سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q2, 2017

Competition and Tariffs Unit

Table of Content

➢ Introduction

We are pleased to present Q2 2017 Report on the Indicators of Telecom Sector of Oman. The TRA has been compiling and publishing this Report on quarterly basis to provide brief market intelligence on Telecom Sector to all interested parties including investors, consumers, and the licensees. The Quarterly reports provide a brief update on the status of major telecom services in the Sultanate of Oman. These reports cover voice and data services for both fixed and mobile segments.

The quarterly reports are compiled collecting data from the telecom service providers operating in Oman. The TRA would like to acknowledge and appreciate the service providers' cooperation and support for providing data to TRA, which helped in preparing this report and disseminating the information contained in it. Sometime the source data is delayed by the licensees, which ultimately cause delays in publishing the report. We hope the publication timing will improve in future with the cooperation of service providers.

Comments and suggestions from the users of these reports are welcome for improvement of the contents and structure of the reports.

TRA also publishes this report on its website **(www.tra.gov.om).**

➢ Disclaimer

The TRA tries its best to ensure accuracy of the information provided in this report. However, the users of any information contained in this report are advised to perform their own due-diligence to assess accuracy and relevance of the information and use it at their own risk and responsibility. Since the data is provided by the licensees, the TRA shall not assume any responsibility for any loss, damage, and cost or expense whether direct, indirect, or consequential, suffered by any person using or relying on this information whether caused by reason of any inaccuracy, error, omission or misinterpretation.

Major Market ObservationsQ2, 2017

- As per the Monthly Statistical Bulletin of June 2017 which was published by NCSI, the population of the Sultanate reached to 4,614,822 inhabitants .

- The total number of households are reported as 575,000 by end of 2015 as per the NCSI estimation.

The penetration of different services stood at the following levels at the second quarter of 2017:

- Fixed line: 10.08% of inhabitants
- Mobile subscriptions: 154.46% of inhabitants
- Fixed internet: 54.77% of households.

The Active Mobile Broadband Subscribers reached to 94% of inhabitants by the Q2/2017 with the total active subscribers of 4,330,108 .

The Blackberry Subscribers represent 0.22% of the total Mobile Subscribers base at the end of Q2/2017.

During the Q2/2017, the TRA received and approved:

- 56 new and revised Tariff Plans.
- 17 promotional tariff offers

TRA type approved 550 telecom equipments, and issued 35 authorizations for importing equipments. In addition, TRA Issued 495 releases to customs for importing telecom equipments during Q2/2017.

TRA carried out 38 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q2, 2017

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	464,989	314,921	7,128,135
Penetration rate[1]	80.87% of household	54.77% of household	154.46% of inhabitant
Revenue (Mln.RO)	36.947	27.851	154.46%
International Outgoing Voice Minutes (mln),	6.263	NA	202.042
ARPU[2] **(RO)**	4.4	29.4	6.84
Service Providers	Omantel, Ooredoo, Teo, Connect Arabia International	Omantel, Ooredoo, Awasr	Oman Mobile, Ooredoo, Friendi, Renna, Teo

[1]Note: Penetration rate is the number of subscriptions per 100 inhabitants/households. The Q2/2017 penetration rates are calculated based on the population (4,614,822), as per the latest bulletin published by NCSI – June 2017. Households: 575,000 (as per the NCSI estimation for year 2015).

[2] ARPU (the average revenue per user per month). The Fixed ARPU is based on revenue for the fixed telephone lines (post-paid and prepaid).

[3]Household figure used is 575,000 as per NCSI estimation during the year 2015.

	Q2/2017	Q1/2017	% Change
Population	4,614,822	4,586,941	0.60
Households[3]	575,000	575,000	-

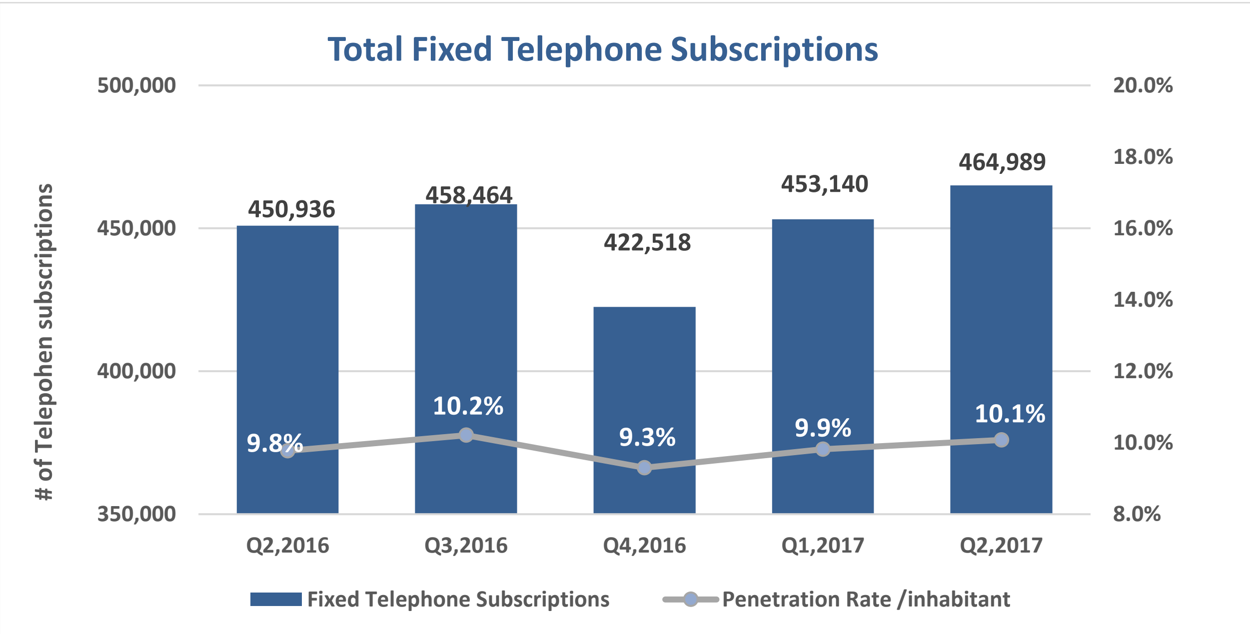
Fixed Telephone Service

Type of Service	Q2/2017	Q1/2017	% Change
Fixed Telephone Subscriptions:			
1.1 Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	306,399	302,660	**1.2%**
1.2 VoIP Subscription	105,055	97,437	**7.8%**
1.3 WLL Connections	1,636	1,609	**1.67%**
1.4 ISDN Channels (Equivalent DELs)*	45,098	44,633	**1.04%**
1.5 Public Telephone – Payphones	6,801	6,801	**0.0%**
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**464,989**	**453,140**	**2.6%**
Fixed Line Penetration per 100 Inhabitant	**10.08%**	**9.9%**	**0.18%**
Fixed Line Penetration Per 100 Household	**80.87%**	**78.8%**	**2.07%**

Note: The Q2/2017 penetration rate has been calculated based on:

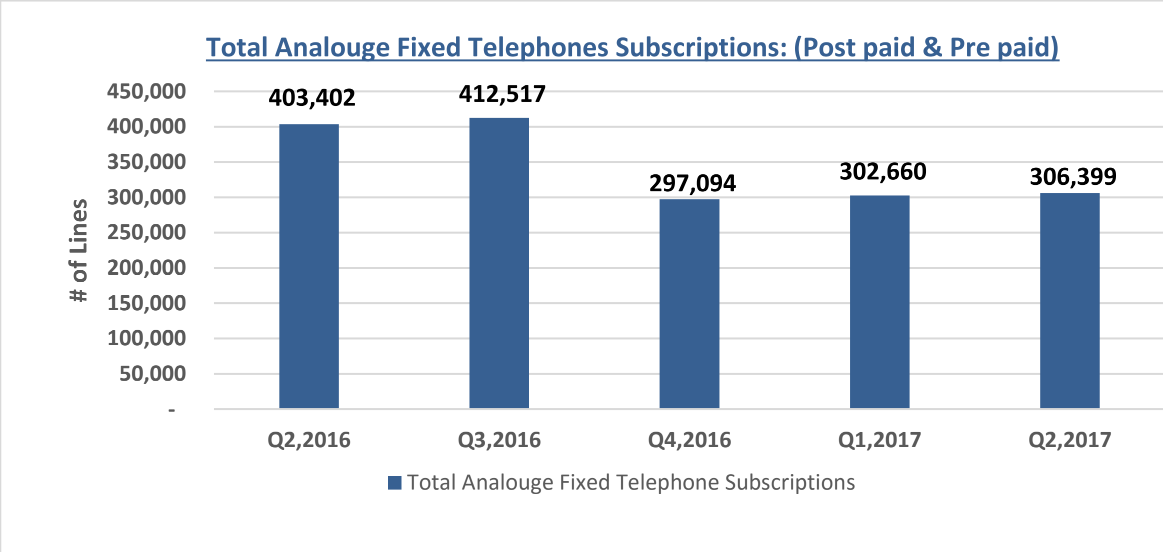
- ➢ The population of (4,614,822), as per the latest bulletin published by NCSI – June 2017.
- ➢ Households: 575,000 (as per the NCSI estimation during year 2015).

- ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.

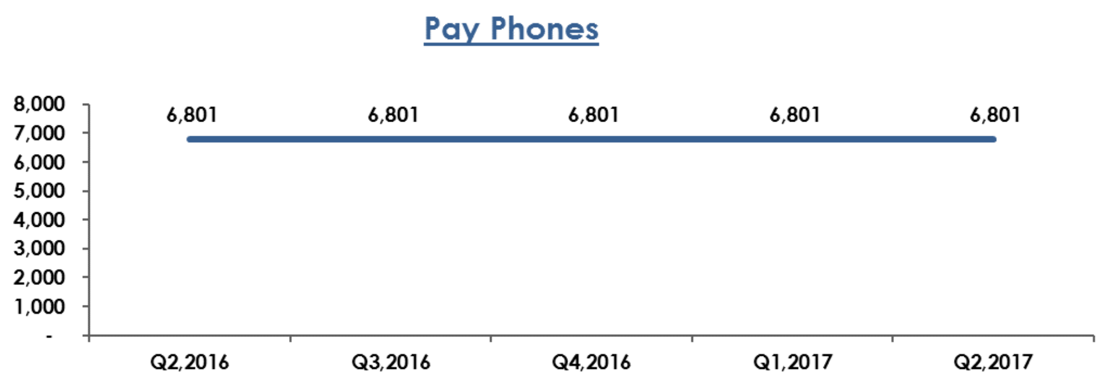


- ➢ During Q2/2017, the Fixed Telephone subscriptions were reported as 464,989 showing 2.6% growth.

