سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q1, 2017

Competition and Tariffs Unit

Table of Content

➢ Introduction

We are pleased to present Q1 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. The source data is sometimes 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.

This report is also published on the TRA 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 ObservationsQ1, 2017

- As per the Monthly Statistical Bulletin of March 2017 which was published by NCSI, the population of the Sultanate reached to 4,586,941 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 first quarter of 2017:

- Fixed line 9.88% of inhabitants
- Mobile subscriptions 152% of inhabitants
- Fixed Internet 52.50% of households.

The Active Mobile Broadband Subscribers reached to 97% of inhabitants by the Q1/2017 with the total active subscribers of 4,464,089 .

The Blackberry Subscribers represent 0.29% of the total Mobile Subscribers base at the end of Q1/2017.

During the Q1/2017, the TRA received and approved:

-19 new and revised Tariff Plans.

- 37 promotional tariff offers

TRA type approved 642 telecom equipments, and issued 45 authorizations for importing equipments. In addition, TRA Issued 346 releases to customs for importing telecom equipments during Q1/2017.

TRA carried out 86 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q1, 2017

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	453,140	301,872	6,976,162
Penetration rate[1]	78.81% of household	52.50% of household	152% of inhabitant
Revenue (Mln.RO)	32.533	27.913	148.522
International Outgoing Voice Minutes (mln),	6.821	NA	196.419
ARPU, (RO)[2]	4.9	30.8	7.1
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 Q1/2017 penetration rates are calculated based on the population (4,586,941), as per the latest bulletin published by NCSI – March 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).

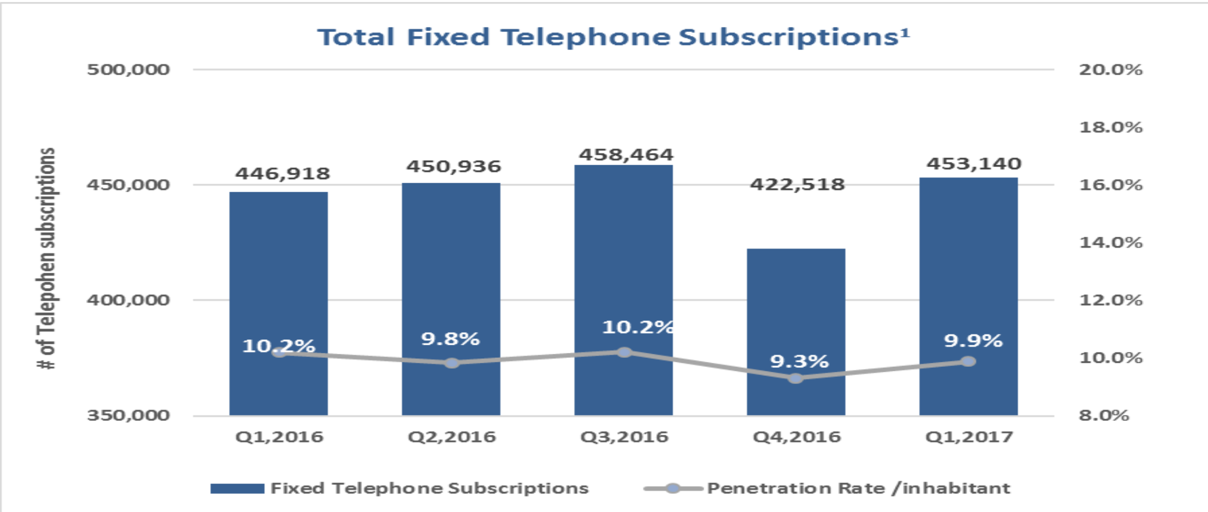
[3]Household figure used is 575,000 as per NCSI estimation during the year 2015.

	Q1/2017	Q4/2016	% Change
Population	4,586,941	4,550,538	0.79
Households[3]	575,000	575,000	-

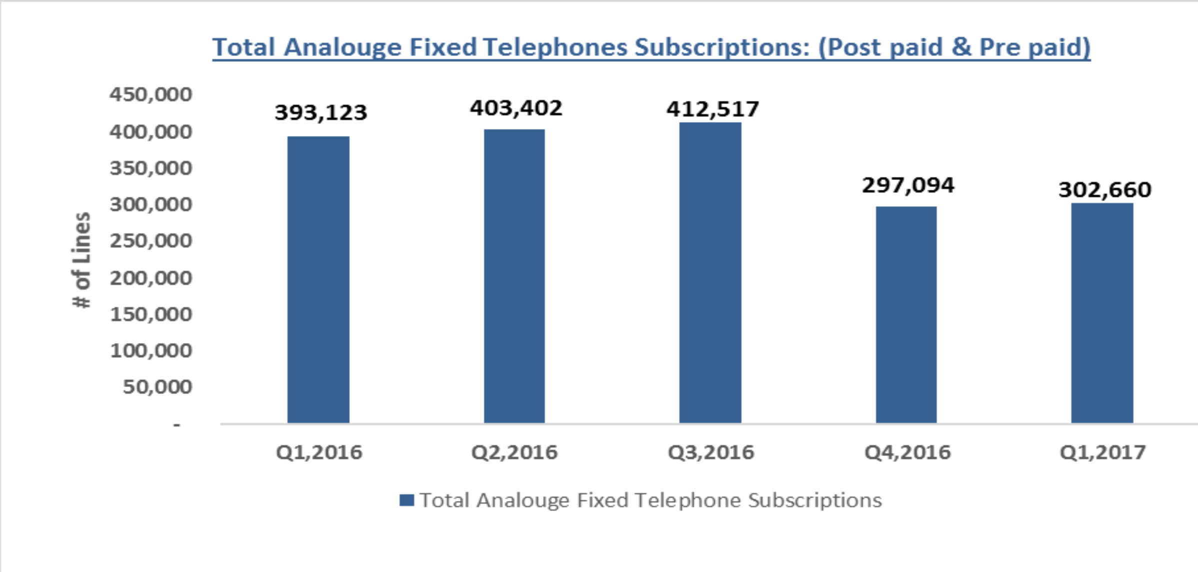
Fixed Telephone Service

Type of Service	Q1/2017	Q4/2016	% Change
Fixed Telephone Subscriptions:			
1.1 Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	302,660	297,094	**1.9%**
1.2 VoIP Subscription	97,437	73,377	**32.8%**
1.3 WLL Connections	1,609	1,574	**2.2%**
1.4 ISDN Channels (Equivalent DELs)*	44,633	43,672	**2.2%**
1.5 Public Telephone – Payphones	6,801	6,801	**0.0%**
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**453,140**	**422,518**	**7.2%**
Fixed Line Penetration per 100 Inhabitant	**9.9%**	**9.3%**	**0.59%**
Fixed Line Penetration Per 100 Household	**78.8%**	**73.5%**	**5.2%**

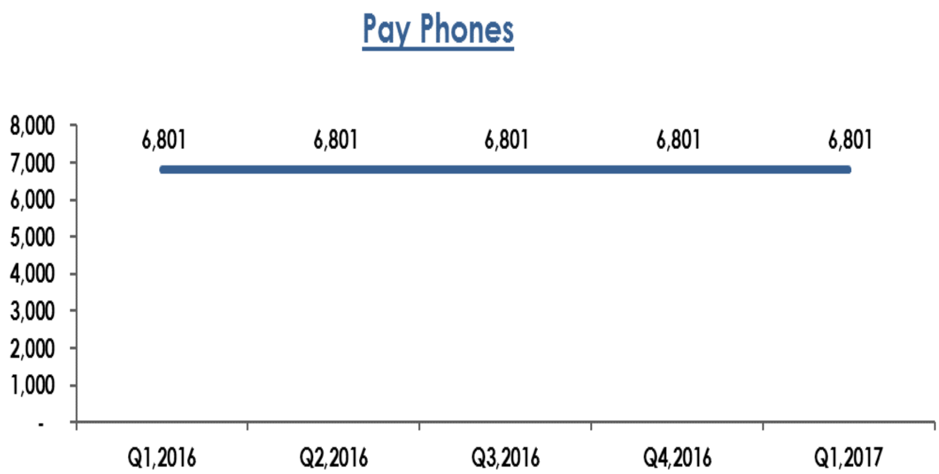
- Note: The Q1/2017 penetration rates are calculated based on the population of (4,586,941), as per the latest bulletin published by NCSI – March 2017.
- Households: 575,000 (as per the NCSI estimation during year 2015).
- ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.



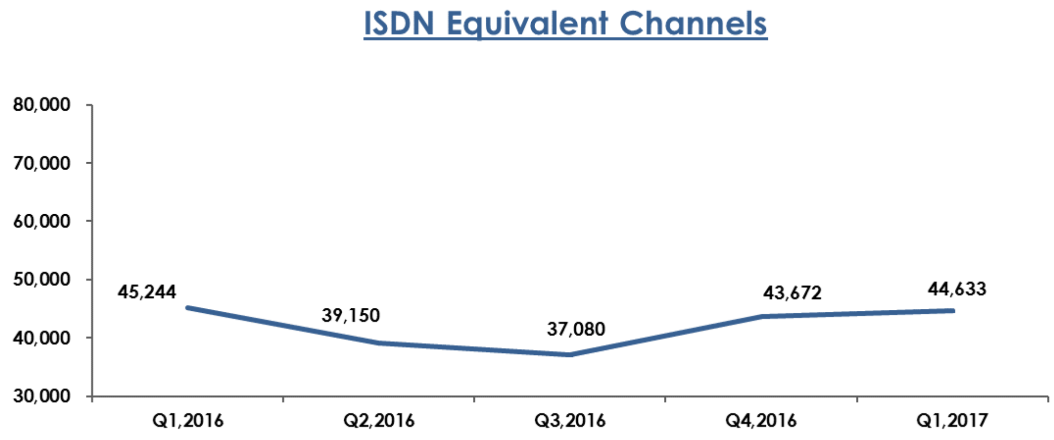
- First Quarter 2017, the fixed line subscribers were reported as 453,140 showing 7.2% growth. This increase is mainly due to the technical adjustment and recalculation of the indicators as per ITU standard.
- The penetration rate per inhabitant of the fixed line subscriptions increased by 0.59% compared to the last quarter. The penetration rate per household increased by 5.2%.
- [1] the drop of the total fixed telephone subscriptions during Q4,2016 because Ooredoo reviewed the calculation of the fixed telephone subscriptions as per the ITU definition. Some connected through IP protocol so considered VoIP subscriptions not Analogue and some related to (PRI and SIP) was calculated as lines not channels which is not corrects per ITU definition. This resulted in drop in the total fixed telephone subscription



