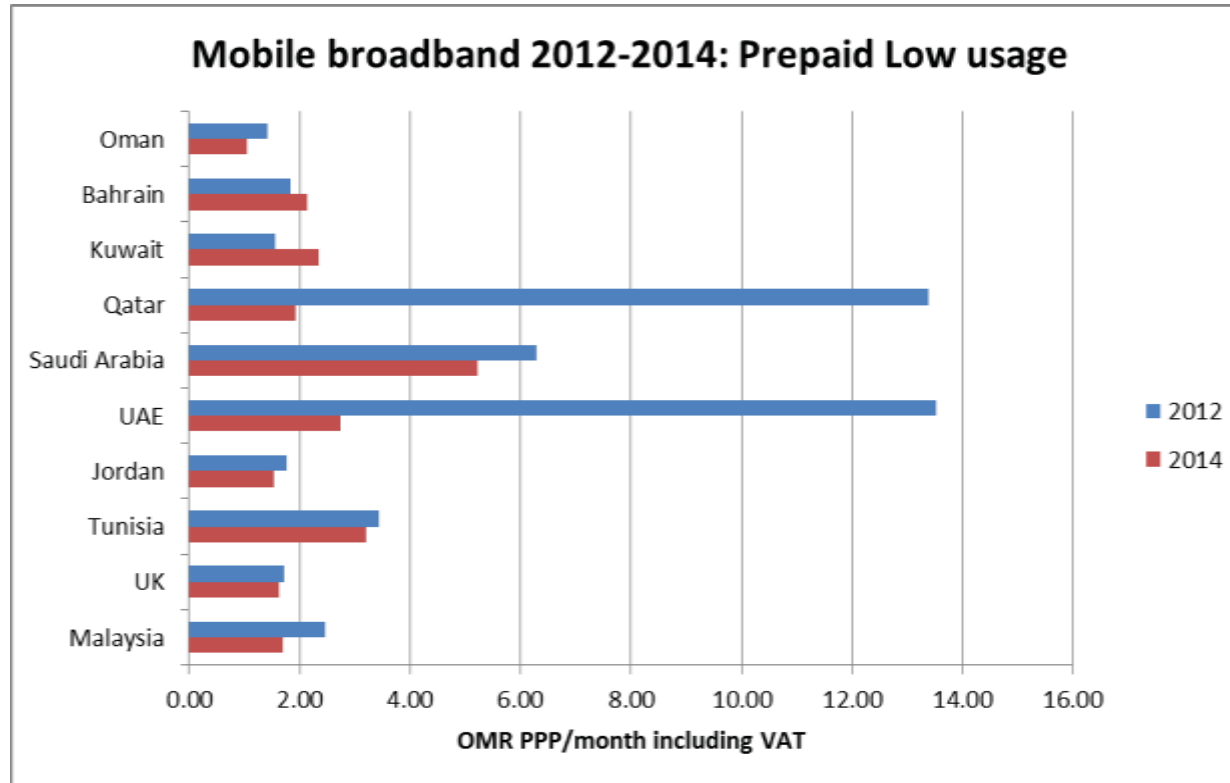


# Mobile broadband: High usage, post-paid



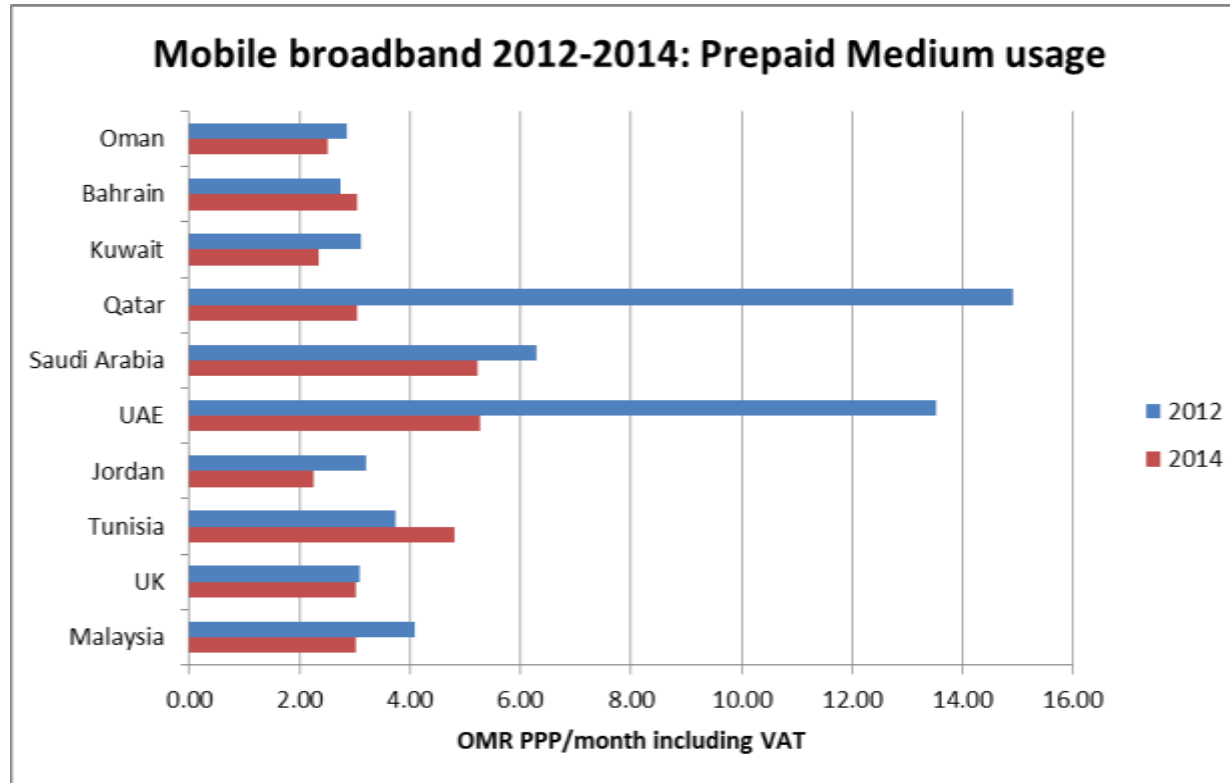
