سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q1, 2018

Competition and Tariffs Unit

Table of Content

➢ Introduction

We are pleased to present Q1 2018 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. Sometimes the source data is delayed by the service providers, which ultimately cause delays in publishing the report. We hope the publication timing and quality of information 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 service providers, 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 Observations Q1, 2018

The penetration rates are calculated based on the population and Household statistics published by NCSI.

- The population statistics used for this report are as of the mid - year 2017: (4,559,963).

- The number of estiatmed households are for year 2017: (584,762).

The penetration of different services stood at the following levels at end of the first quarter of 2018:

- Fixed line: **11.5%**% of inhabitants

- Mobile subscriptions: **148.2%**of inhabitants

- Fixed internet: **64.31%** of households.

The Active Mobile Broadband Subscriptions reached to 92.2%of inhabitants by Q1/2018 with the total active subscriptions of 4,205,485 .

During Q1/2018, the TRA received and approved:

- 13 new and revised Tariff Plans.

- 36 promotional tariff offers.

The TRA type approved 705 telecom equipments, and issued 52 authorizations for importing equipments. In addition, TRA Issued 890 releases to customs for importing telecom equipments during Q1/2018.

The TRA carried out 60 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q1, 2018

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscriptions	522,331	376,088	6,757,242
Penetration rate[1]	89.32%	64.31%	148.19%
Revenue (Mln.RO)	43.609	32.000	144.118
International Outgoing Voice Minutes (mln),	5.951	-	165.243
ARPU[2] (RO)	3.60	28.36	7.11
Service Providers	Omantel, Ooredoo, TeO, Connect Arabia International	Omantel, Ooredoo, Awasr	Oman Mobile, Ooredoo, Friendi, Renna

[1]Note: The above penetration rates are based on the NCSI's latest published statistics – population as of the)mid - year 2017: (4,559,963), Household estimation as at end of 2017: (584,762).

[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).