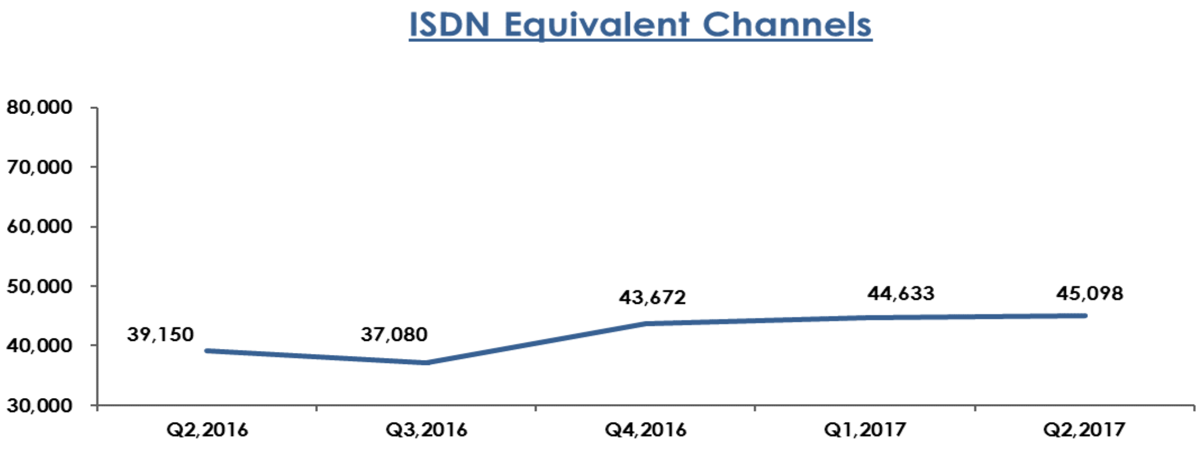
- ➢ The penetration rate per inhabitant of the fixed telephone subscriptions slightly increased by 0.18% compared to the last quarter. The penetration rate per household increased by 2.07%.



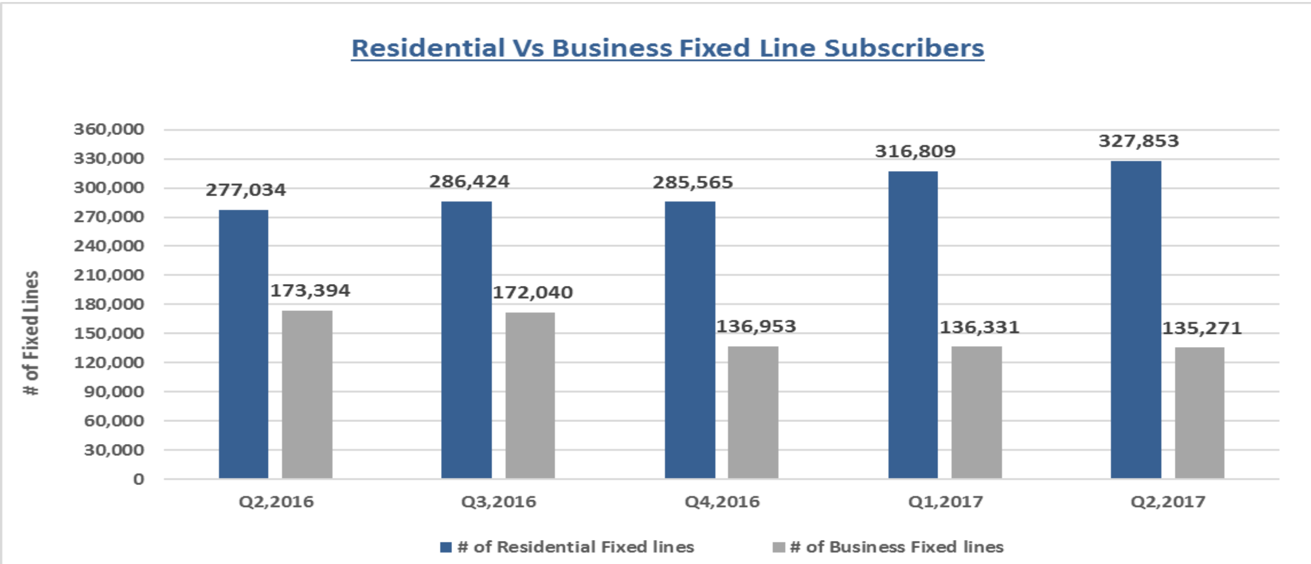
- Total analogue postpaid and prepaid fixed telephone subscriptions increased during Q2/2017 by 1.2%.



- Public payphones remained unchanged since last year with the 6,801 pay phones in service. These payphones are being kept as a license obligation.



- The ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces. During the Q2/2017, the ISDN equivalent channels increased by 1.04% reaching 45,098 channels.



- During the Q2/2017, the Business Fixed line subscriptions decreased slightly by 0.77%, while residential fixed line subscribers increased by 3.48% as compared to the previous quarter.
- The split between fixed residential and business lines stood at 70.8% and 29.2% respectively in Q2/2017.

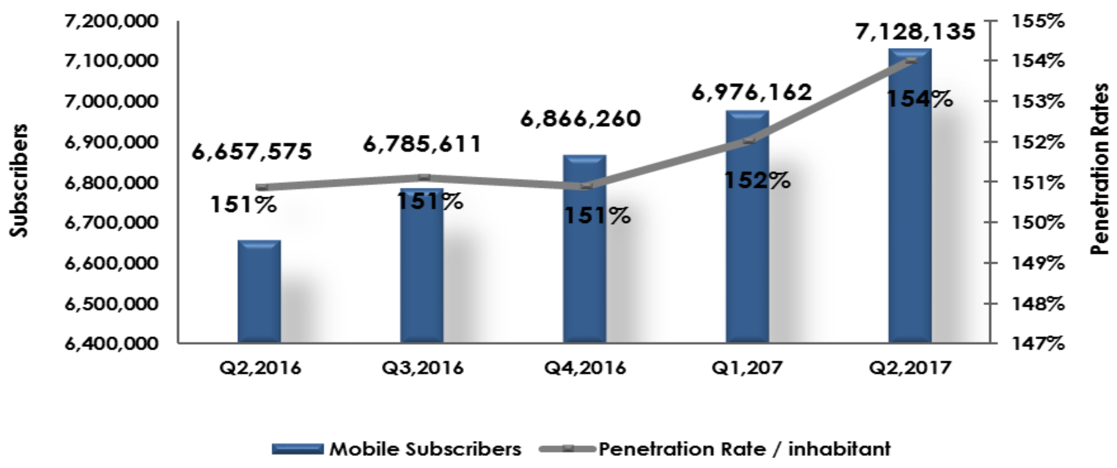
Mobile Service

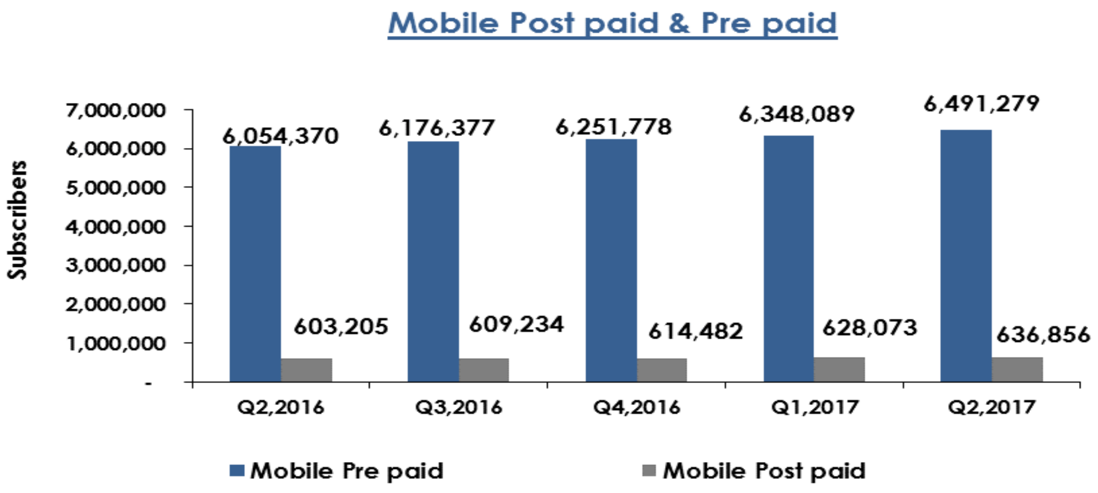
Mobile Subscribers	Q2/2017	Q1/2017	% change
1 Post Paid			
1.1 Operators	636,856	628,073	**1.39%**
Total Postpaid Subscribers	**636,856**	**628,073**	**1.39%**
Prepaid			
2.1 Operators	5,270,935	5,166,759	**2.01%**
1.2 Resellers	1,220,344	1,181,330	**3.3%**
Total Prepaid Subscribers	**6,491,279**	**6,348,089**	**2.26%**
Total Mobile Subscribers: (1+2)	**7,128,135**	**6,976,162**	**2.18%**
Mobile Penetration/100 Inhabitant	**154.46%**	**152%**	**2.46%**
BlackBerry Subscriptions			
3.1 Post Paid	2,786	3,136	**-11.16%**
3.2 Pre-Paid	13,348	17,152	**-22.18%**
Total BlackBerry Subscribers (3.1+3.2)	**16,134**	**20,288**	**-20.48%**
% of BlackBerry Mobile Subscribers of total Base in Oman	**0.22%**	**0.29%**	**-0.07%**

- **Note: The Q2/2017penetration rates are calculated based on the population (4,614,822), as per the latest bulletin published by NCSI – June 2017.**