Includes post-paid tariffs only.

# Mobile broadband time series: Prepaid low usage



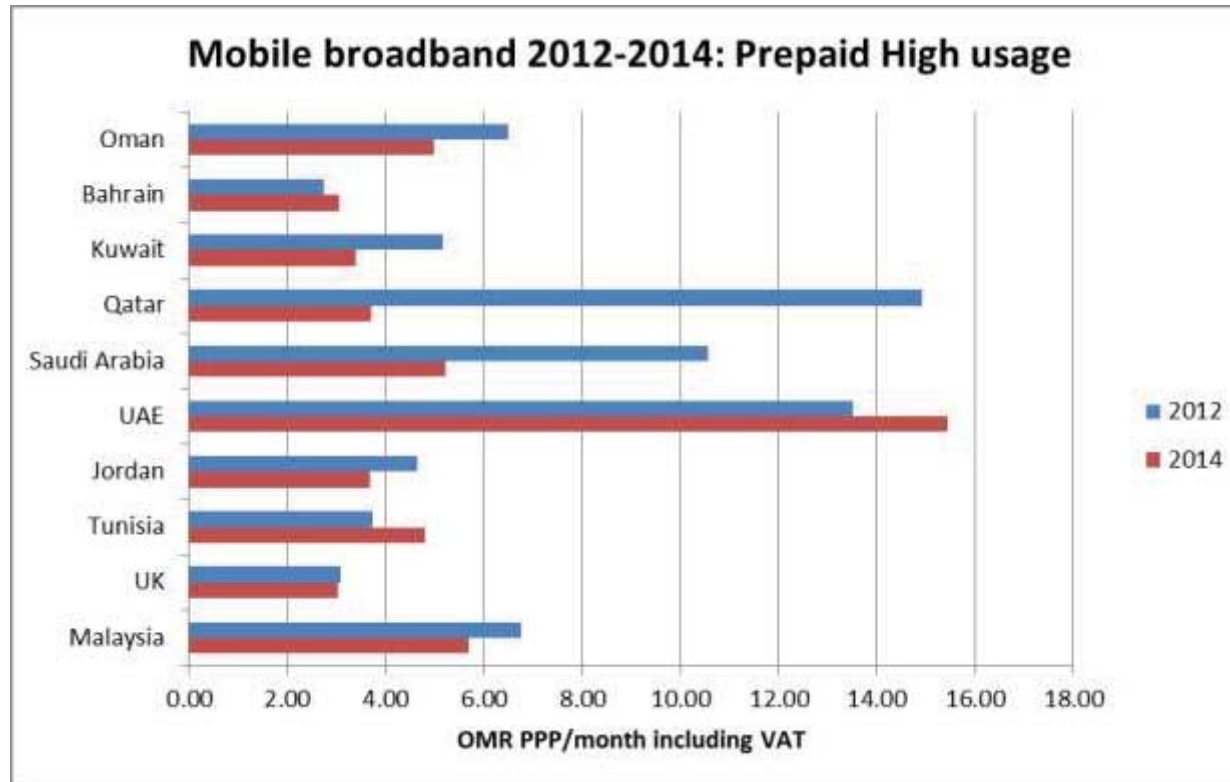
Includes pre-paid tariffs only.