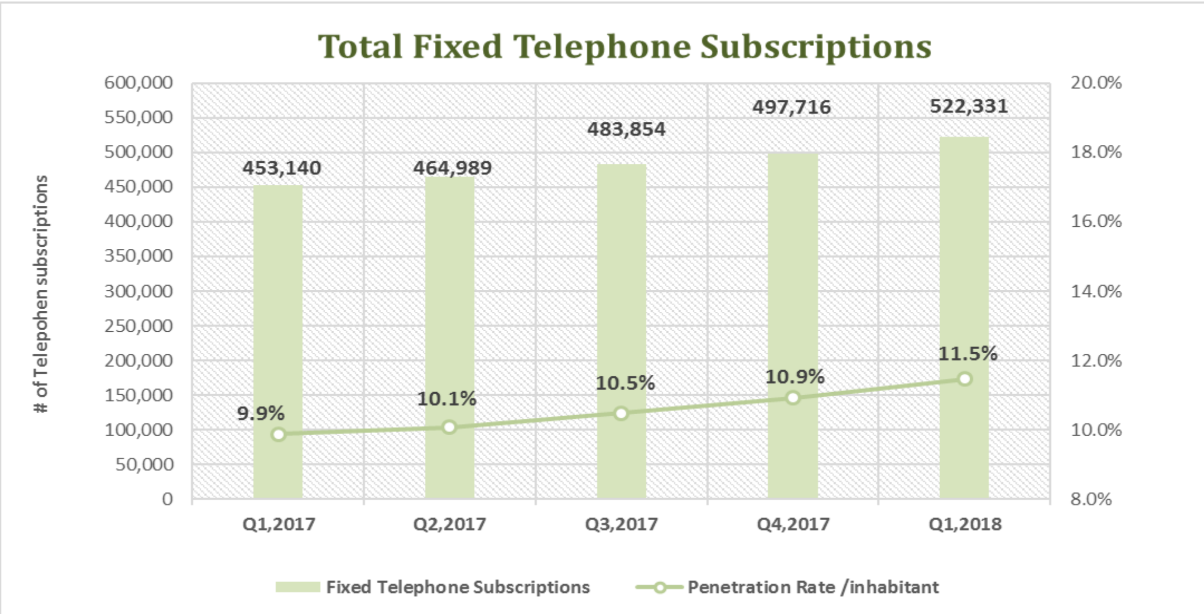
Fixed Telephone Service

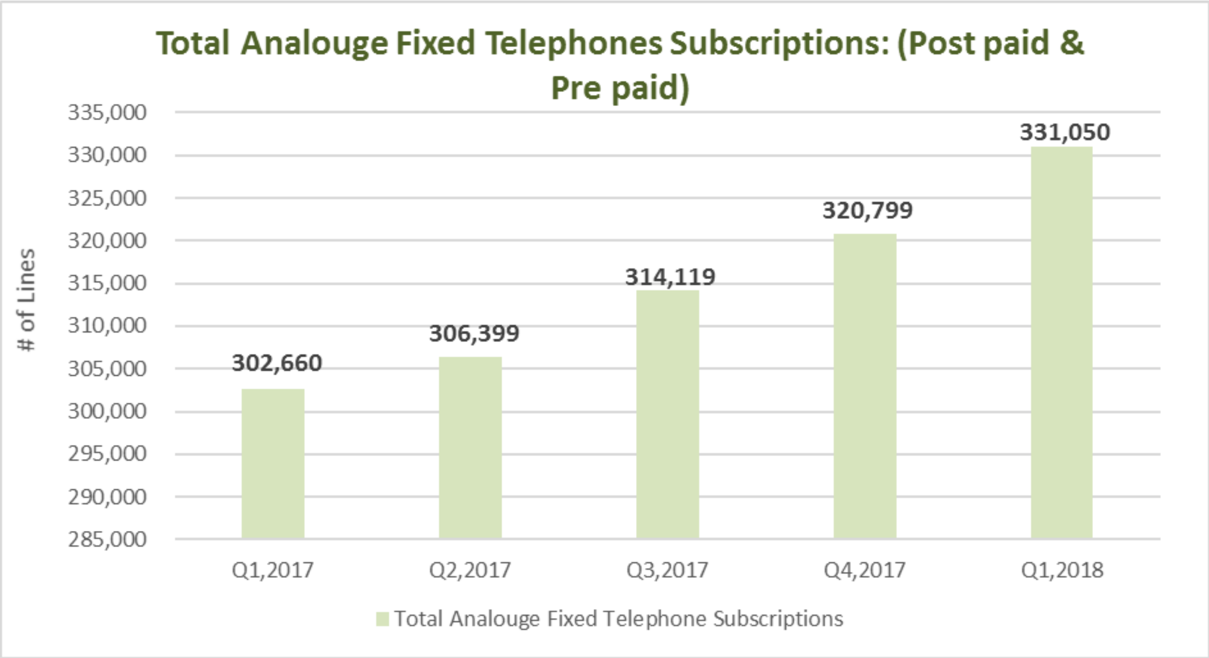
Type of Service	Q1/2018	Q4,2017	% Change
Fixed Telephone Subscriptions:			
1.1Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	331,050	320,799	3.2%
1.2 VoIP Subscription	136,117	122,949	10.7%
1.3 WLL Connections	1,675	1,676	-0.1%
1.4 ISDN Channels (Equivalent DELs)*	46,688	45,491	2.6%
1.5 Public Telephone – Payphones	6,801	6,801	0.0%
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	522,331	497,716	4.9%
Fixed Line Penetration per 100 Inhabitant	11.45%	*10.91%*	*0.5%*
Fixed Line Penetration Per 100 Household	89.32%	*85.11%*	*4.2%*

- Note: The penetration rates are calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).
- Households: 584,762 (as per the latest NCSI estimation by end of 2017).
- ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.