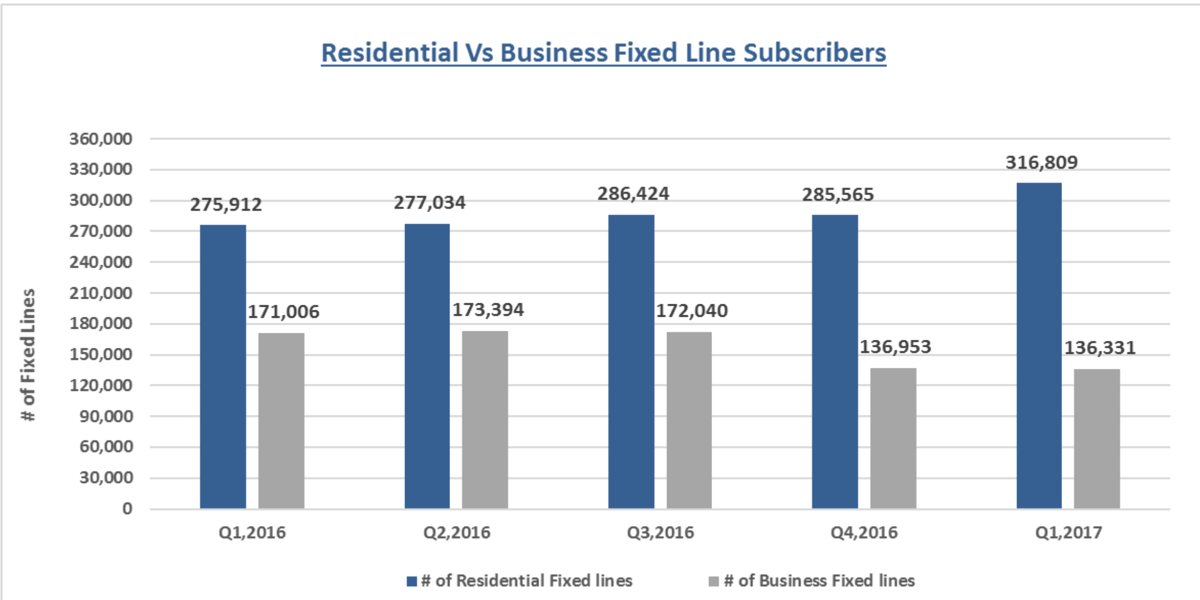
- Total analogue postpaid and prepaid fixed telephone subscriptions increased during the first quarter 2017 by 1.9%.



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



- During the first quarter of 2017, the ISDN1 equivalent channels increased by 2.2% reaching 44,633 channels.



- During the fourth quarter business fixed line subscriptions decreased slightly by 0.45%, while residential fixed line subscribers increased by 11% as compared to the previous quarter.
- The split between fixed residential and business lines stood at 69.9% and 30.1% respectively in Q1/2017.

1ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.

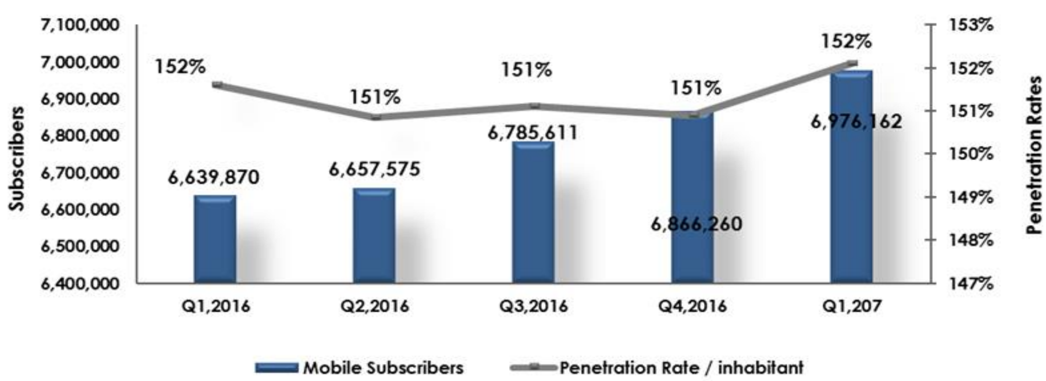
Mobile Service

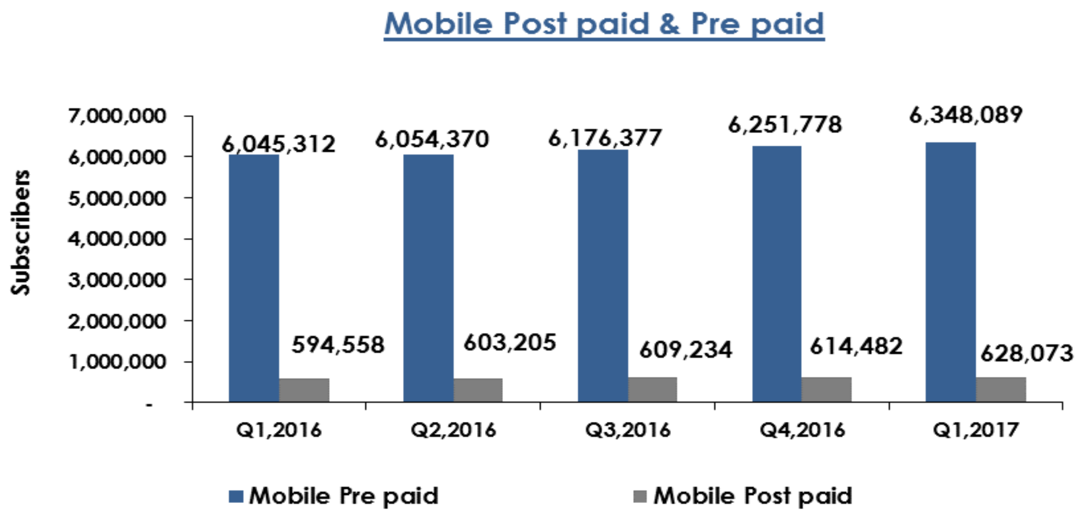
Mobile Subscribers	Q1/2017	Q4/2016	% change
1 Post Paid			
1.1 Operators	628,073	614,482	**2.21%**
Total Postpaid Subscribers	**628,073**	**614,482**	**2.21%**
2 prepaid			
2.1 Operators	5,166,759	5,080,636	**1.70%**
2.2 Resellers	1,181,330	1,171,142	**0.87%**
Total Prepaid Subscribers	**6,348,089**	**6,251,778**	**1.54%**
Total Mobile Subscribers: (1+2)	**6,976,162**	**6,866,260**	**1.60%**
Mobile Penetration/100 Inhabitant	**152%**	**151%**	**0.66%**
BlackBerry Subscriptions			
3.1 Post Paid	3,136	3,310	**-5.26%**
3.2 Pre-Paid	17,152	14,342	**19.59%**
Total BlackBerry Subscribers (3.1+3.2)	**20,288**	**17,652**	**14.93%**
% of BlackBerry Mobile Subscribers of total Base in Oman	**0.29%**	**0.26%**	**0.03%**

- **Note: The Q1/2017penetration rates are calculated based on the population (4,586,941), as per the latest bulletin published by NCSI – March 2017.**

➢ The total mobile subscribers increased by 1.60% during the first quarter 2017 achieving a total of 6,976,162 subscribers base. The mobile penetration increased by 0.66% in Q1/2017.

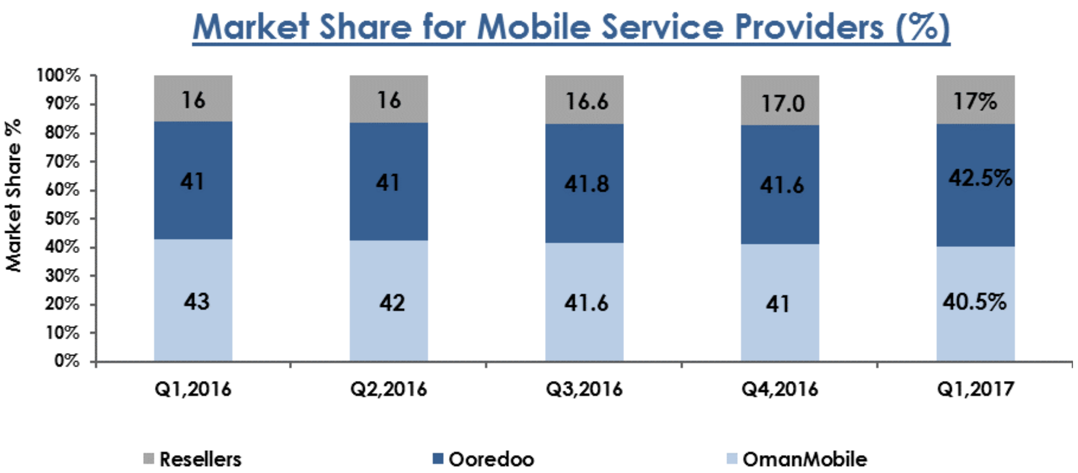
Mobile Subscribers





- Post-paid mobile subscribers reached to the figure of 628,073 with 2.21% growth over the previous quarter.

- Prepaid mobile subscribers increased by1.5% reaching to 6,348,089 subscribers.