# Mobile broadband time series: Prepaid medium usage



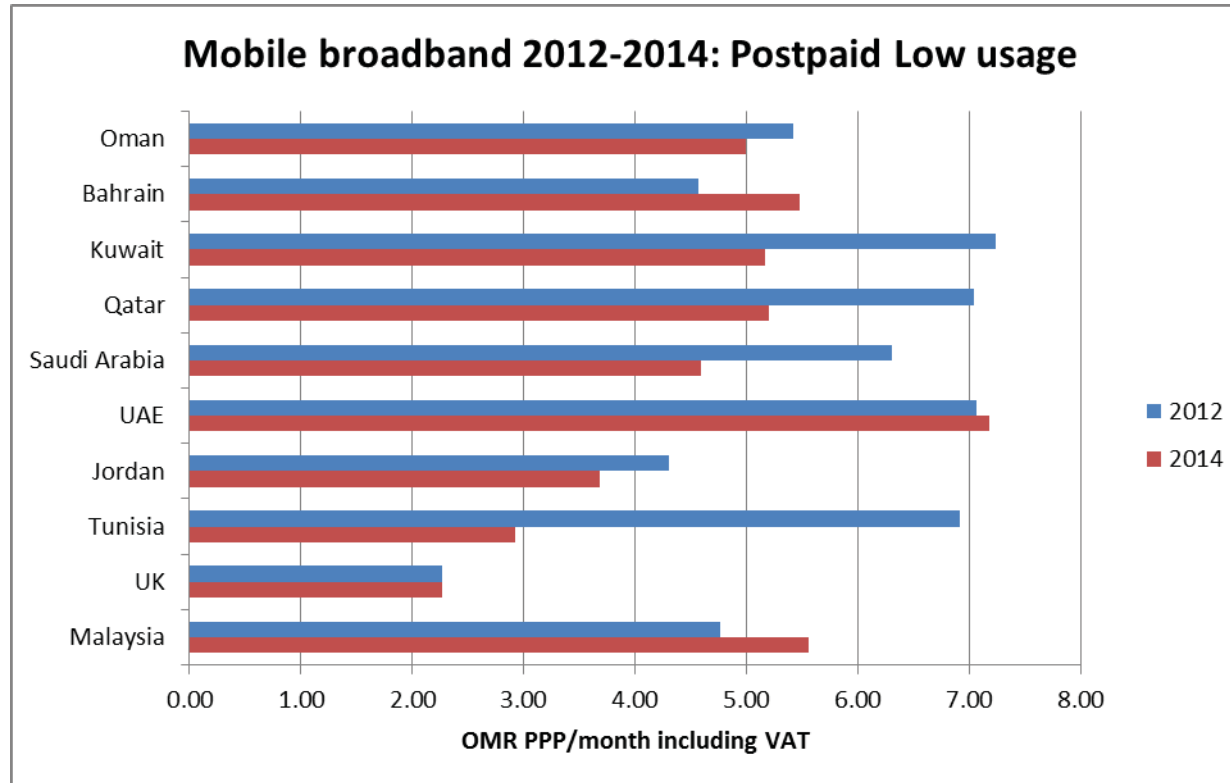
Includes pre-paid tariffs only.