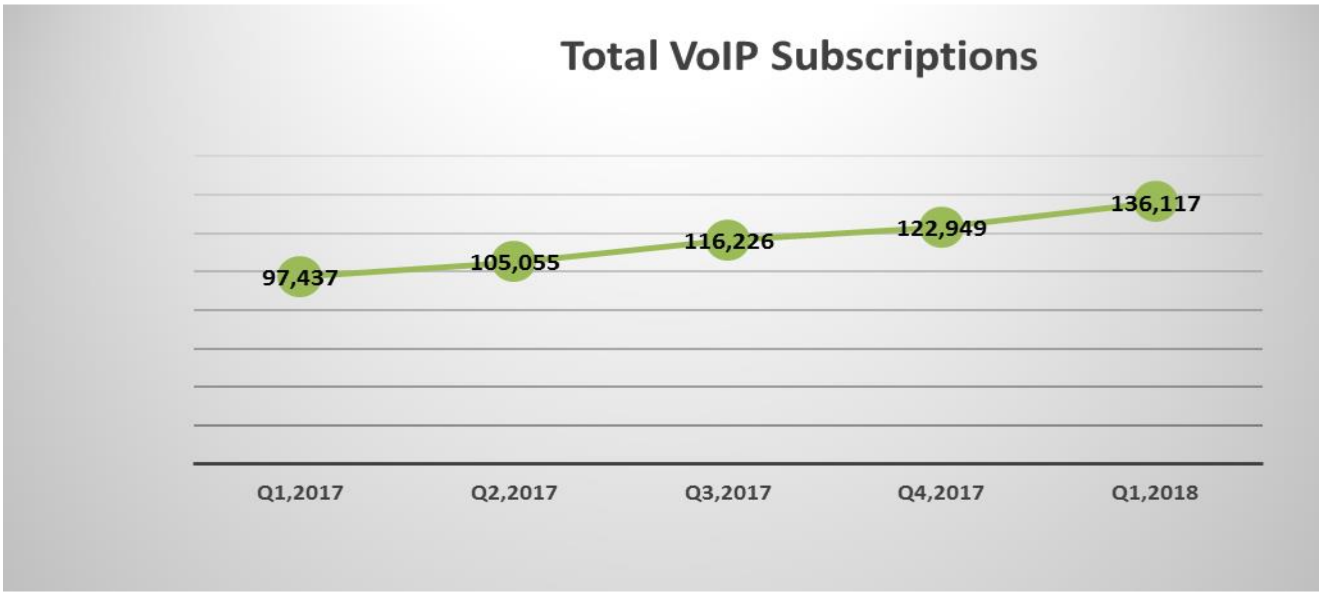
➢ During Q1/2018, the Fixed Telephone subscriptions were reported as 522,331 showing 4.9% growth.

➢ The penetration rate per inhabitant of the fixed telephone subscriptions slightly increased by 0.5% compared to the last quarter. The penetration rate per household increased by 4.2%.