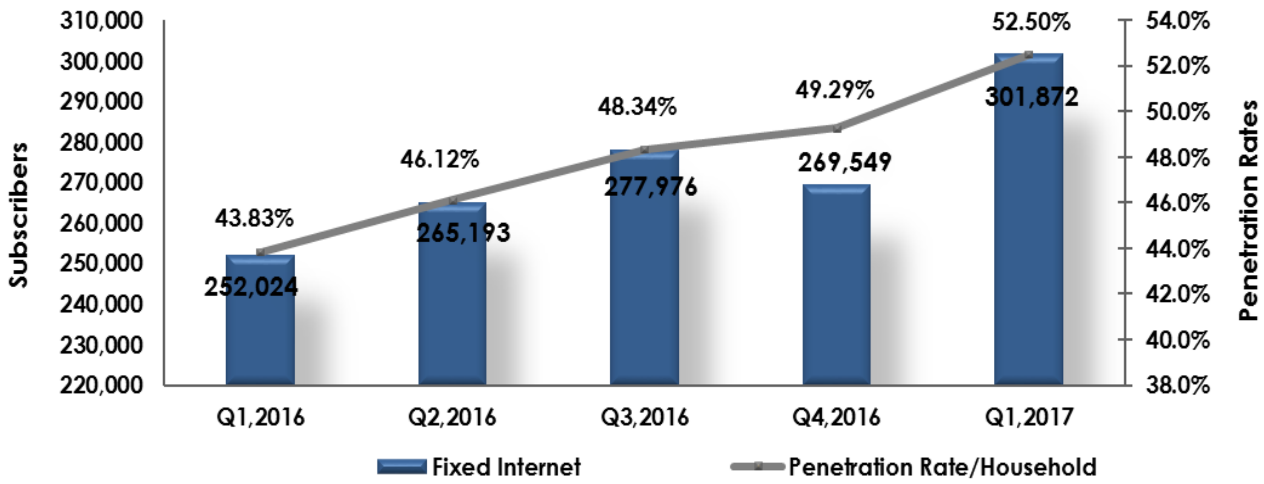


Internet Services

Type of Service	Q1/2017	Q4/2016	% change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscribers	2,521	2,531	**-0.40%**
1.2 Internet Leased Lines(Narrowband)	32	35	**-8.57%**
1. **Total fixed Narrowband Subscriptions : (1.1+1.2)**	**2,553**	**2,531**	**0.87%**
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	**299,319**	**266,983**	**12.11%**
Total Fixed Internet Subscribers (1+2)	**301,872**	**269,549**	**11.99%**
Fixed Internet Penetration /100 Household	**52.50%**	**46.88%**	**5.62%**
Fixed Broadband Subscribers Penetration/100 Household	**52.06%**	**46.43%**	**5.63%**
Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers	2,634,965	2,452,983	**7.42%**
3.2 Standard mobile-broadband Subscribers	1,829,124	1,484,878	**23.18%**
Total Active Mobile Broadband Subscribers (3.1+3.2)	**4,464,089**	**3,937,861**	**13.36%**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**97%**	**86.5%**	**11%**

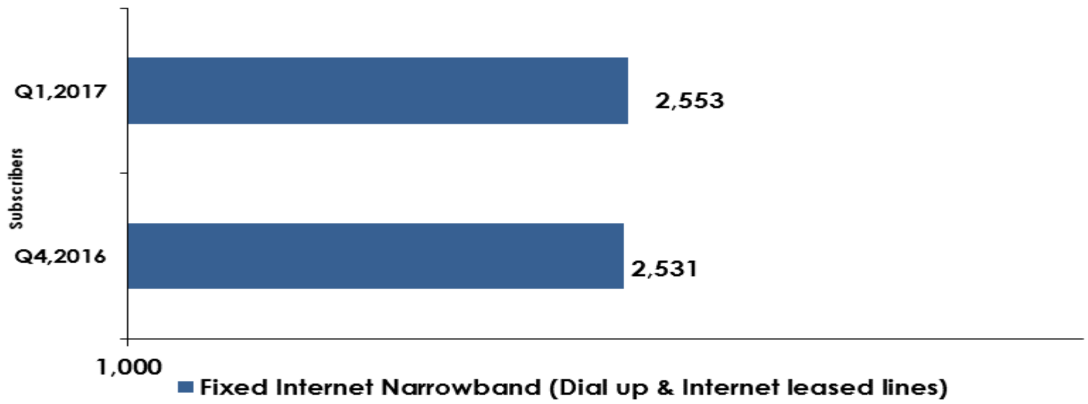
- **Note: The Q1/2017 penetration rates are calculated based on the population (4,586,941), as per the latest bulletin published by NCSI – March 2017.**
- **Households: 575,000 (as per the NCSI estimation for year 2015).**
- **[1] Q4,2016 has a drop in the fixed broadband subscriptions which resulted from the update recalculation of Ooreedoo subscriptions as per the ITU standard.**

Fixed Internet Subscriptions (Dialup+Fixed Broadband)



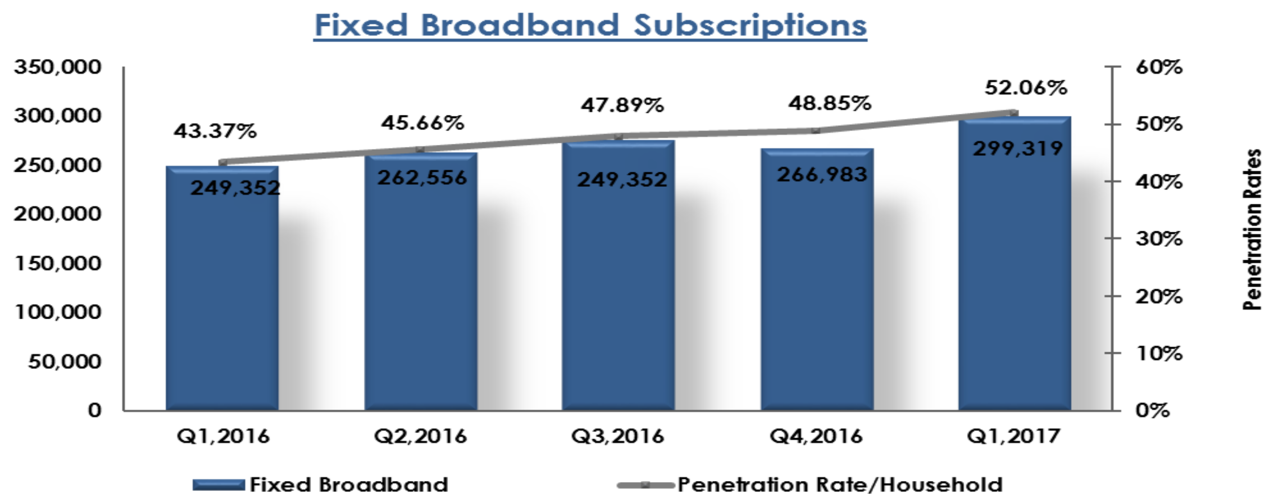
- The total fixed internet subscriptions were increased by 11.9% during the first quarter 2017 reaching a total of 301,872 subscriptions.
- During the reported quarter, the fixed internet penetration rate per household reached 52.50% which is 5.62% higher than the previous quarter.

Fixed Internet Narrowband Subscriptions

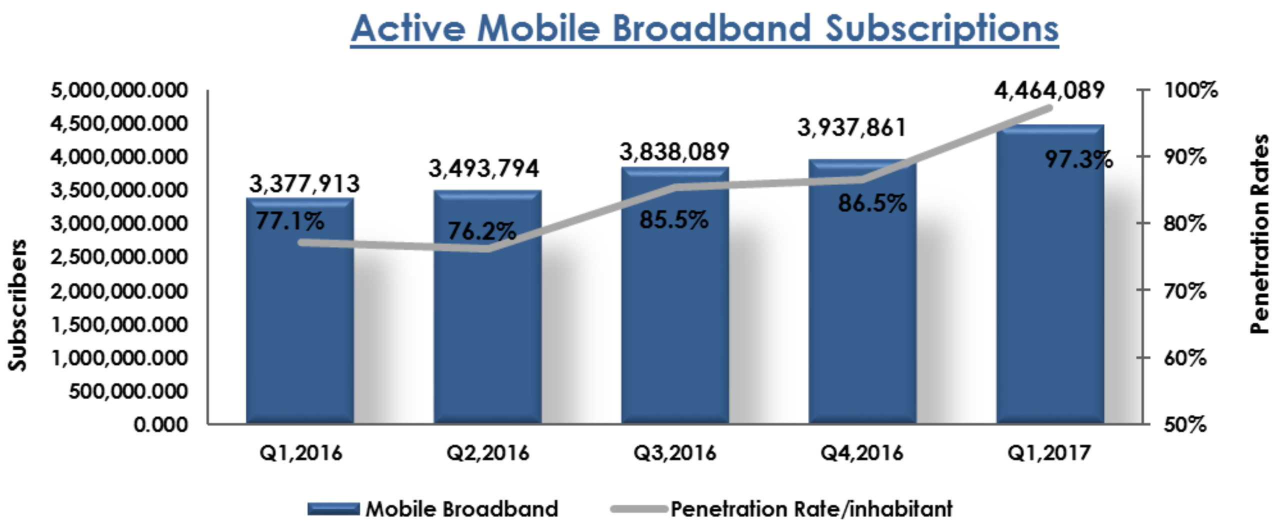


- During first quarter 2017, dial up postpaid internet subscriptions increased by 0.87% reaching to 2,553 subscriptions.

[1] Q4,2016 has a drop in the fixed broadband subscriptions which resulted from the update recalculation of Ooredoo subscriptions as per the ITU standard.

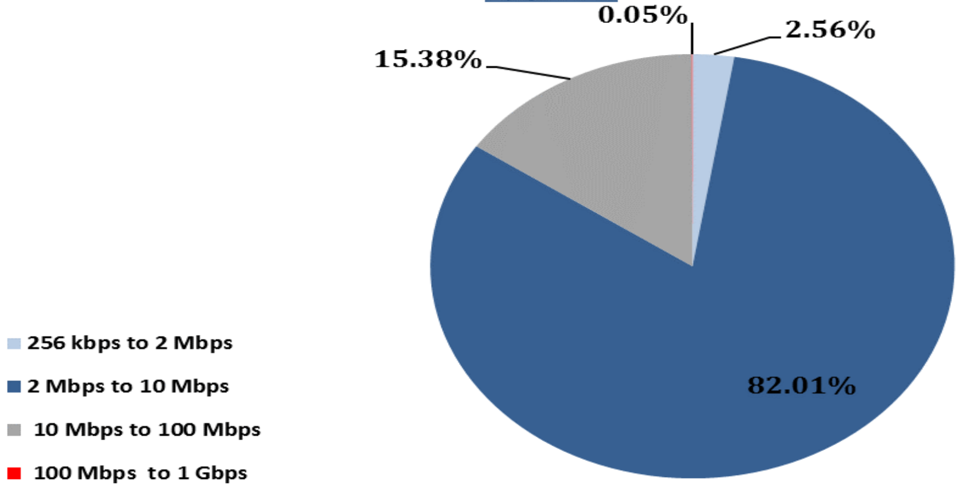


- During the first quarter 2017, fixed broadband segment has experienced 12.11% growth over the previous quarter. Fixed Broadband subscription reached 299,319 subscribers with penetration rate of 52.06% per household.