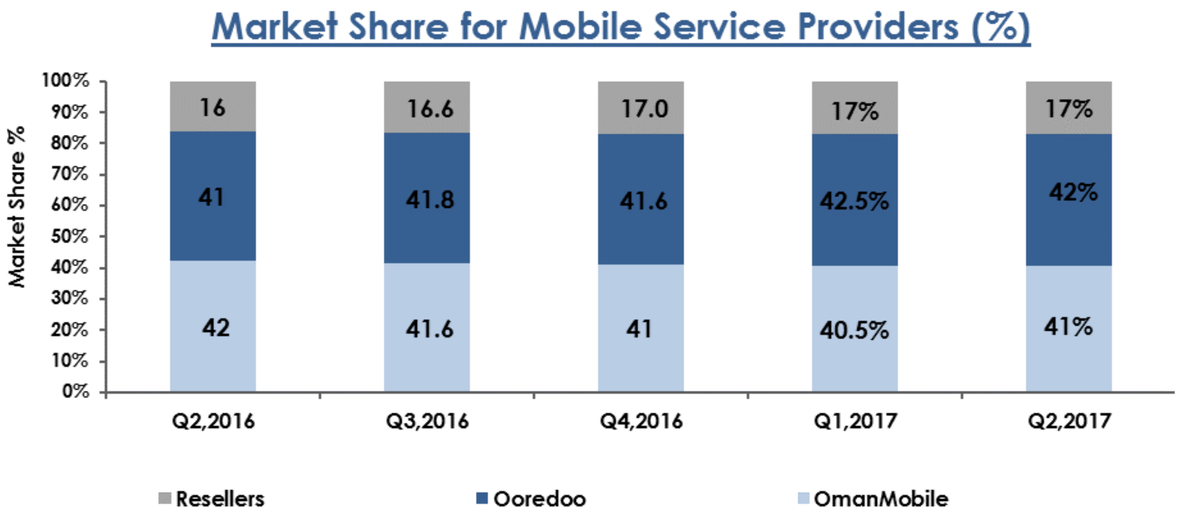
➢ The total mobile subscribers increased by 2.46% during the Q2/2017 achieving a total of 7,128,135 subscriber base. The mobile penetration increased by 2.46% in Q2/2017.

Mobile Subscribers





- Post-paid mobile subscribers reached to the figure of 636,856 with 1.39% growth over the previous quarter.
- Prepaid mobile subscribers increased by 2.26% reaching to 6,491,279 subscribers.

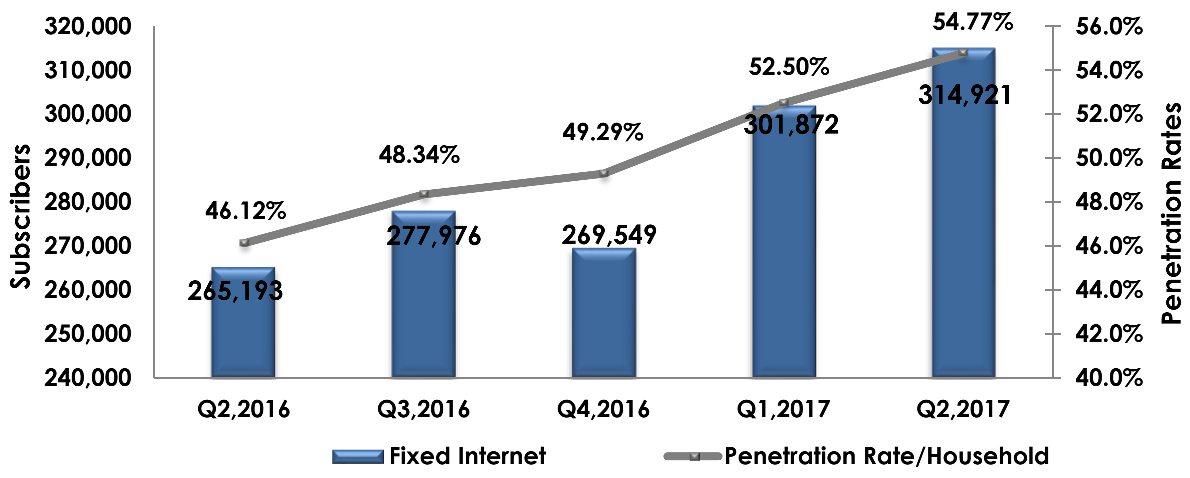


Internet Services

Type of Service	Q2/2017	Q1/2017	% change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscribers	2,507	2,521	**-0.55%**
1.2 Internet Leased Lines(Narrowband)	30	32	**-6.25%**
***1.* Total fixed Narrowband Subscriptions : (1.1+1.2)**	**2,537**	**2,553**	***-0.62%***
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	**312,384**	**299,319**	**4.36%**
Total Fixed Internet Subscribers (1+2)	**314,921**	**301,872**	**4.32%**
Fixed Internet Penetration /100 Household	**54.77%**	**52.50%**	**2.27%**
Fixed Broadband Subscribers Penetration/100 Household	**54.33%**	**52.06%**	**2.27%**
Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers	1,732,446	2,634,965	**-34%**
3.2 Standard mobile-broadband Subscribers	2,597,662	1,829,124	**42%**
Total Active Mobile Broadband Subscribers (3.1+3.2)	**4,330,108**	**4,464,089**	**-3%**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**94%**	**97%**	**-3%**

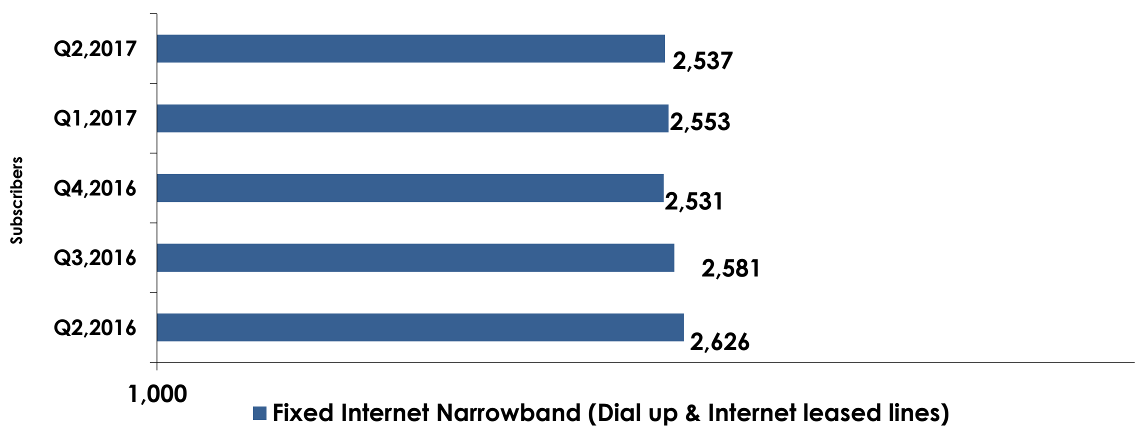
- **Note: The Q2/2017 penetration rate has been calculated based on the population (4,614,822), as per the latest bulletin published by NCSI – June 2017.**
- **Households: 575,000 (as per the NCSI estimation for year 2015).**

Fixed Internet Subscriptions (Dialup+Fixed Broadband)

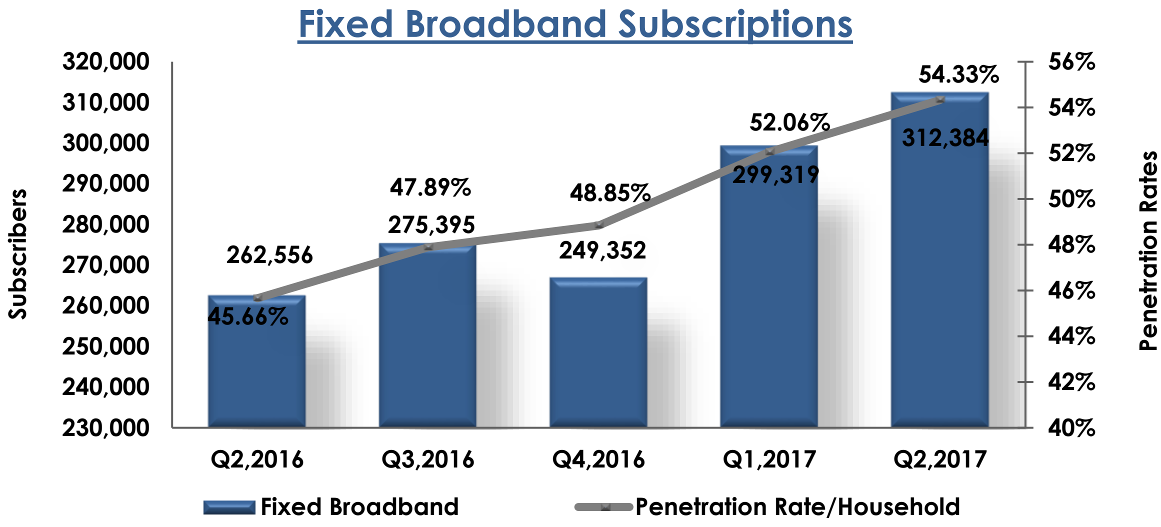


- The total fixed internet subscriptions increased by 4.32% during the second quarter 2017 reaching 314,921 subscriptions.
- During the reported quarter, the fixed internet penetration rate per household reached 54.77%, which is 2.27% higher than the previous quarter.