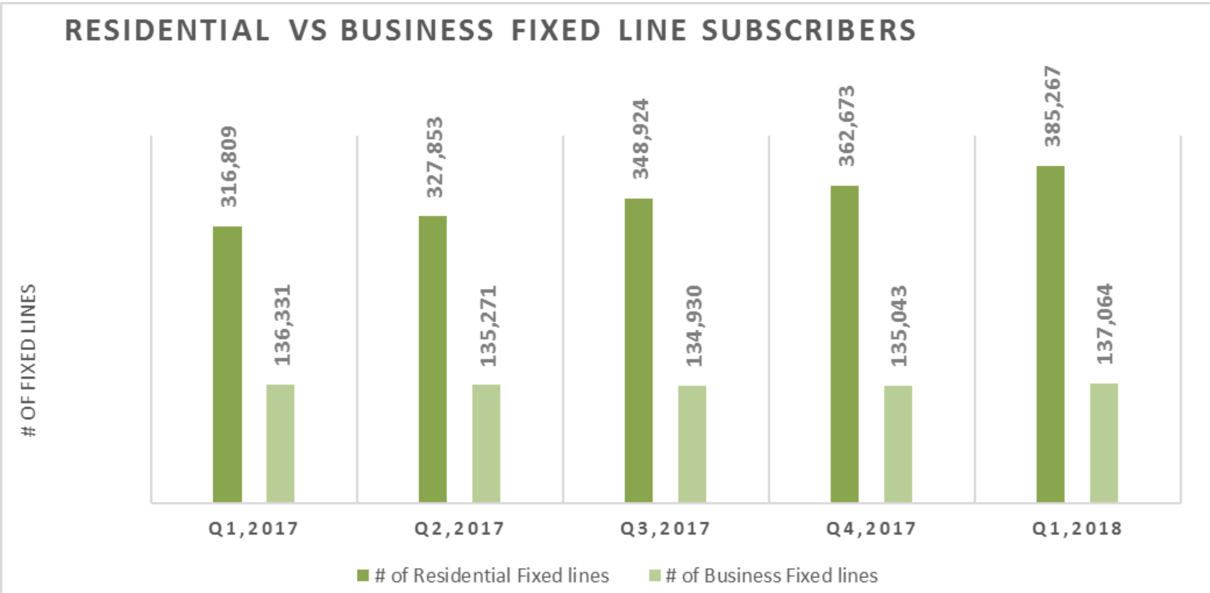


- Total analogue postpaid and prepaid fixed telephone subscriptions increased by 3.2% during Q1/2018.



- VoIP subscriptions refers to the number of voice-over-internet protocol (VoIP) fixed line subscriptions that provide fixed telephony using IP technology. Total fixed telephone VoIP subscriptions increased during the first quarter 2018 by 10.7% achieving 136,117 subscriptions by end of March 2018.

- The ISDN (Integrated services digital network) equivalent channels during Q1/2018 increased slightly by 2.6% reaching 46,688 channels.



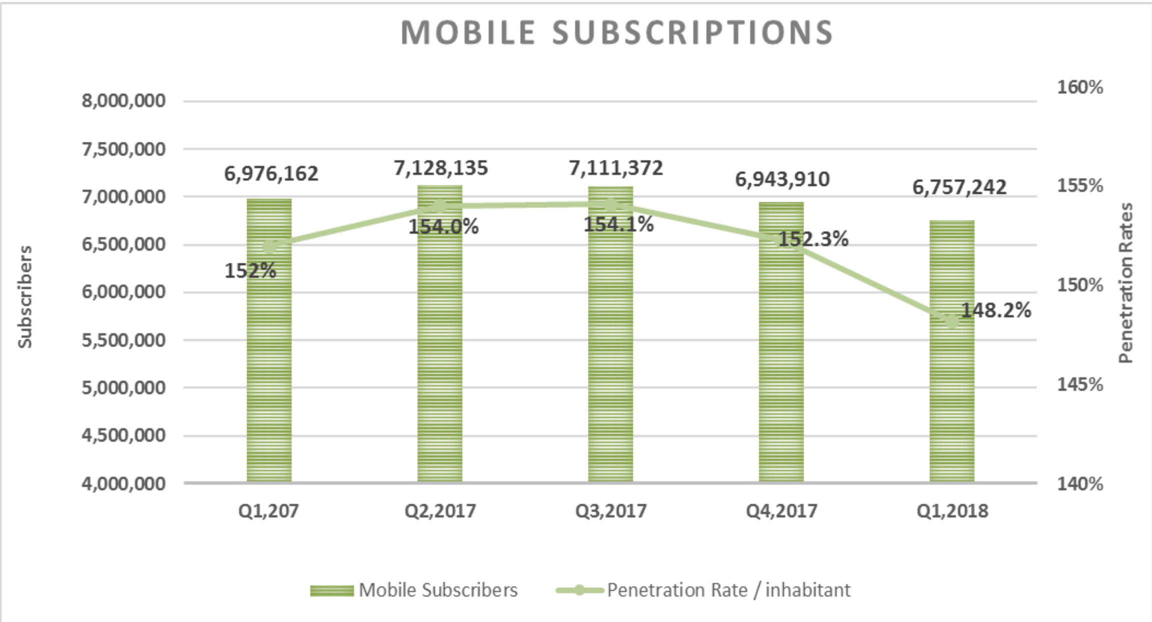
- During the Q1/2018, both subscriptions of the Business Fixed line and residential fixed line improved by 1.5% and 6.2% respectively as compared to the previous quarter.
- The split between fixed residential and business lines stood at 73.8% and 26.2% respectively in Q1/2018.