# Mobile broadband time series: Prepaid high usage



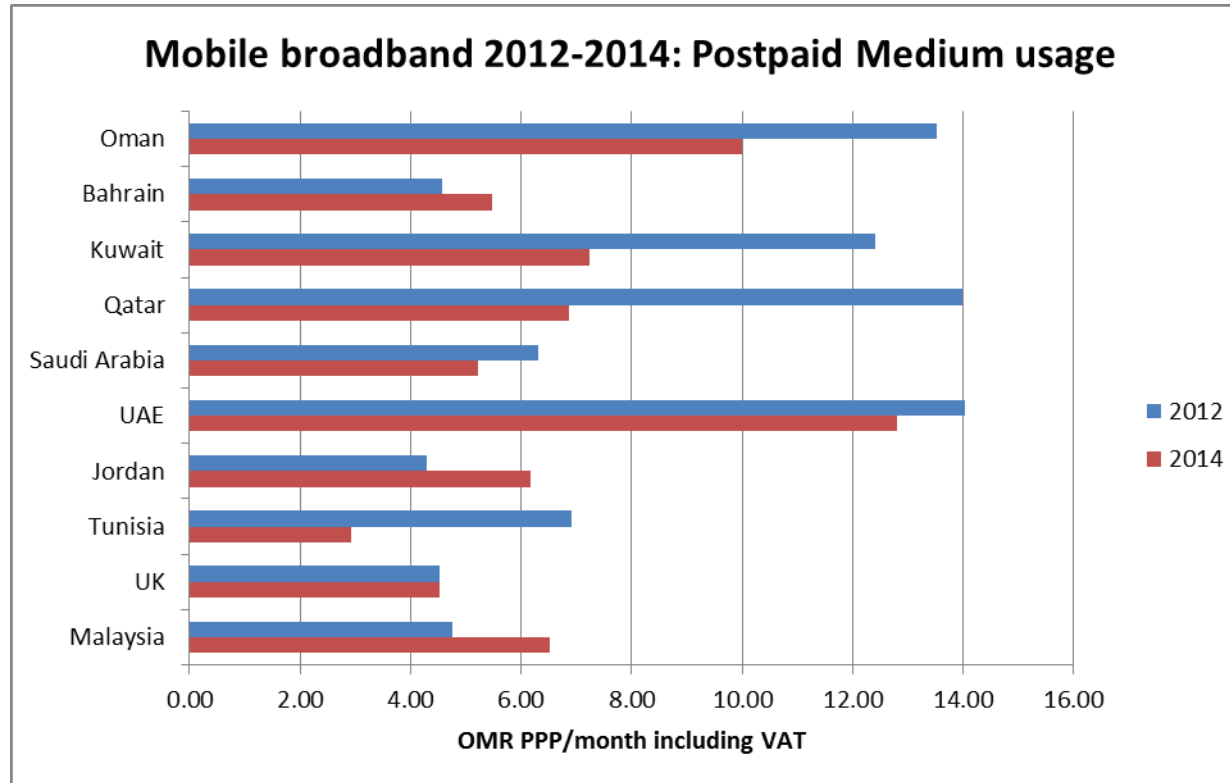
Includes pre-paid tariffs only.

# Mobile broadband time series: Postpaid low usage



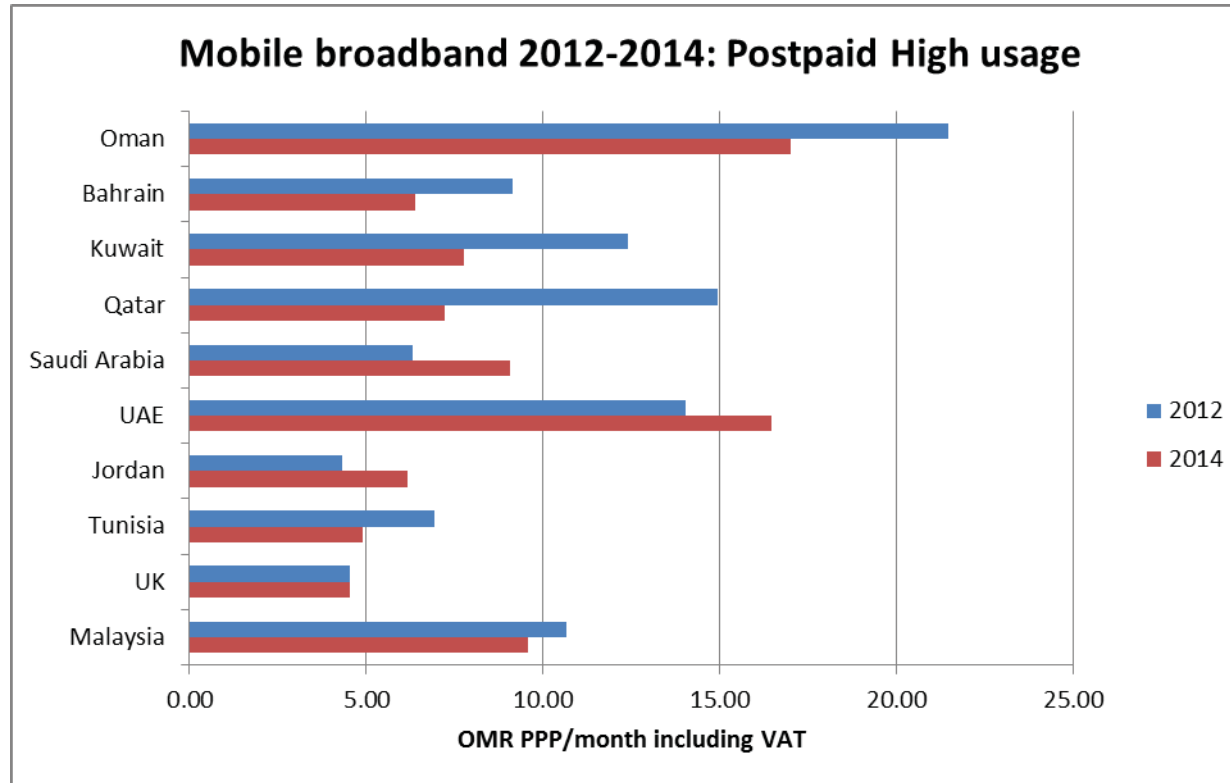
Includes post-paid tariffs only.