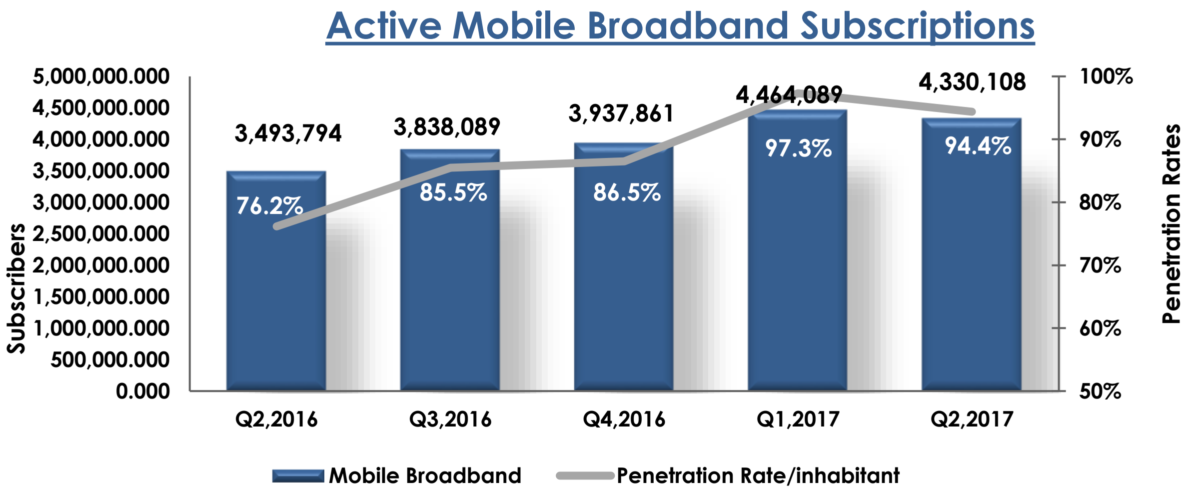
Fixed Internet Narrowband Subscriptions



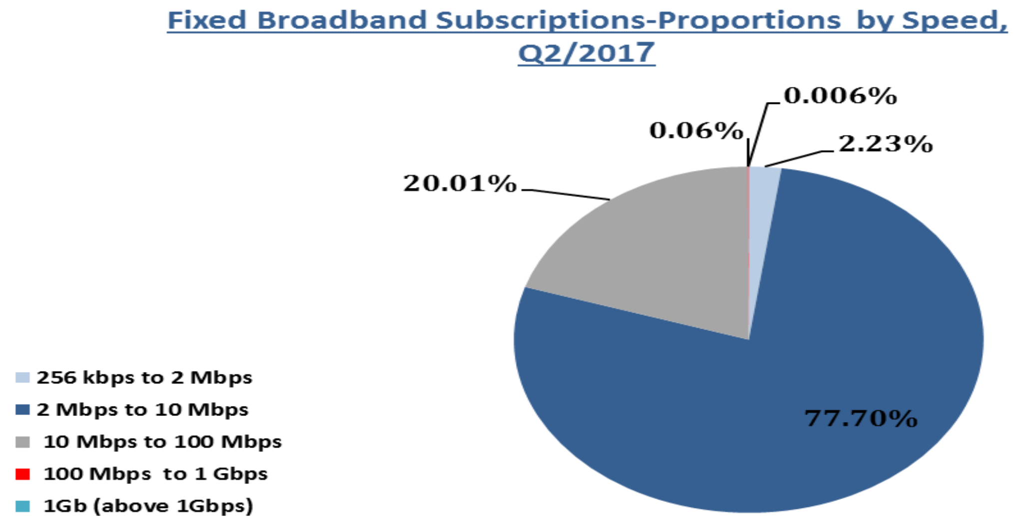
- During Q2/2017, fixed internet narrowband subscriptions decreased by 6.25% to 2,537subscriptions.



➤ During Q2/2017, Fixed Broadband subscriptions has experienced 4.36% growth over the previous quarter. Fixed Broadband subscription reached to 312,384 subscribers with penetration rate of 54.33% per household.

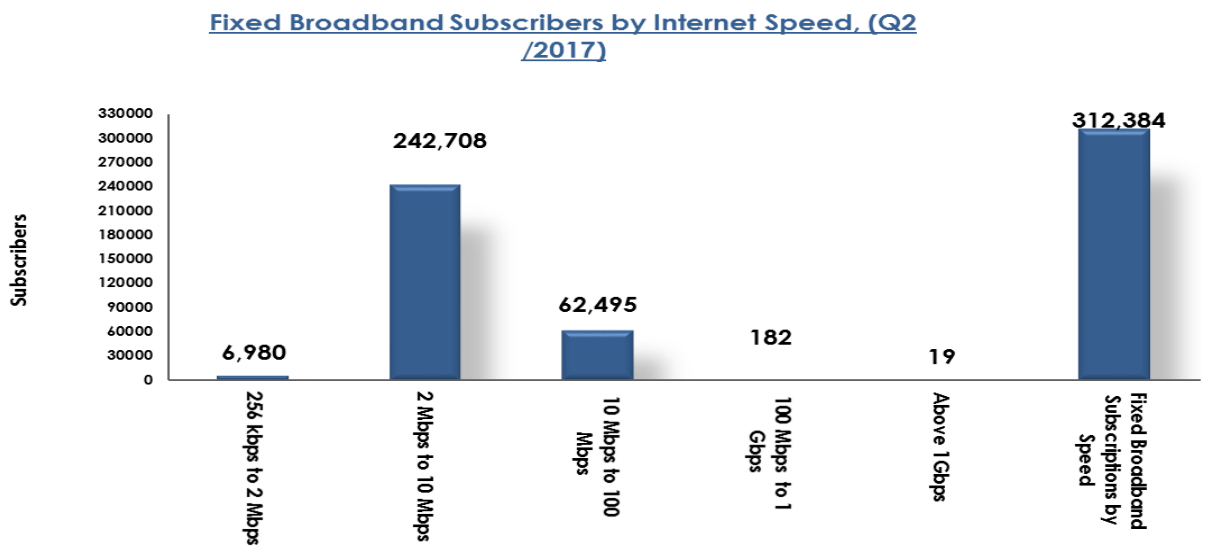


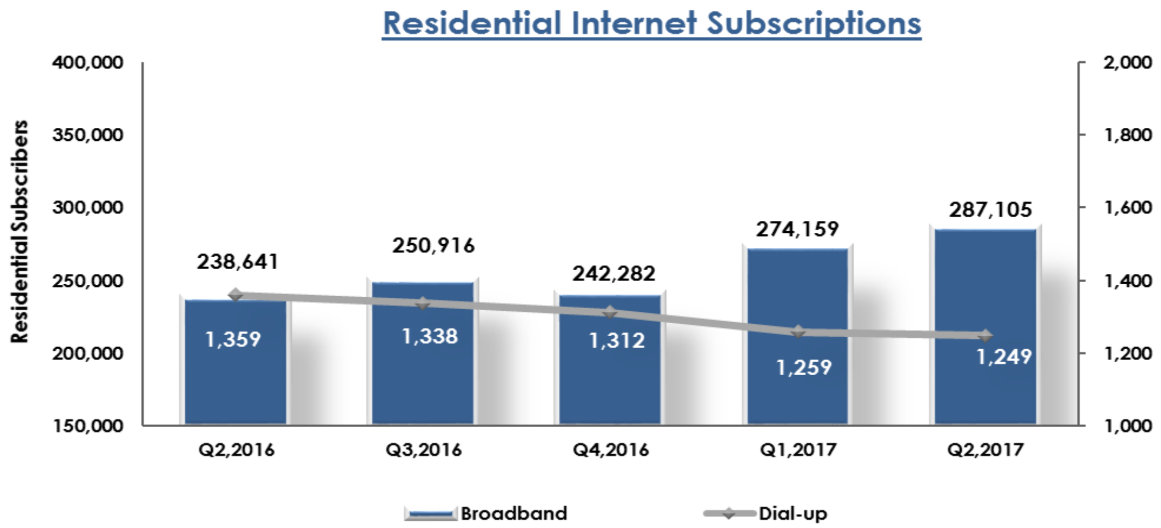
➤ During the second quarter 2017, total active mobile broadband subscribers declined by 3% reaching to 4,330,108 from 4,464,089. Also, the penetration rate decreased by 3% from 97% to 94.4% per inhabitant.



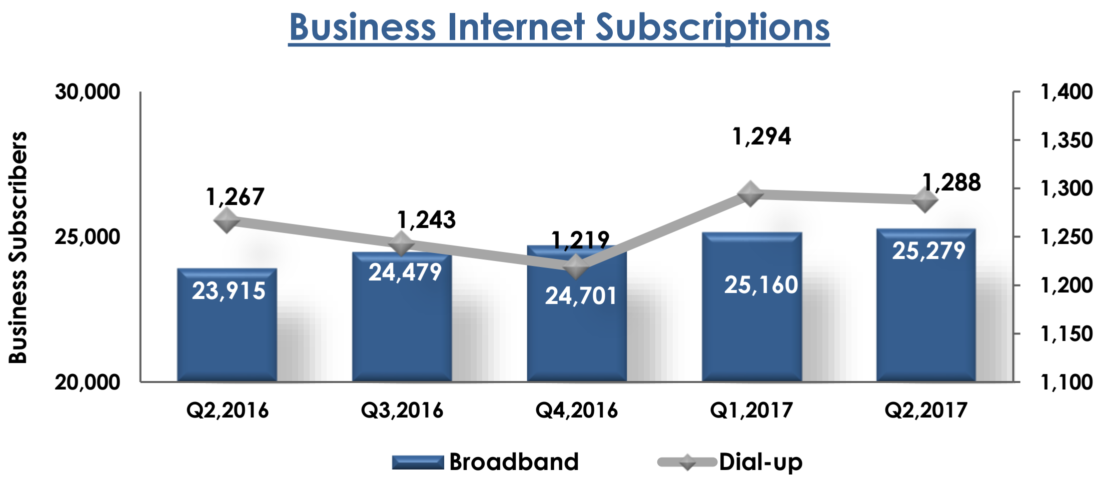
During Q2/2017,

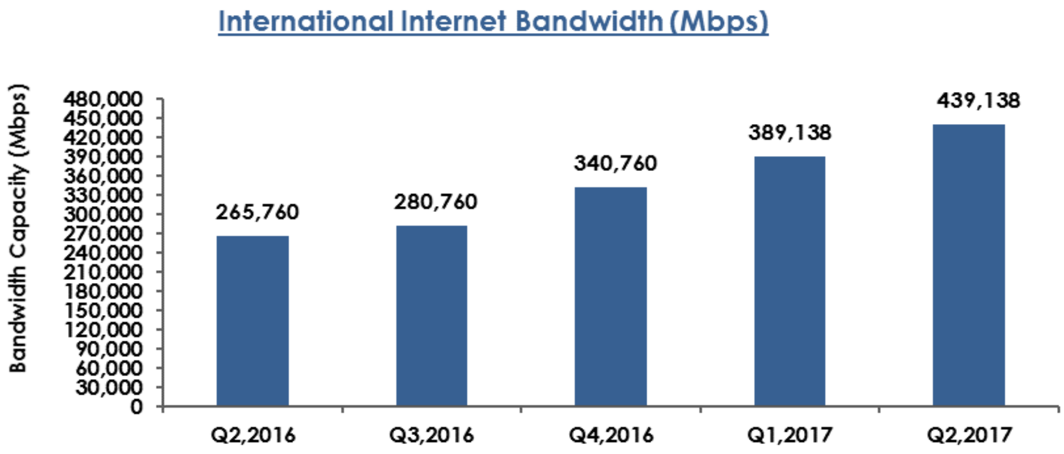
- 2.23% of fixed Broadband subscribers had access speed of 256 Kbps to 2 Mbps.
- 77.70% of fixed Broadband subscribers had access speed of 2 Mbps to 10 Mbps.
- 20.01% of fixed Broadband subscribers had access speed of 10 Mbps to 100 Mbps.
- 0.06% of fixed Broadband subscribers had access speed of 100 Mbps to 1 Gbps.
- 0.006% of fixed Broadband subscribers had access speed of more than 1Gbps.