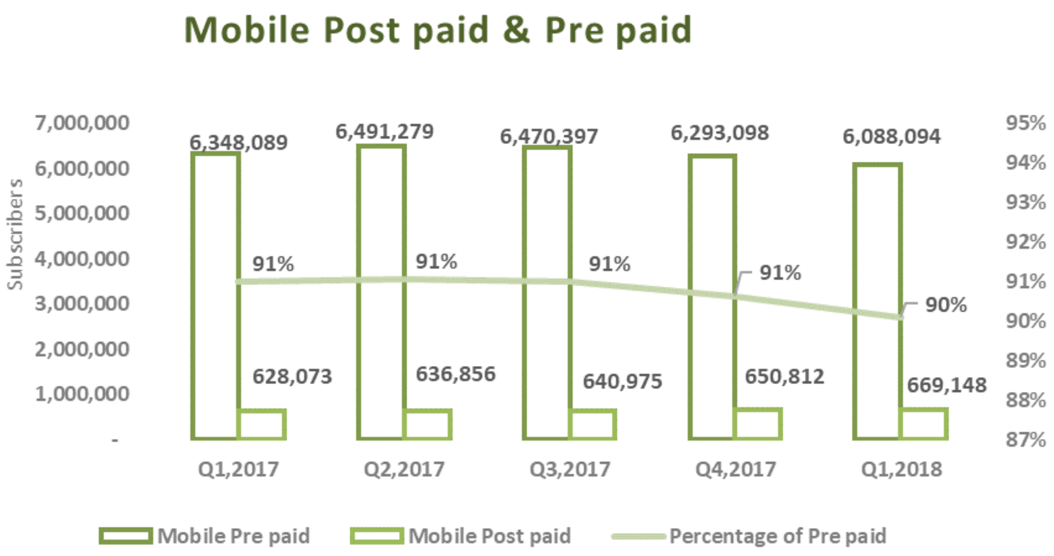
Mobile Service

Mobile Subscriptions	Q1,2018	Q4/2017	% Change
1 Post Paid			
1.1 Operators	669,148	650,812	2.8%
Total Postpaid Subscriptions	669,148	650,812	2.8%
Prepaid			
2.1 Operators	5,100,343	5,234,586	-2.6%
1.2 Resellers	987,751	1,058,512	-6.7%
Total Prepaid Subscriptions	6,088,094	6,293,098	-3.3%
Total Mobile Subscriptions: (1+2)	6,757,242	6,943,910	-2.7%
Mobile Penetration/100 Inhabitant	148.19%	152.28%	-4.1%

- Note: The penetration rates are calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).

➢ The total mobile subscriptions declined by 2.7% during the Q1/2018 reaching a total of 6,757,242 subscribers. The mobile penetration decreased by 4.1% in Q1/2018.