# Mobile broadband time series: Postpaid medium usage



Includes post-paid tariffs only.

# Mobile broadband time series: Postpaid high usage



Includes post-paid tariffs only.



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority

# Appendix



# Exchange rates and VAT

Country	VAT		Exchange rate into US\$	Exchange rate into OMR	National currency	PPP rate into US\$
Oman	0.0%	OMR	2.6047	1.0000	1	5.2094
Bahrain	0.0%	BHD	2.6654	1.0233	1	4.7596
Kuwait	0.0%	KWD	3.5535	1.3643	1	5.3841
Qatar	0.0%	QAR	0.2749	0.1055	1	0.3872
Saudi Arabia	0.0%	SAR	0.2667	0.1024	1	0.5556
UAE	0.0%	AED	0.2723	0.1045	1	0.3782
Jordan	16.0%	JOD	1.4166	0.5439	1	3.2195
Tunisia	18.0%	TND	0.5953	0.2285	1	1.5264
UK	20.0%	GBP	1.7156	0.6587	1	1.5739
Malaysia	5.0%	MYR	0.3122	0.1199	1	0.6938

Exchange rates taken from the Oanda web service on the 3 July 2014  
 PPPs are calculated from the US\$ PPP rates published by the World Bank in 2013.

# Purchasing Power Parities (PPP)

- PPPs are used to incorporate not only the financial differences between exchange rates, but also the differences in the state of the economies as seen through the purchasing power of the citizens in each country.
  - PPPs are based on an assessment of the price levels for a corresponding basket of goods and services in each country. i.e. how much the same basket costs in different countries.
  - PPPs are normally stated based on the US\$ or some other reference currency, e.g. Euro. This study uses the US\$ PPPs calculated by the World Banks in 2007 (latest available).
- In order to update these values the Comparative Price Level (CPL) is used. CPL is the relationship between the PPP and the reference market exchange rate at the time the PPP was calculated.
  - CPL is used together with updated, i.e. current, exchange rates to produce an “updated” PPP value.
  - $CPL = \text{Rate}_{\text{PPP}} / \text{Rate}_{\text{Reference}}$
  - $\text{PPP}_{\text{Current}} = \text{Rate}_{\text{Market}} * CPL$
- The advantage of using PPPs is that the results reflect the price differences of similar services as seen by the end users in each country based on their income and other costs.
  - PPP should not be used when comparing prices experienced by international travellers. This study does not cover such services.

# Acronyms used in the context of this report

- OECD: Organisation of Economic Co-operation and Development
- OECD countries: Australia, Austria, Belgium, Canada, Czech Rep., Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Rep., Spain, Sweden, Switzerland, Turkey, UK, USA
- VAT: Value Added Tax, a consumption tax system used in most European countries and some Arab countries.
- PPP: Purchasing Power Parity, exchange rates adjusted for the purchasing power of consumers in each country. Used in international comparisons to adjust for market differences. This study uses data from the World Bank.
- CPL: Comparative Price level. The relative factor between market exchange rates and PPP. Used to calculate the PPPs from current market exchange rates.
- Service: A telecommunications service
- Basket: A theoretical usage profile describing the usage volumes across different types of calls and/or different kinds of usage. The basket includes all important elements of the service, including fixed cost elements.
- Tariff: The description of all the end user prices related to a service
- Tariff element: The part of a tariff describing the price(s) for a single type of call or service component.
- Basket calculation: The process where the Basket is applied to the individual tariff in order to calculate the cost of the individual tariff elements and the overall cost.
- Basket result: The cost of using the service as described in the Basket.
- Re-balancing: The process through which the prices are changed so that individual Tariff elements will cover their own cost, and not subsidise other Tariff elements.