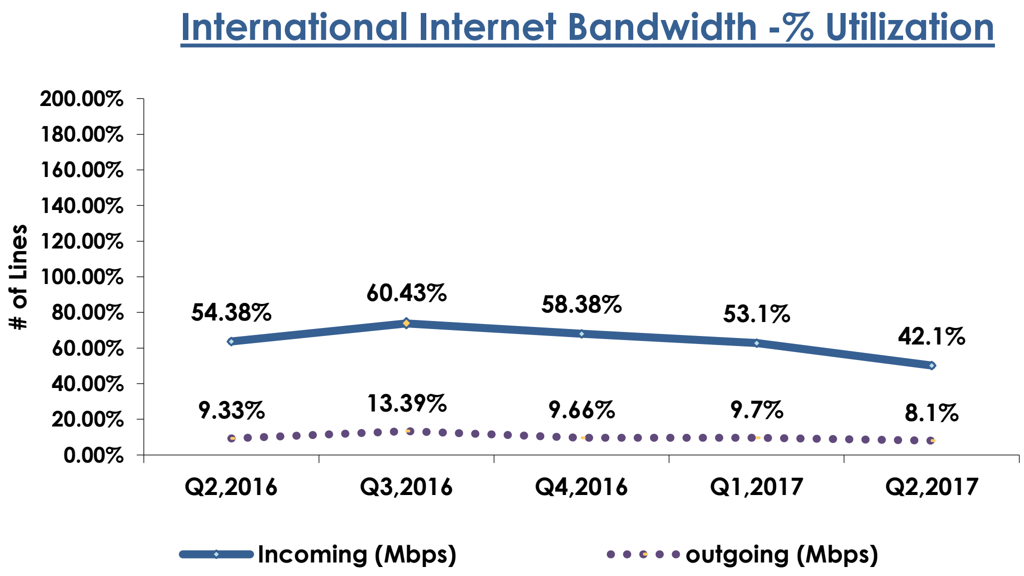


- The residential broadband subscribers in the above chart show an increase of 4.7% during Q2/2017. On the other hand, the residential dial up subscribers declined by 0.79% over the same period.
- The below chart presents a growth in the business broadband subscriptions by 0.47% while the business dial-up declined by 0.46% during the same period.



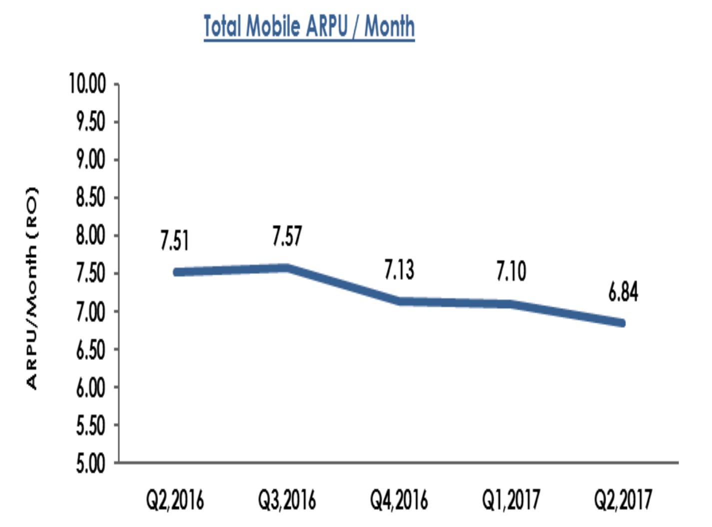


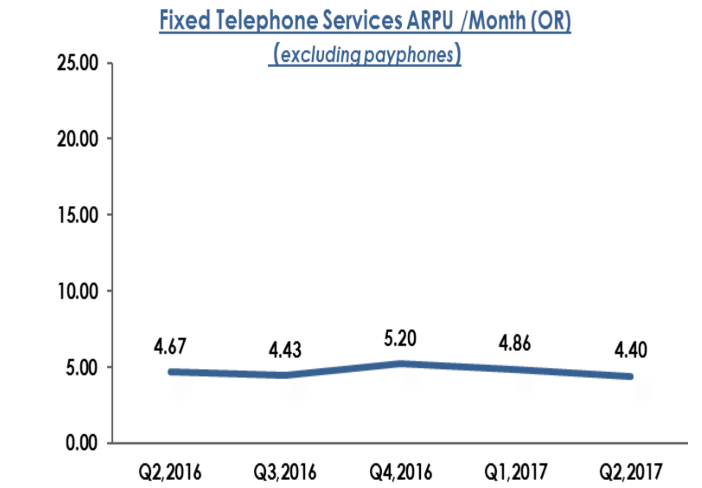
➢ During the Q2/2017, the operators had 439,138 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 389,138 Mbps.

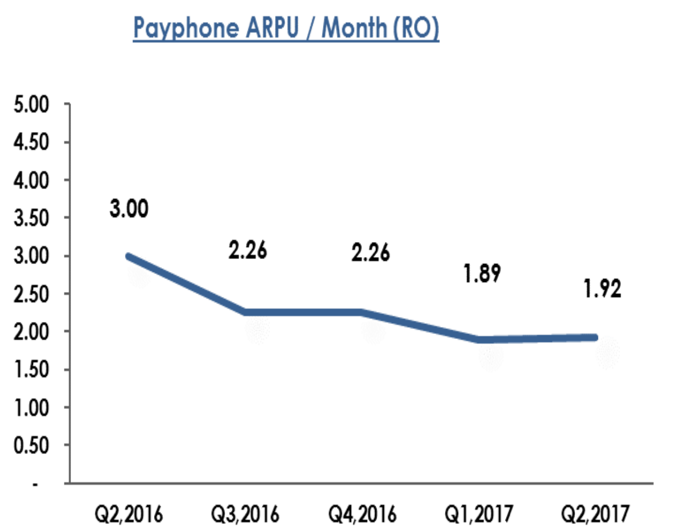


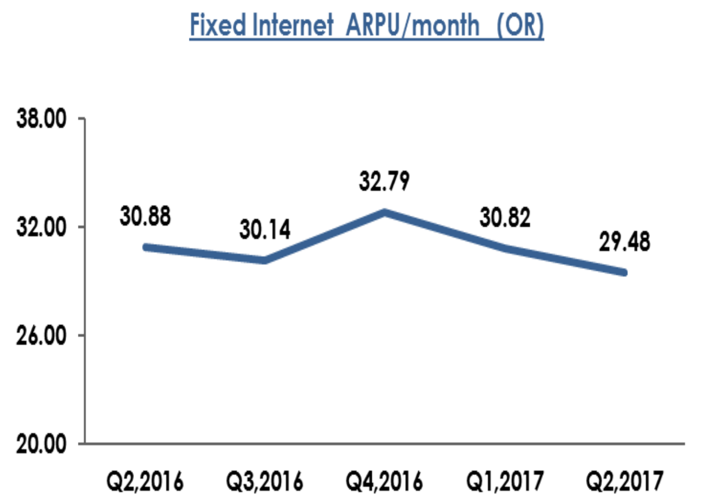
➢ Out of 439,138 Mbps capacity, on average 8.1% was utilized for the outgoing and 42.1% for the incoming traffic.

ARPUs



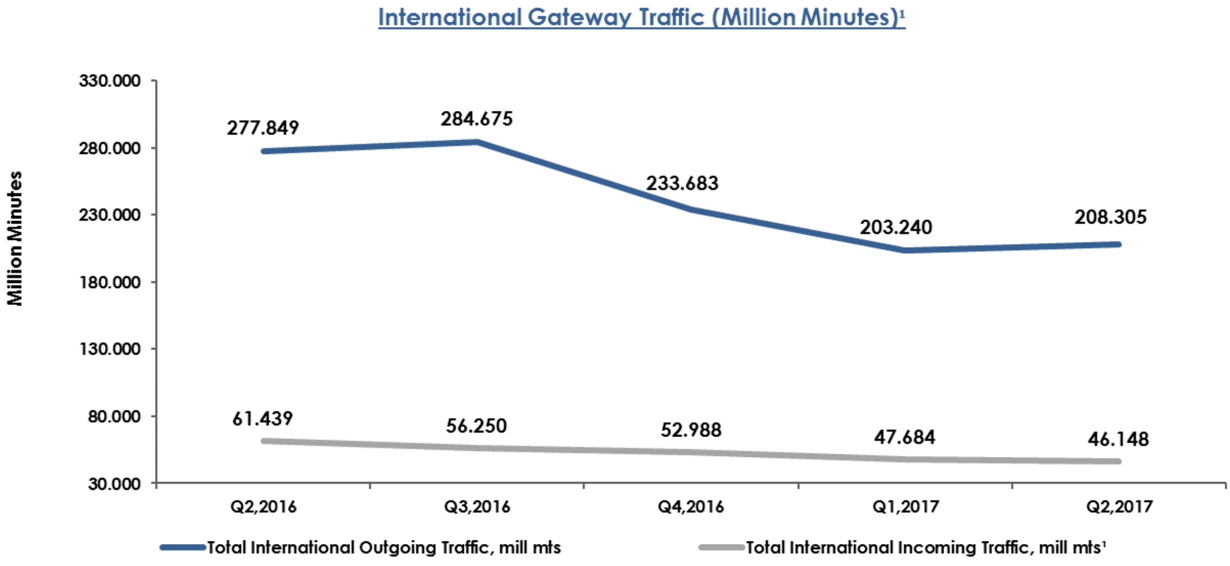




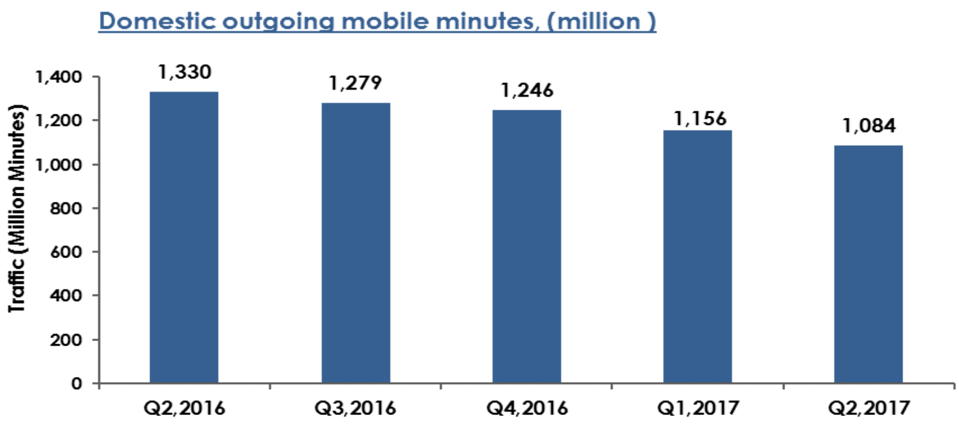


[1] **ARPU (the average revenue per user)**

Traffic

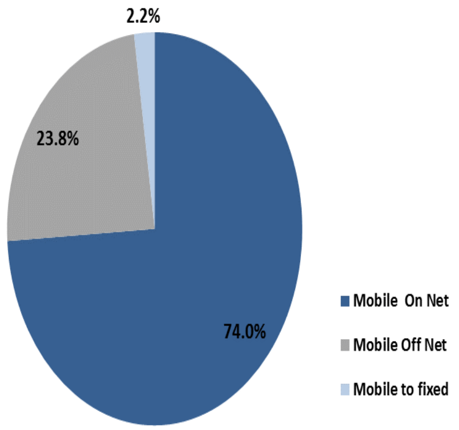


- The Q2/2017 experienced increase in the outgoing international traffic by 2.49%, while the Incoming traffic declined by 3.2% during the same period.
- [1]***Note***: The figures pertaining to Q1&Q2/2017 are provisional because Ooredoo is upgrading its data warehouse and some issues remain un-resolved.