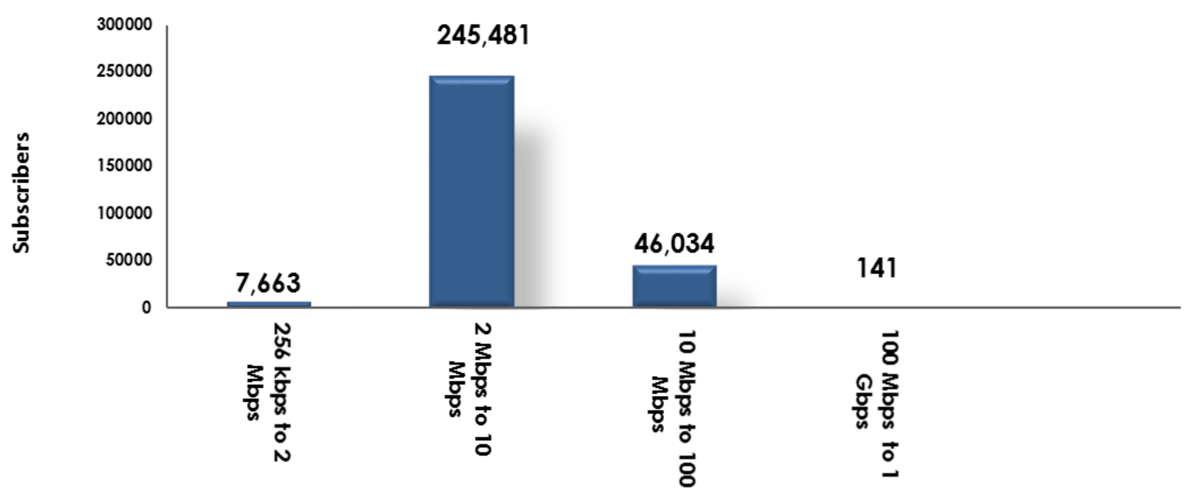
- During the first quarter 2017, total active mobile broadband subscribers rose by 13.3% to 4,464,089 from 3,937,861. Also, the penetration rate increased by 11% from 86.5% to 97% per inhabitant. This was partly due to corrections made operators in calculating the indicator.

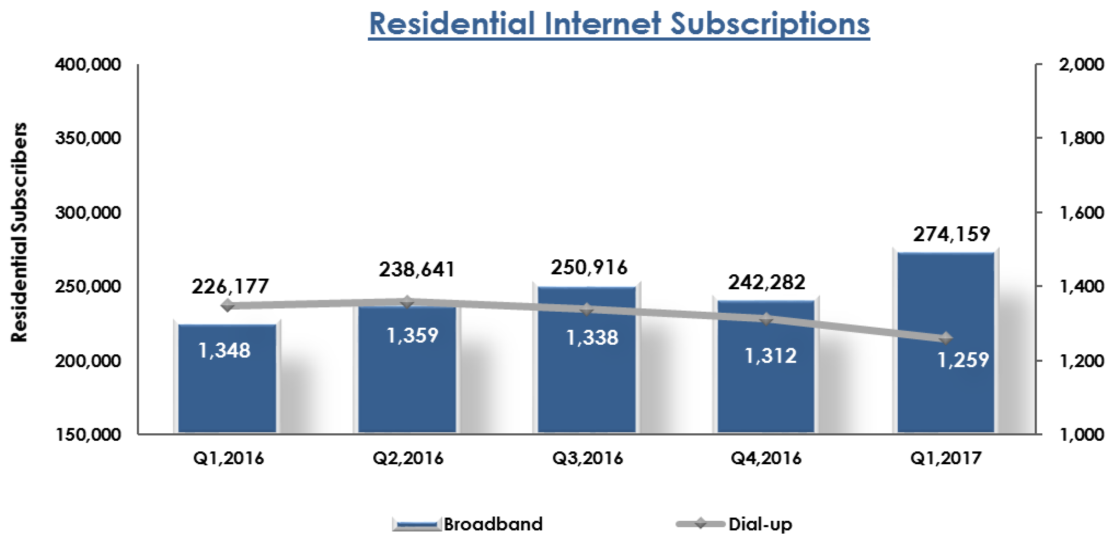
Fixed Broadband Subscriptions-Proportions by Speed, Q1/2017



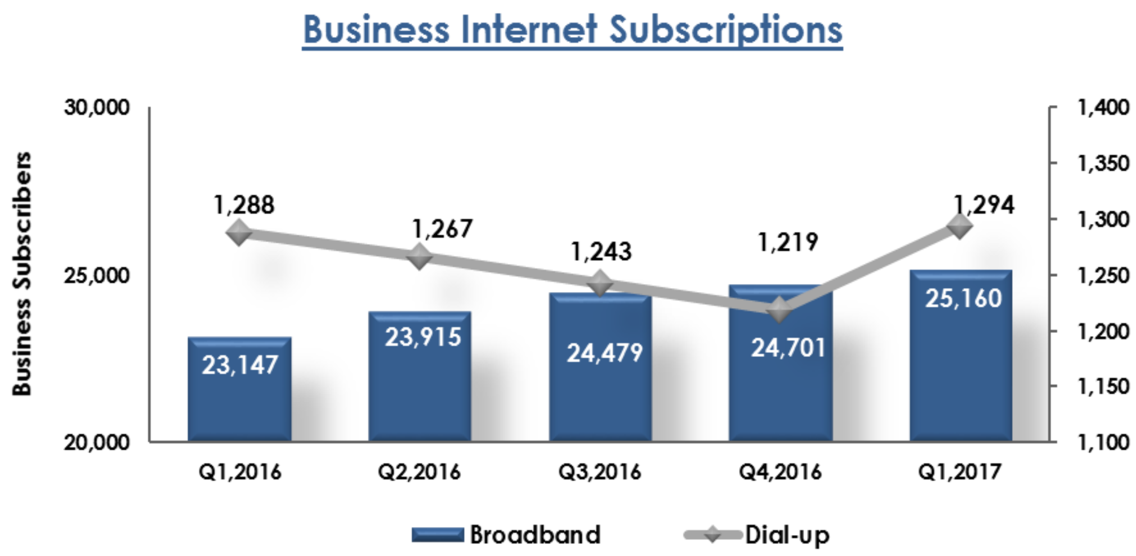
- 2.56% of fixed Broadband subscribers during Q1,2017 had access speed of 256 Kbps 2 Mbps.
- 82.01% of fixed Broadband subscribers during Q1,2017 had access speed of 2 Mbps to 10 Mbps.
- 15.38% of fixed Broadband subscribers during Q1,2017 had access speed of 10 Mbps to 100 Mbps.
- 0.05% of fixed Broadband subscribers during Q1,2017 has access speed of 100 Mbps to 1 Gbps.

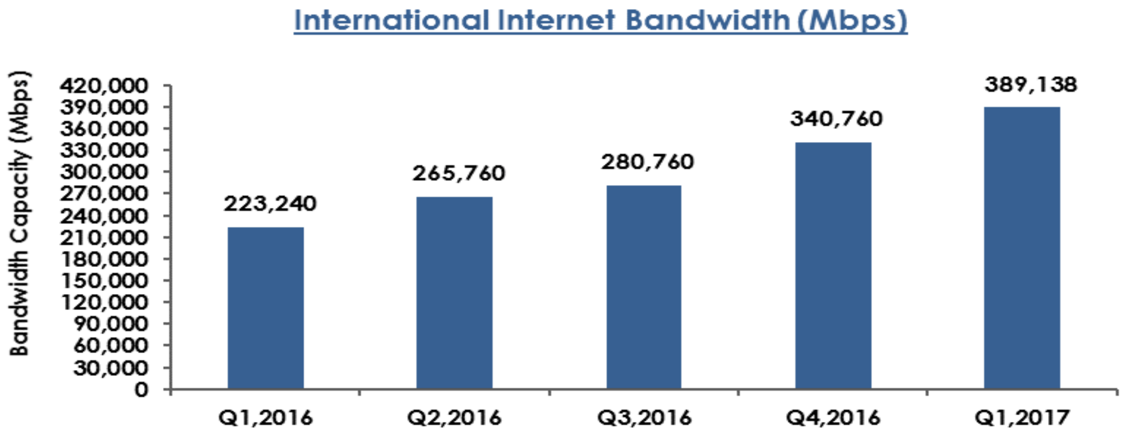
Fixed Broadband Subscribers by Internet Speed, (Q1/2017)



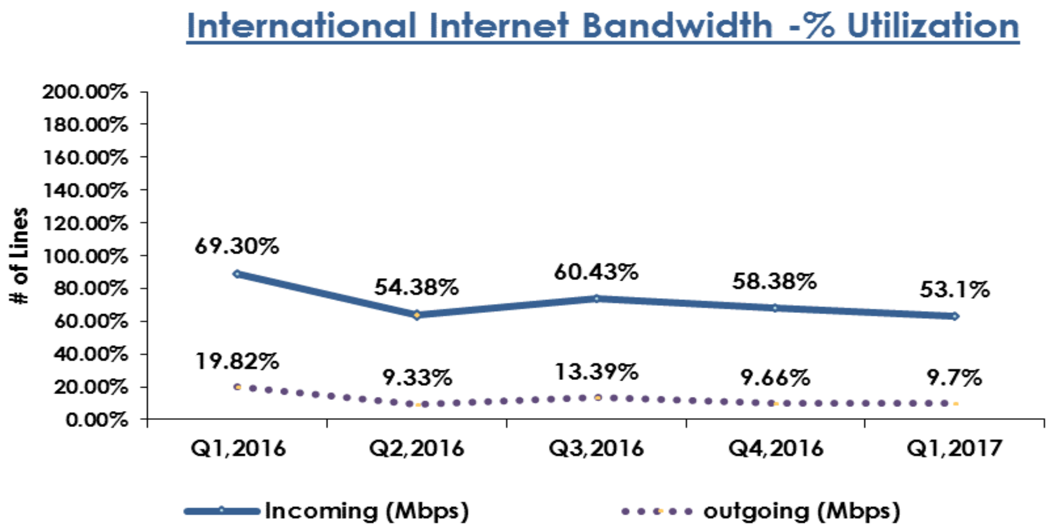


- The residential broadband subscribers in the above chart increased by 13.2% during Q1/2017. On the other hand, the residential dial up subscribers declined by 4.1% over the previous quarter.
- The below chart presents a growth in the business segment of both broadband and dial up subscriptions by 1.9% and 6.2% respectively in the Q1/2017.