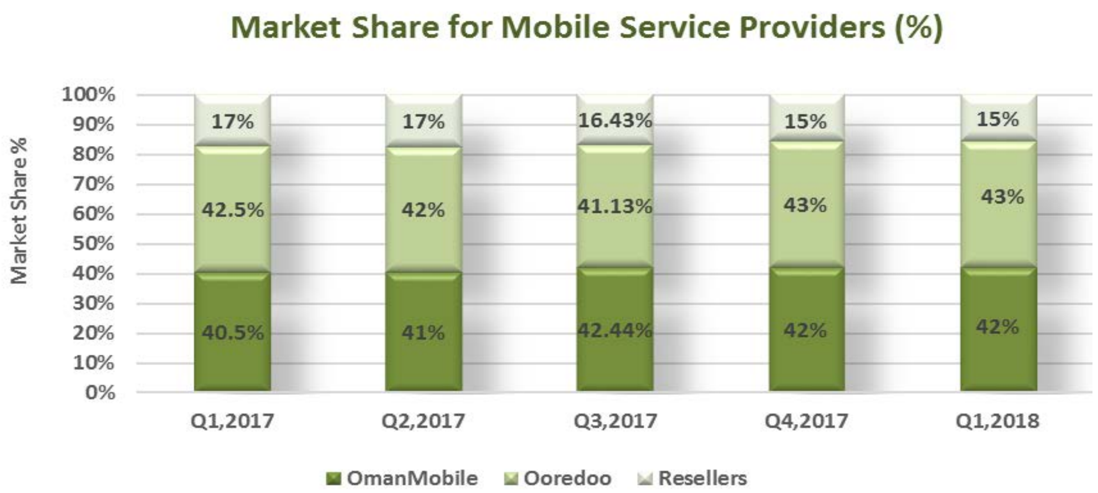




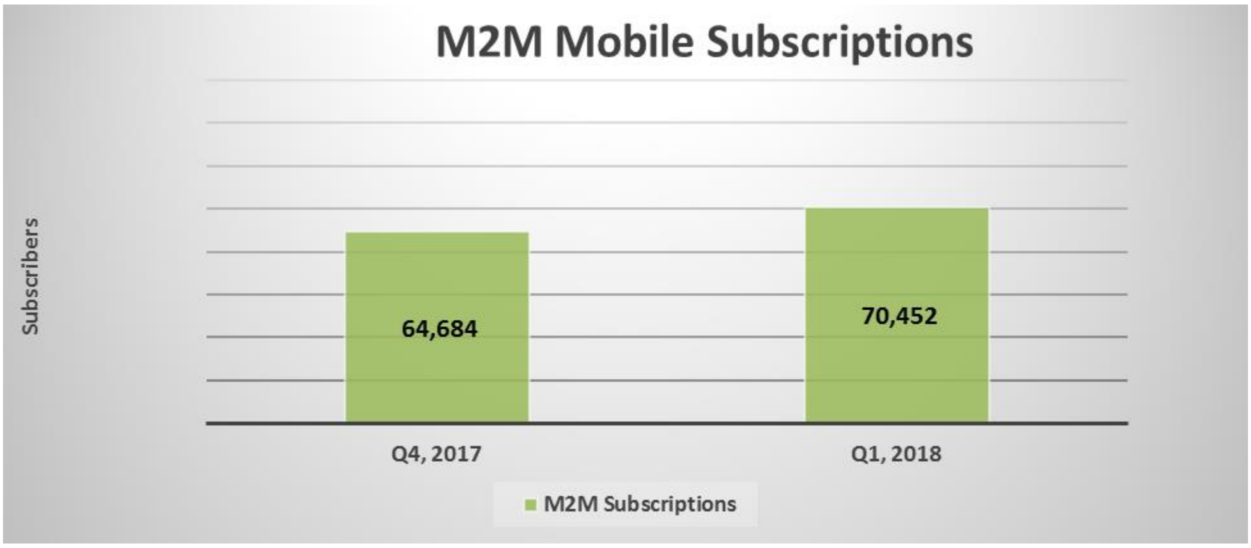
➢ Post-paid mobile subscriptions reached to the figure of 669,148 with 2.8% growth over the previous quarter.

➢ Prepaid mobile subscriptions dropped slightly by 3.3% in Q1/2018 reaching to 6,088,094 subscriptions.

➢ By end of Q1, 2018 the mobile prepaid subscriptions represent 90% of the total mobile subscriptions.



➢ For Q1/2018, the market share based on mobile subscriptions for Ooredoo was 43%, while Oman mobile and Resellers' shares were 42%, 15% respectively.



- Machine to machine Mobile Subscriptions (M2M) [1] achieved 9% growth during the first quarter 2018.