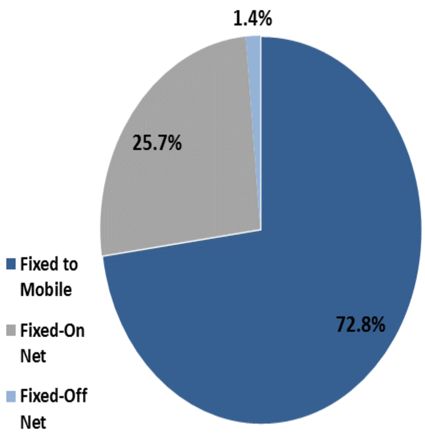
- During the second quarter 2017, the domestic mobile traffic declined by 6.2% to 1,084 million minutes from the previous quarter traffic of 1,156 million minutes.

% Distribution of domestic outgoing mobile minutes, Q2/2017



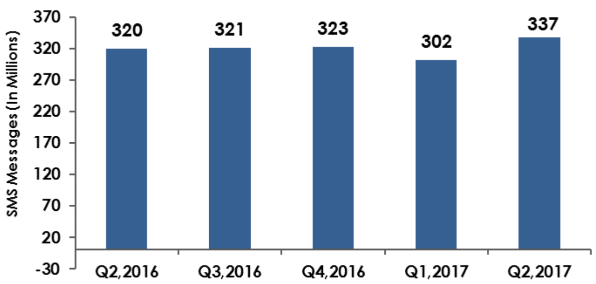
During Q2/2017, the mobile-to-mobile (On net) traffic had the major share of 74% out of the total domestic outgoing traffic, while the Off net mobile domestic traffic has 23.8% share. The Mobile to fixed Traffic represents only 2.2% of the total mobile domestic traffic.

% Distribution of domestic outgoing fixed minutes, Q2 /2017



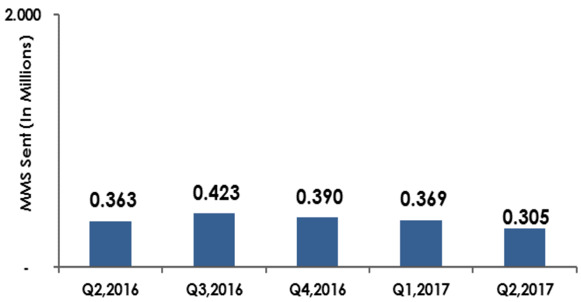
During Q2/2017, the domestic outgoing fixed traffic carries 72.8% for fixed to mobile, 25.7% for fixed to fixed (On-net), and 1.4% for fixed to fixed (Off-net) traffic share.

SMS Sent (In Millions), Q1/2017



Total outgoing SMS (short messages) Traffic increased to reach 337 million messages by the Q2/2017 from 302 million messages in the previous.

MMS Sent (In Millions),Q2/2017



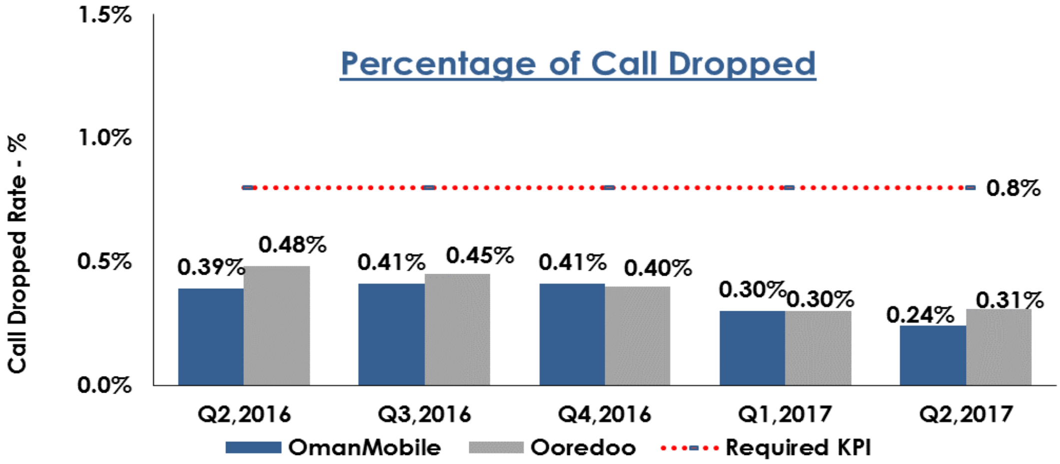
The number of outgoing MMS (multimedia massages) has been gradually decreasing since the last year reaching 0.305 million MMS by the end of Q2/2017.

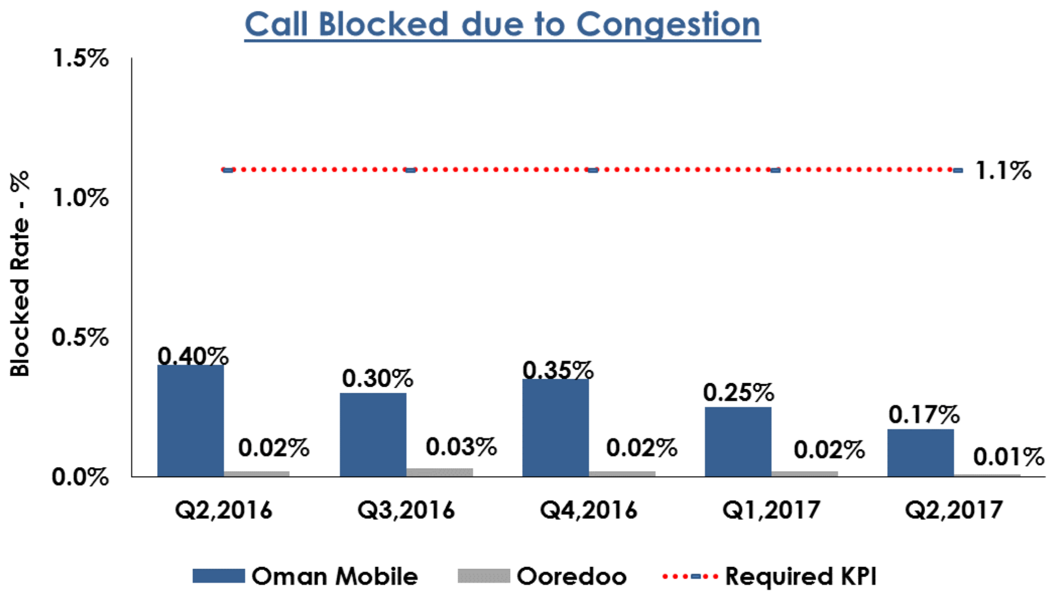
Quality of Service

QoS indicators are as measured and reported by the operators-unaudited)

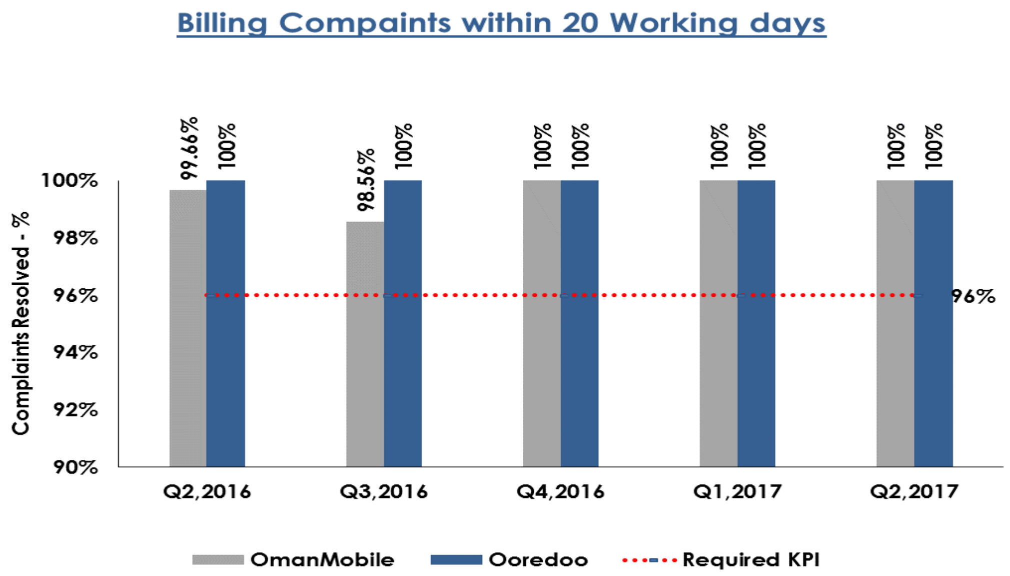
Mobile Services KPIs

Mobile Services KPIs	Required KPI (Quarterly)	Q2,2017		Q1,2017	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.24%	0.31%	0.30	0.30
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.17%	0.01%	0.25	0.02
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%





Call Blocked due to Congestion
1.5%
1.0%
0.5%
0.0%
Blocked Rate - %
1.1%
0.40%
0.02%
0.30%
0.03%
0.35%
0.02%
0.25%
0.02%
0.17%
0.01%
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Oman Mobile
Ooredoo
Required KPI