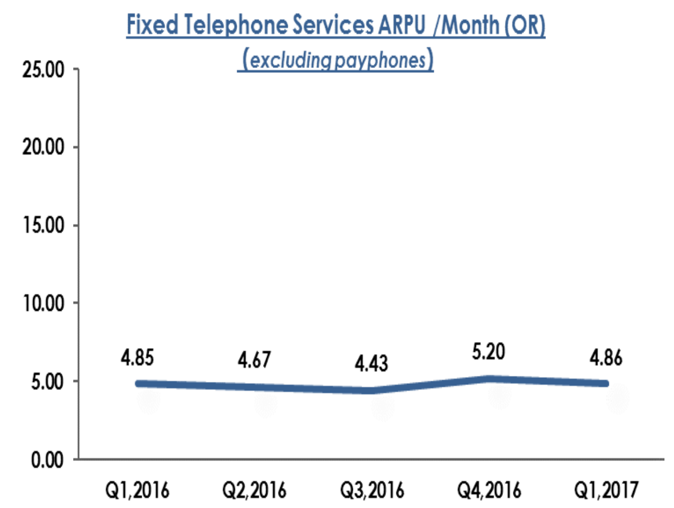


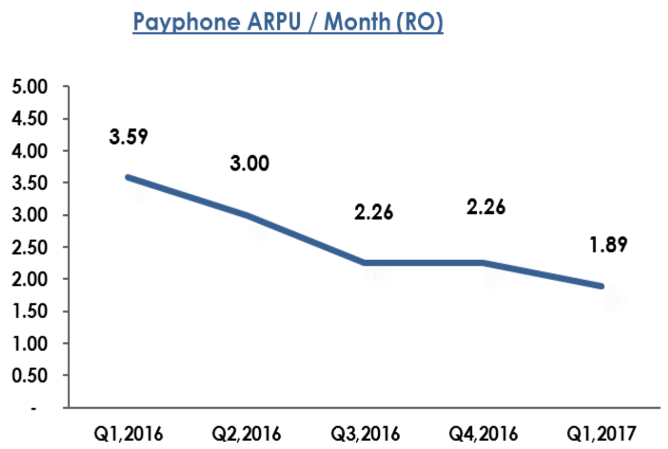
- During the first quarter 2017, the operators had 389,138 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 340,760 Mbps.

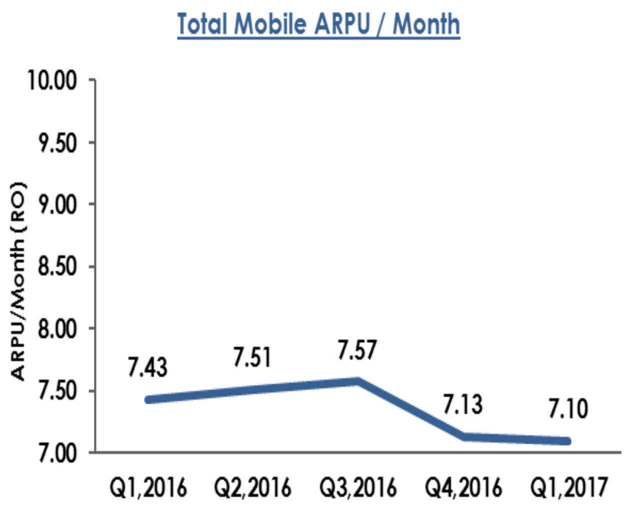


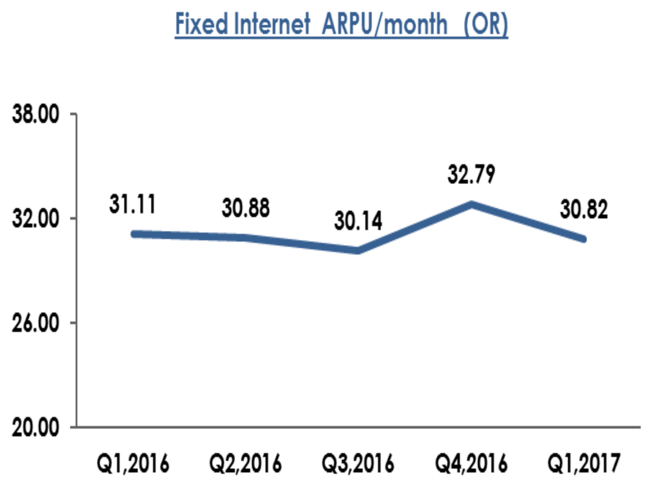
- Out of 389,138 Mbps capacity, on average 9.7% was utilized for the outgoing and 53.1% for the incoming traffic.

ARPUs[1]



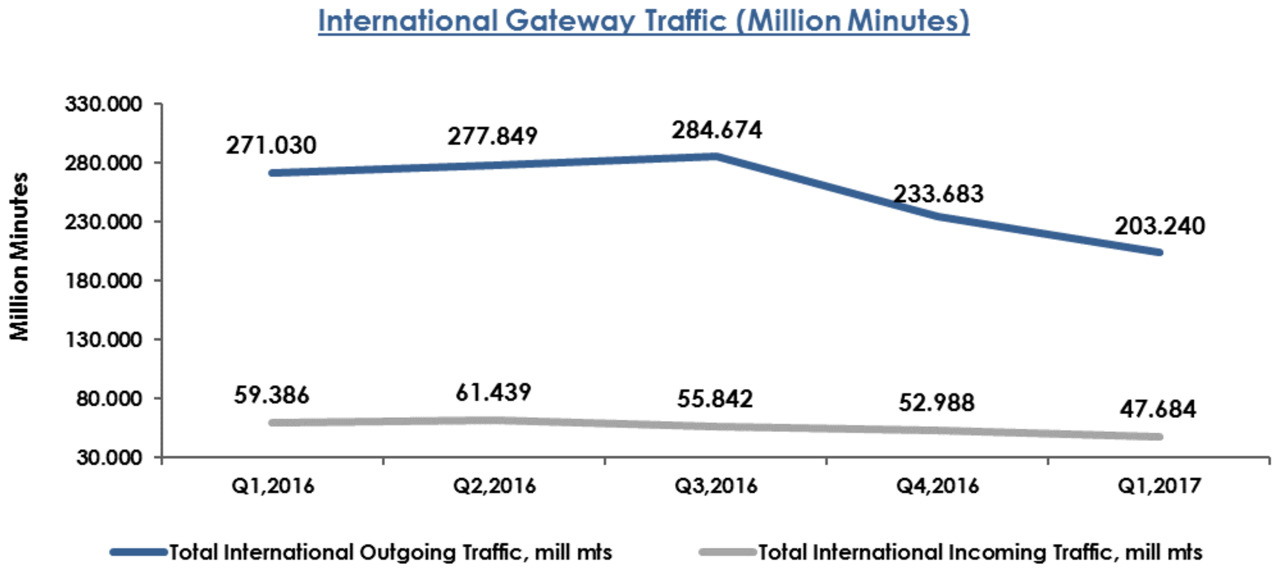




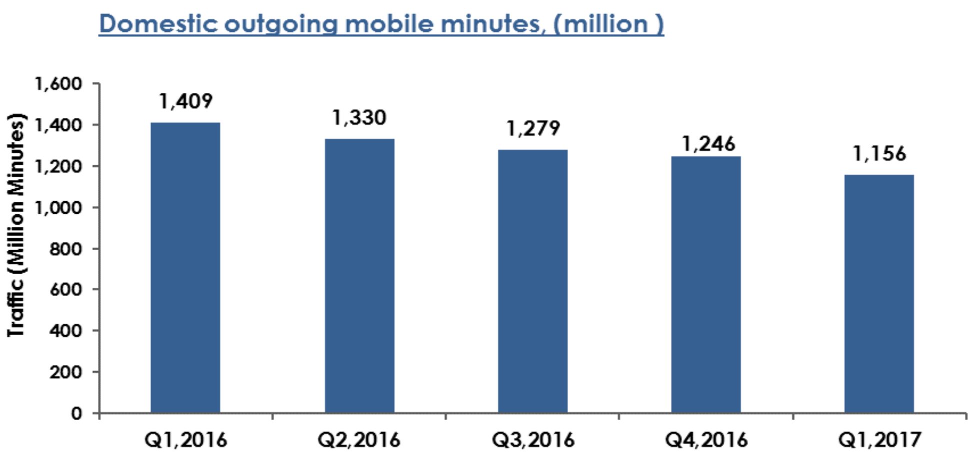


[1] ARPU (the average revenue per user)

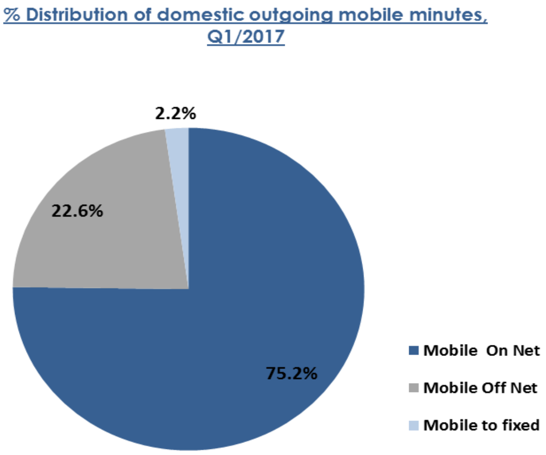
Traffic

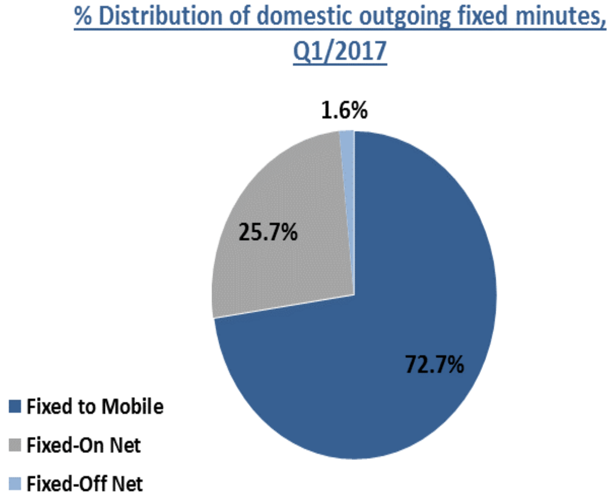


- The first quarter 2017 experienced decline in the outgoing international traffic by 13% and by 10% in the incoming international traffic against the fourth quarter 2016.