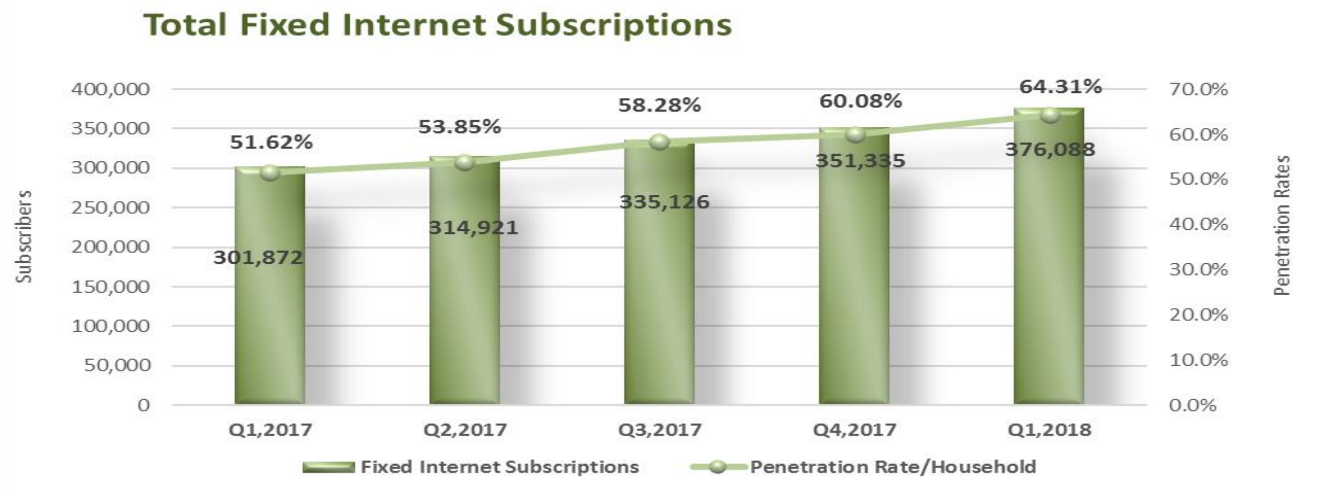
[1] M2M mobile-network subscriptions

Refers to the number of mobile-cellular machine to-machine subscriptions that are assigned for use in machines and devices (cars, smart meters, consumer electronics) for the exchange of data between networked devices, and are not part of a consumer subscription. For instance, SIM-cards in personal navigation devices, smart meters, trains and automobiles should be included. Mobile dongles and tablet subscriptions should be excluded.