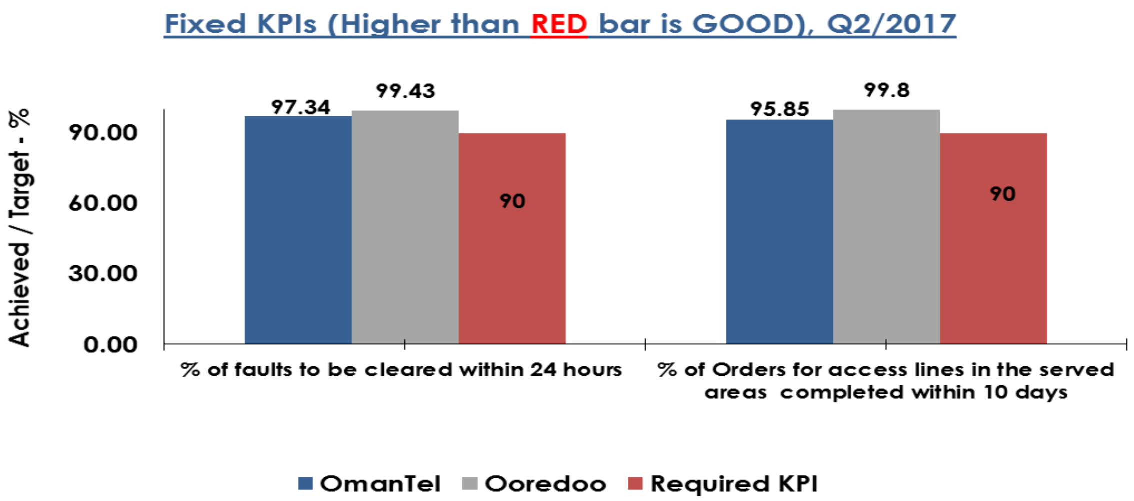


Billing Compaints within 20 Working days
100%
98%
96%
94%
92%
90%
Complaints Resolved - %
99.66%
100%
98.56%
100%
100%
100%
100%
100%
100%
100%
96%
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Q2,2017
OmanMobile
Ooredoo
Required KPI

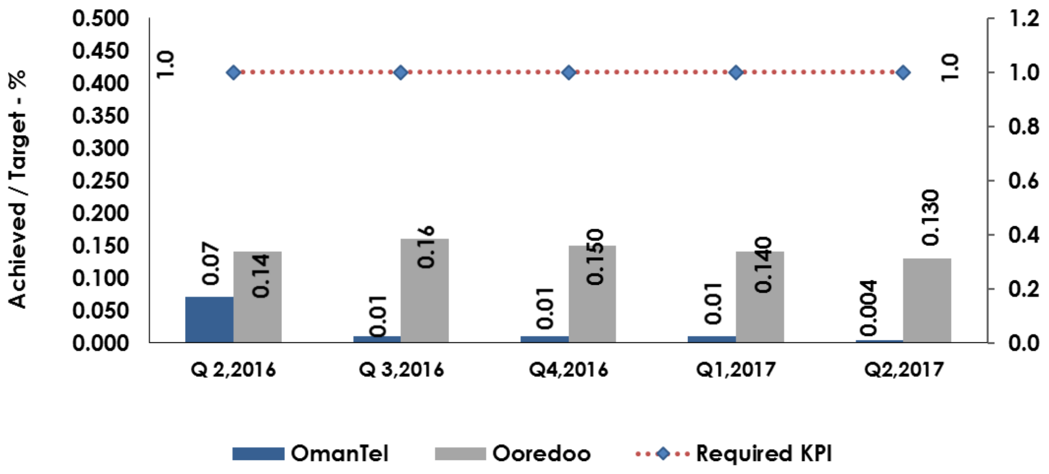
Fixed Services KPIs*

Fixed Services KPIs	Required KPI (Quarterly)	Q2/2017		Q1/2017	
		Omantel %	Ooredoo %	Omantel %	Ooredoo %
1. Faults per 100 lines per quarter	Less than 3	2.15	0.233	2.44	0.16
2. % of faults to be cleared within 24 hours	More than 90%	97.34	99.43	97.05	99.3
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.004	0.130	0.01	0.14
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	95.85	99.8	83.99	95.7
5. Billing complaints per 1000 Bills	Less than 1.5	0.26	0.66	2.44	0.262
6. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100

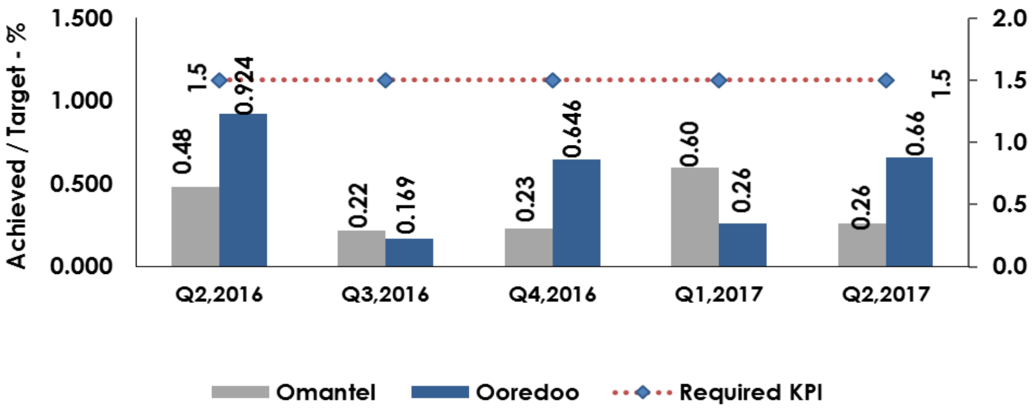
*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)



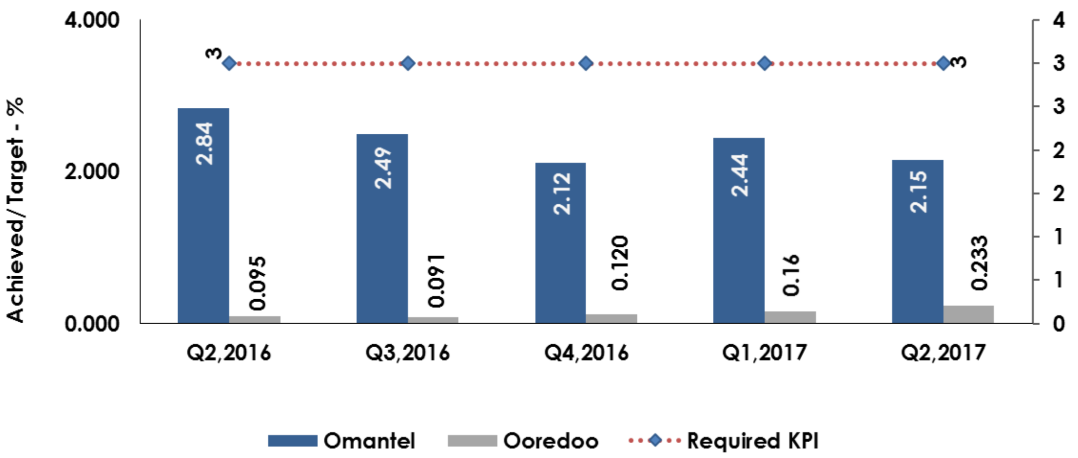
Unsuccessful call Ratio for local and national fixed calls