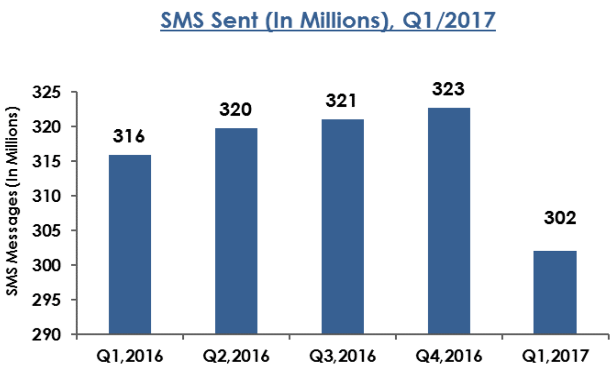
- During the first quarter 2017, the domestic outgoing mobile traffic declined by 7.2% to 1,156 million minutes from the previous quarter traffic of 1,246 million minutes.

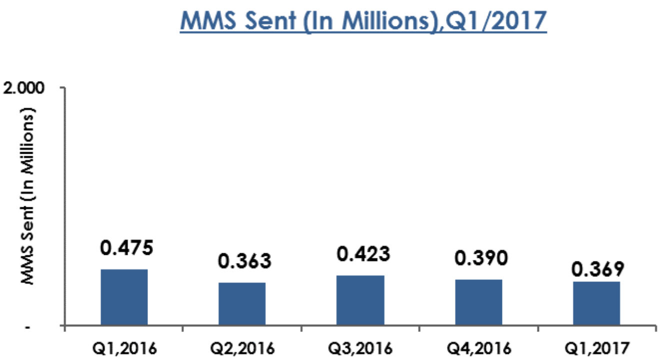




During the first quarter 2017, mobile to mobile (On net) traffic had the major share of 75.2% out of the total domestic outgoing traffic. While the Off net mobile domestic traffic has 22.6% share, Mobile to fixed Traffic represents 2.2% of the mobile domestic traffic.

During the first quarter 2017, the domestic outgoing fixed traffic achieved 72.7% share for fixed to mobile, 25.7% for fixed to fixed (On-net), and 1.6% for fixed to fixed (Off-net) traffic.





Total outgoing SMS (short messages) Traffic decreased to reach 302 million messages by the first quarter 2017 from 323 million messages in the fourth quarter, 2016.

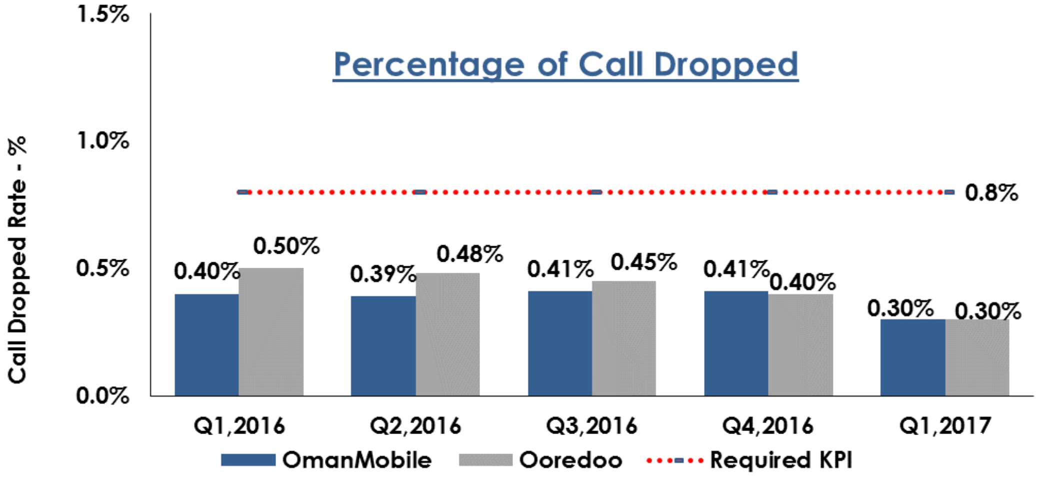
The number of outgoing MMS (multimedia massages) has been gradually decreasing since the last year reaching 0.369 million MMS by the end of the 1st quarter 2017.

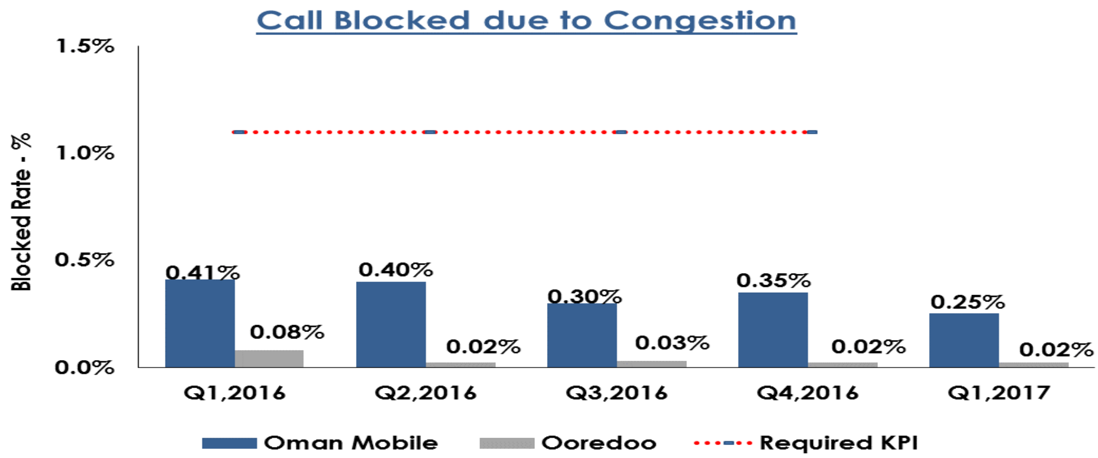
Quality of Service

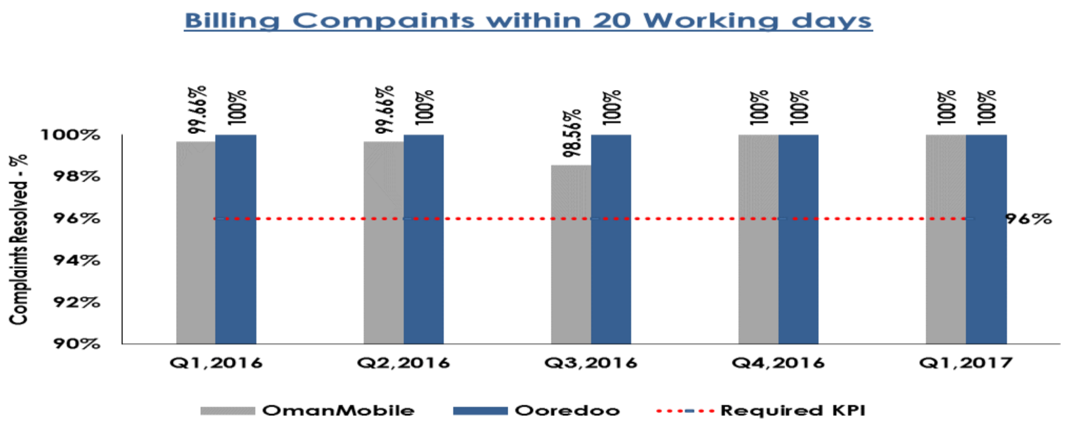
Mobile Services KPIs*

Mobile Services KPIs	Required KPI (Quarterly)	Q1,2017		Q4/2016	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.30	0.30	0.41	0.40
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.25	0.02	0.35	0.02
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100	100

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


Percentage of Call Dropped
Call Dropped Rate - %
1.5%
1.0%
0.5%
0.0%
0.8%
0.40%
0.50%
0.39%
0.48%
0.41%
0.45%
0.41%
0.40%
0.30%
0.30%
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
OmanMobile
Ooredoo
Required KPI

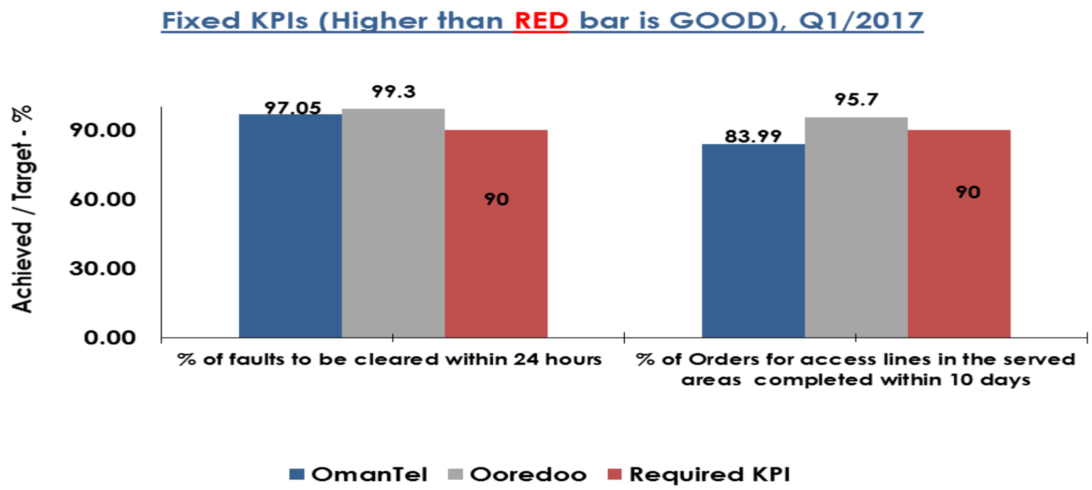

Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
0.41%
0.08%
0.40%
0.02%
0.30%
0.03%
0.35%
0.02%
0.25%
0.02%
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Oman Mobile
Ooredoo
Required KPI