Billing complaints per 1000 Bills



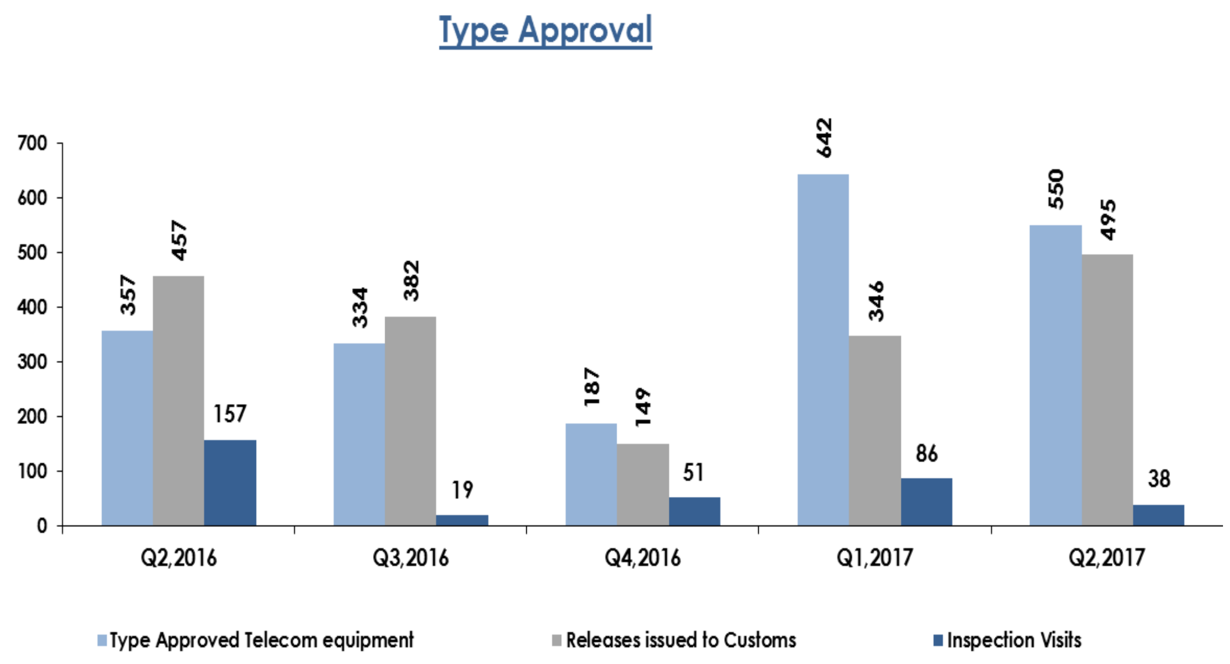
Faults per 100 lines

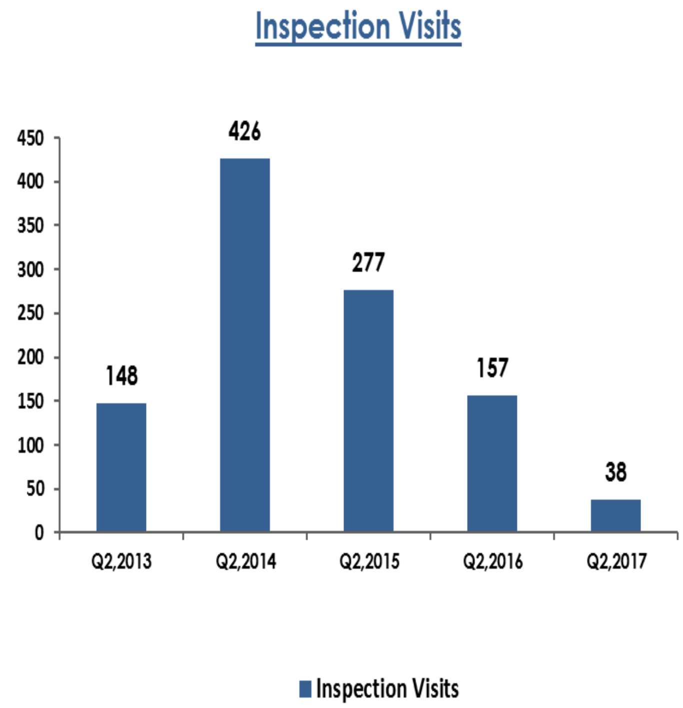


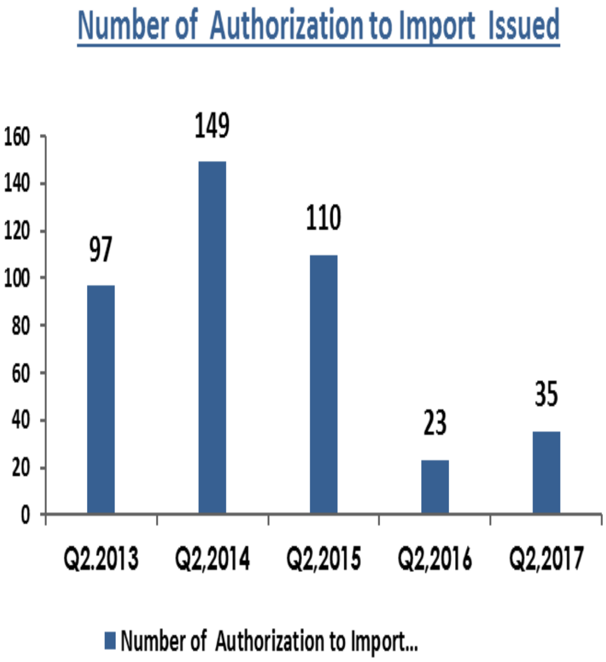
Type Approval

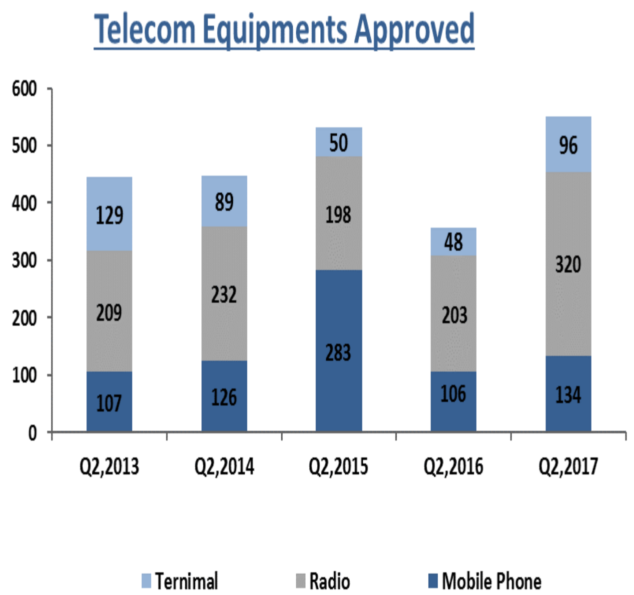
During Q2/2017, TRA:

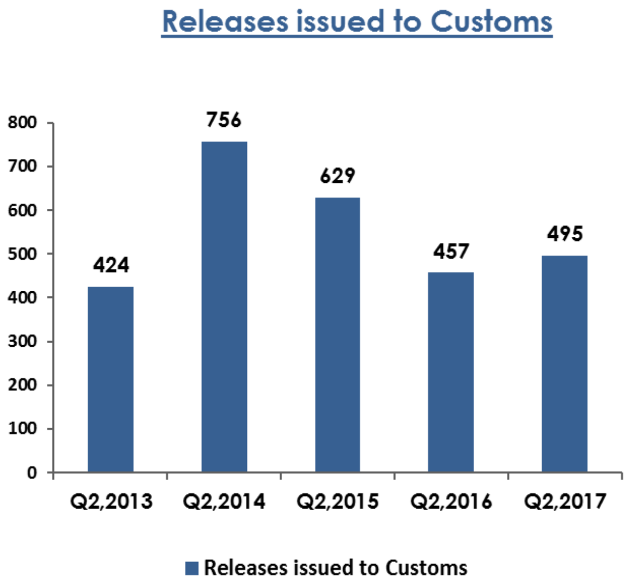
- Approved a total number of 550 (Previous Quarter 642) Telecom Equipment.
- Issued 495 (Previous Quarter: 346) Releases to Customs for Import of Telecom equipment.
- Inspected 38 (Previous Quarter: 86) dealerships.




Inspection Visits
450
400
350
300
250
200
150
100
50
0
148
426
277
157
38
Q2,2013
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Inspection Visits


Number of Authorization to Import Issued
160
140
120
100
80
60
40
20
0
97
149
110
23
35
Q2.2013
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Number of Authorization to Import...


Telecom Equipments Approved
600
500
400
300
200
100
0
129
209
107
89
232
126
50
198
283
48
203
106
96
320
134
Q2,2013
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Ternimal
Radio
Mobile Phone


Releases issued to Customs
800
700
600
500
400
300
200
100
0
424
756
629
457
495
Q2,2013
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Releases issued to Customs

Tariffs & Promotions

Number of promotions/ new services and revisions segment wise

Number of Promotions approved Q2, 2017																
Services	National Voice		InternationalVoice		Data		Welcome Pack / New Connections		International Mobile Roaming	Vaue Added Services		Top-Up and Bundled services	Leased line/MPLS	Miscellanious	Total	%
	Mobile	Fixed			MBB	FBB	Mobile	Fixed								
Renna			4		5		1		1	1		1			13	23%
Friendi			1		4		5					2			12	21%
Teo															0	0%
Omantel	2		3		2		1		1	5		4		1	19	34%
Ooredoo					1	2	2		1	1		3		1	11	20%
Awasr						1									1	2%
Total	2	0	8		12	3	9	0	3	7		10	0	2	56.00	1.00
%	3.6%	0.0%	14.3%		21.4%	5.4%	16.1%	0.0%	5.4%	12.5%	0.0%	17.9%	0.0%	4%		

Number of new services, Tariffs and Revision approved

Number of new services, Tariffs and Revisions approved Q2, 2017																
Services	Voice		Voice International		Data		Welcome Pack / New Connections		International Mobile Roaming	Vaue Added Services		Top-Up and Bundled services	Leased line/MPLS	Miscellanious	Total	%
	Mobile	Fixed			Mobile	Fixed	Mobile	Fixed								
Renna															0	0%
Friendi					3		1					1			5	29%
Teo															0	0%
Omantel						1			1	2				1	5	29%
Ooredoo						1			3			2	1		7	41%
Awasr															0	0%
Total	0	0	0		3	2	1	0	4	2		3	1	1	17	1.00
%	0.0%	0.0%	0.0%		17.6%	11.8%	5.9%	0.0%	23.5%	11.8%	0.0%	17.6%	5.9%	6%		

Summary of Promotion's Statistics for Q2/2017:

	Mobile	Fixed	Mobile & Fixed	Total
NO of Promotions	50	5	1	56
%	89%	9%	2%	100%
NO of new services and revisions	13	3	1	17
%	76%	18%	6%	100%

	Residential	Corporate	Residential & Corporate	Total
NO of Promotions	52	1	3	56
%	93%	2%	5%	100%
NO of new services and revisions	11	4	2	17
%	65%	24%	12%	100%

	Prepaid	Postpaid	Pre & Postpaid	Total
NO of Promotions	39	9	8	56
%	70%	16%	14%	100%
NO of new services and revisions	5	6	6	17
%	29%	35%	35%	100%

Summary of the tariff activity in Q2,2017:

- Majority of Promotions approved and filed were for the Mobile Broadband (21%), Bundled Plans and recharge promotions 18%, Welcome Packs (16%) International Calls 14% and Value Added Services 13%.

- Most of services and revisions approved and filed dominated by International Mobile Roaming Service 24%, MBB and Bundled Services 18% each and Fixed Broadband services and Value Added Services 12% each.

- Non-dominant licensees brought 46 % of the total promotions approved and filed this quarter and 29% of the total Services and Revisions approved and filed for the same period.

- Number of promotions filed accounted for 55 % of the total promotions approved and filed this quarter, and Number of new services and revisions filed this quarter accounted for 35%, of total approvals and filings.

Most Remarkable Promotions for the subject quarter:

1. This period witnessed launching of a number of promotions on the EID such as Ooredoo Roam Like Home and Eid Recharge Promotion from Friendi.

2. Omantel launched the following promotions:
   - ✓ Fee WhatsApp Add-On for subscribers to Hayyak Your Way Plans.
   - ✓ Omantel Data Accelerator.
   - ✓ Two months free OSN Package with Omantel Home Entertainment Plan.
   - ✓ Omantel revamped Hayyak Internet+plans offering extended validity of 30 days..
   - ✓ Smartphone & Tablets promotion for Baqati subscribers.

3. Ooredoo launched the following promotions:
   - ✓ Shababiah Snapchat Promotion.
   - ✓ Ooredoo Surprises promotion for Mousbak customers.
   - ✓ Shahry Smartphone promotion offering discounts on Smartphones for subscribers signing 24 Months contract with Mobile Shahry Plans.
   - ✓ Video-Only Data Plan marketed as Stream On.

4. Renna introduced a new International Roaming Data Plan for the first time.

The most important services and revisions approved this quarter are as follows:

1. Omantel launched IPTV service for corporate customers.

2. Ooredoo launched permanently the following:
   - ✓ Shahry Contracts for customers signing contracts to mobile shahry plans.
   - ✓ International Roaming Bundles: two Plans for GCC: Passport Daily and Passport Weekly, one International Plan marketed Passport World.

3. Omantel revamped Internet Leased Line Tariffs.

4. Friendi launched new permanent Mobile Data Plans and Add-Ons.