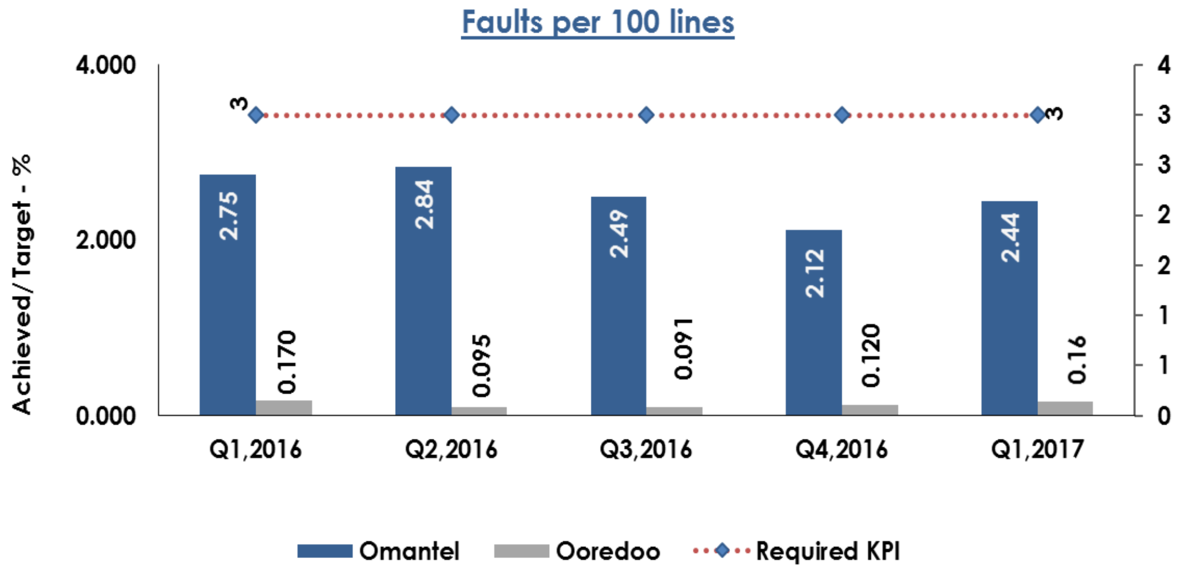

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
99.66%
100%
99.66%
100%
98.56%
100%
100%
100%
100%
100%
96%
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
OmanMobile
Ooredoo
Required KPI

Fixed Services KPIs*

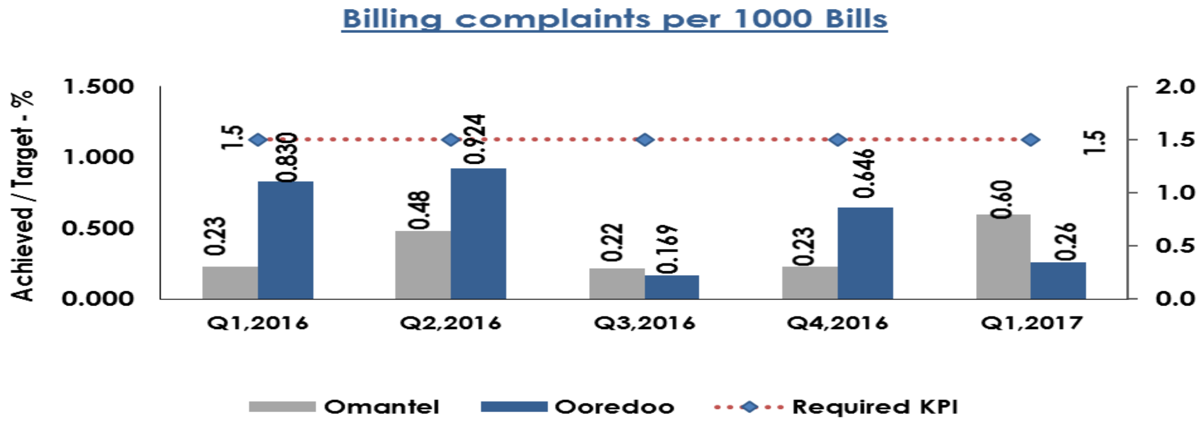
Fixed Services KPIs	Required KPI (Quarterly)	Q1/2017		Q4/2016	
		Omantel %	Ooredoo %	Omantel %	Ooredoo %
1. Faults per 100 lines per quarter	Less than 3	2.44	0.16	2.12	0.120
2. % of faults to be cleared within 24 hours	More than 90%	97.05	99.3	97.51	99.66
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.01	0.14	0.01	0.150
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	83.99	95.7	96.46	95.5
5. Billing complaints per 1000 Bills	Less than 1.5	2.44	0.262	0.23	0.646
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)

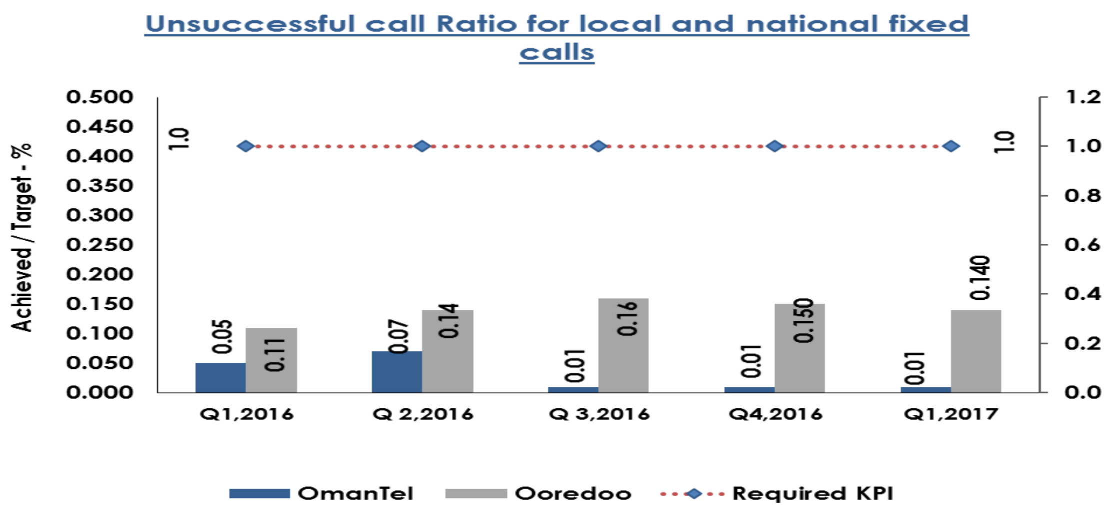




Faults per 100 lines
Achieved/Target - %
4.000
2.000
0.000
4
3
2
1
0
3
3
2.75
0.170
2.84
0.095
2.49
0.091
2.12
0.120
2.44
0.16
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Omantel
Ooredoo
Required KPI



Billing complaints per 1000 Bills
Achieved / Target - %
1.500
1.000
0.500
0.000
2.0
1.5
1.0
0.5
0.0
1.5
1.5
0.23
0.830
0.48
0.924
0.22
0.169
0.23
0.646
0.60
0.26
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Omantel
Ooredoo
Required KPI

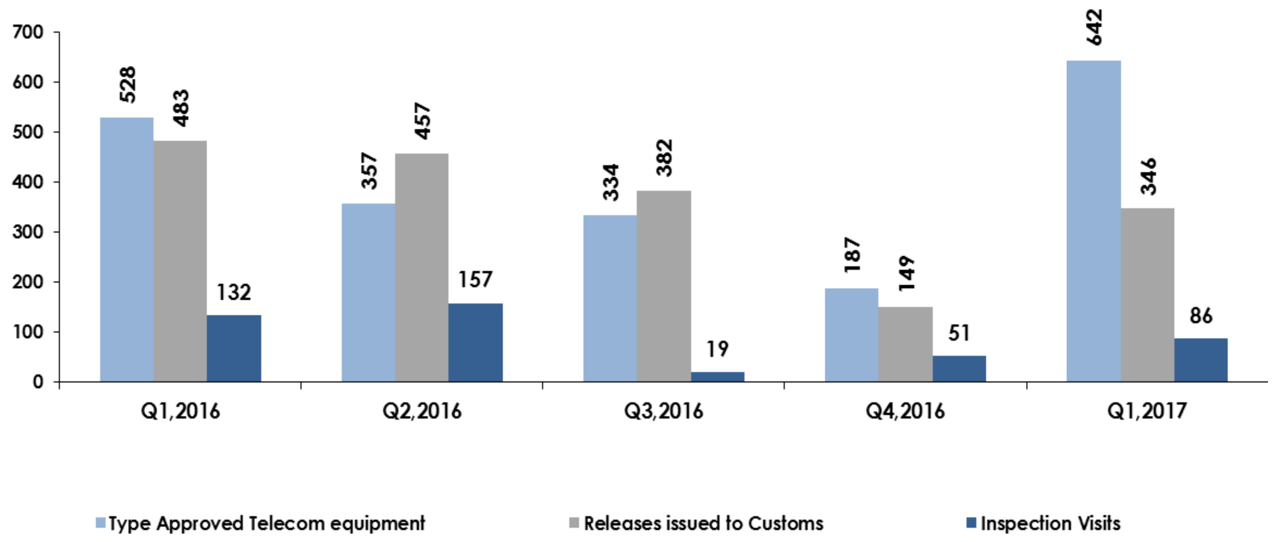


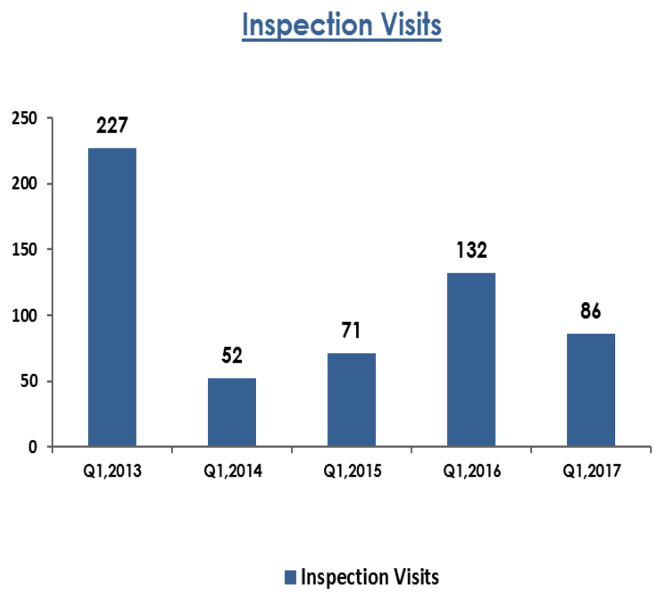
Unsuccessful call Ratio for local and national fixed calls
Achieved / Target - %
0.500
0.450
0.400
0.350
0.300
0.250
0.200
0.150
0.100
0.050
0.000
1.2
1.0
0.8
0.6
0.4
0.2
0.0
1.0
1.0
0.05
0.11
0.07
0.14
0.01
0.16
0.01
0.150
0.01
0.140
Q1,2016
Q 2,2016
Q 3,2016
Q4,2016
Q1,2017
OmanTel
Ooredoo
Required KPI

During the First Quarter 2017, TRA:

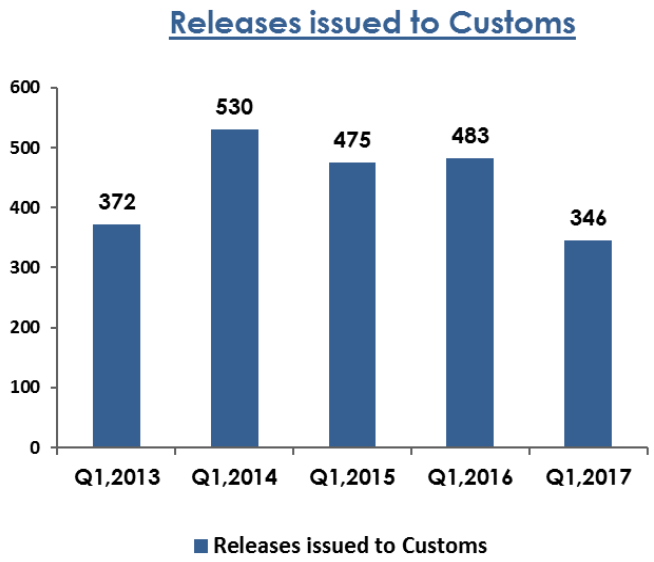
- Approved a total number of 642 (Previous Quarter 187) Telecom Equipment.
- Issued 346 (Previous Quarter: 149) Releases to Customs for Import of Telecom equipment.
- Inspected 86 (Previous Quarter: 51) dealerships.

Type Approval

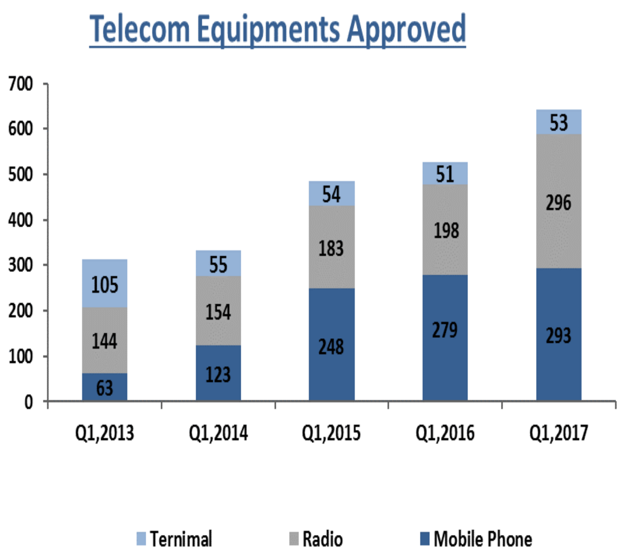




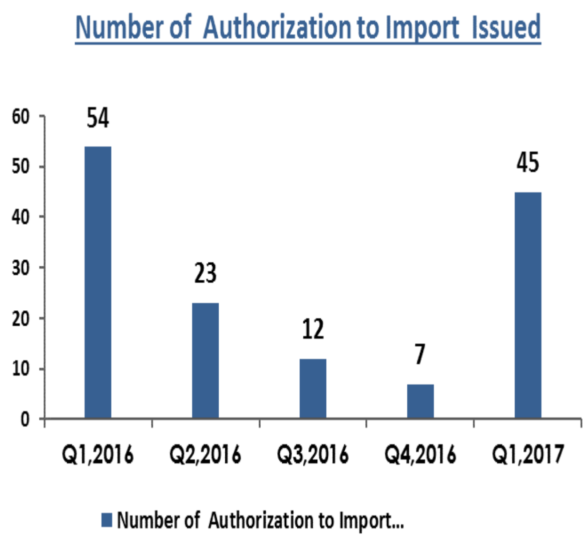
Inspection Visits
250
200
150
100
50
0
227
52
71
132
86
Q1,2013
Q1,2014
Q1,2015
Q1,2016
Q1,2017
Inspection Visits



Releases issued to Customs
600
500
400
300
200
100
0
372
530
475
483
346
Q1,2013
Q1,2014
Q1,2015
Q1,2016
Q1,2017
Releases issued to Customs



Telecom Equipments Approved
700
600
500
400
300
200
100
0
105
144
63
55
154
123
54
183
248
51
198
279
53
296
293
Q1,2013
Q1,2014
Q1,2015
Q1,2016
Q1,2017
Ternimal
Radio
Mobile Phone



Number of Authorization to Import Issued
60
50
40
30
20
10
0
54
23
12
7
45
Q1,2016
Q2,2016
Q3,2016
Q4,2016
Q1,2017
Number of Authorization to Import...

Tariffs & Promotions

Number of promotions/ new services and revisions segment wise

Number of Promotions approved Q1, 2017															
Licensee	Voice National		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellanious	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renna			5		5		2					1		13	35%
Friendi			1		1		1					3		6	16%
Teo														0	0%
Omantel	1		1		2	2						6		12	32%
Ooredoo			1									3		4	11%
Awaser						2								2	5%
Total	1	0	8	0	8	4	3	0	0	0	0	13	0	37	100%
	2.7%	0.0%	21.6%	0.0%	21.6%	10.8%	8.1%	0.0%	0.0%	0.0%	0.0%	35.1%	0.0%	100%	

Number of new services, Tariffs and Revisions approved Q1, 2017															
Licensee	Voice		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellanious	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renna					1									1	11%
Friendi					1						1			2	22%
Teo			2											2	22%
Omantel					1	2				1				4	44%
Ooredoo														0	0%
Awaser														0	0%
Total	0	0	2	0	3	2	0	0	0	1	1	0	0	9	100%
	0.0%	0.0%	22.2%	0.0%	33.3%	22.2%	0.0%	0.0%	0.0%	11.1%	11.1%	0.0%	0.0%	100%	

Summary of Promotion's Statistics for Q1/2017:

	Mobile	Fixed	Mobile & Fixed	Total
No. of Promotions	42	4	0	**46**
%	91%	9%	0%	**100%**
No. of new services and revisions	5	2	2	**9**
%	**56%**	**22%**	**22%**	**100%**

	Personal	Corporate	Personal & Corporate	Total
No. of Promotions	44	2		**46**
%	**93%**	**0%**	**0%**	**93%**
No. of new services and revisions	9	0	0	**9**
%	**100%**	**0%**	**0%**	**100%**

	Prepaid	Postpaid	Prepaid & Postpaid	Total
No. of Promotions	24	9	13	**46**
%	**67%**	**17%**	**17%**	**100%**
No. of new services and revisions	3	3	3	**9**
%	**33%**	**33%**	**33%**	**100%**

Summary of the tariff activity in Q12017:

- Number of Promotions increased by 14% comparing with Q1 2016 from 32 to 37.
- Most of Promotions approved or filed related to Top-Up and Bundled Services (35%), International Voice and MBB 22% each and FBB (11%).
- Most of services and revisions approved and filed dominated by Value Added Services and Bundled Services (26%), International Roaming and MBB of 21% each and FBB and Leased Lines 11% each.
- Non-dominant licensees contributed for 57 % of the total promotions approved and filed this quarter and for 26% of the total Services and Revisions approved and filed for the same quarter.
- Number of promotions filed accounted for 62 % of the total promotions approved and filed this quarter, and Number of new services and revisions filed this quarter accounted for 26%, of total approvals and filings, these percentages showing dynamics of non-dominant markets.

Most Remarkable Aspects of Promotions for the subject quarter:

- This period witnessed launching number of promotions on the occasion of the event COMEX.
- Omantel introduced WhatsApp Unlimited Add-on promotion for subscribers to Hayyak Your Way plans.
- Omantel also launched their Marhaba World Promotion for international calls.
- Omantel launched an offer for Instagram for Hayyak customers.
- Renna launched number of promotions on their VOIP International Calling Service.

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

- Ooredoo introduced permanently new international Roaming Plan termed Musafir World.
- Ooredoo launched revamped LTE-based Home Broadband.
- Ooredoo introduced Ooredoo TV GO service.
- Omantel launched permanently revamped Jawazak GCC roaming plans.
- Omantel launched new Hayyak plans referred to as Hayyak Your Way.
- Omantel launched permanently Wireless based Home Broadband Service.
- Omantel launched permanently new revamped inflight roaming service plan for travelers on airlines.
- Friendi launched their VOIP International Calling Service.
- Friendi Introduced new MBB data Plans.