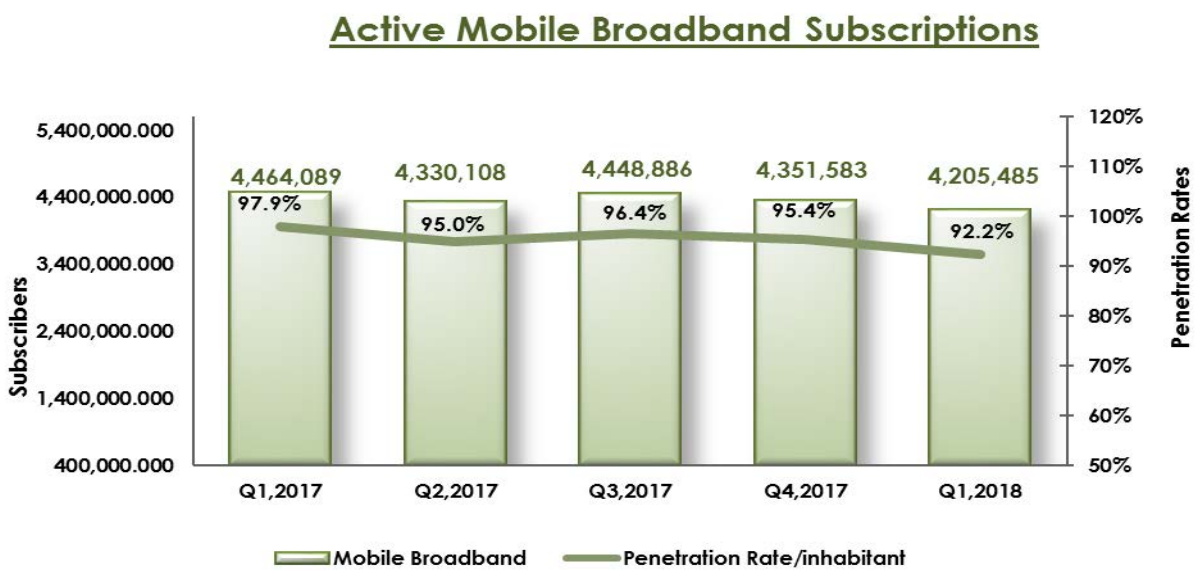
Internet Services

Type of Service	Q1,2018	Q4/2017	% Change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscriptions	2,340	2,379	-1.6%
1.2 Internet Leased Lines(Narrowband)	29	30	-3.3%
1. Total Fixed Narrowband Subscriptions : (1.1+1.2)	2,369	2,409	-1.7%
Fixed Broadband Subscriptions			
2. Total Fixed Broadband Subscriptions	373,719	348,926	7.1%
Total Fixed Internet Subscriptions (1+2)	376,088	351,335	7.0%
Fixed Internet Penetration /100 Household	64.31%	60.08%	4.2%
Fixed Broadband Subscriptions Penetration/100 Household	63.91%	59.67%	4.2%
Active Mobile Broadband Subscriptions			
3.1 Dedicated mobile-broadband Subscriptions*	731,206	721,448	1.4%
3.2 Standard mobile-broadband Subscriptions*	3,474,279	3,630,135	-4.3%
3. Total Active Mobile Broadband Subscriptions (3.1+3.2)	4,205,485	4,351,583	-3.4%
Active Mobile Broadband Penetration Rate /100 Inhabitant	92.2%	95.4%	-3.2%

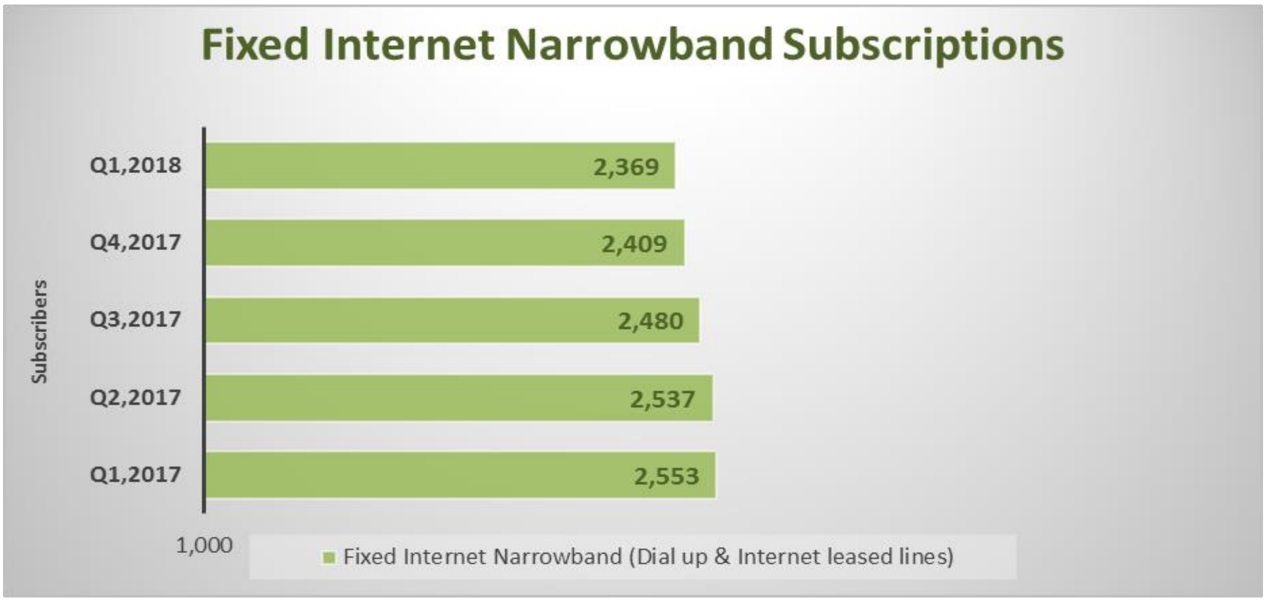
- Note: The penetration rates are calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).
- Households: 584,762 (as per the latest NCSI estimation by end of 2017).



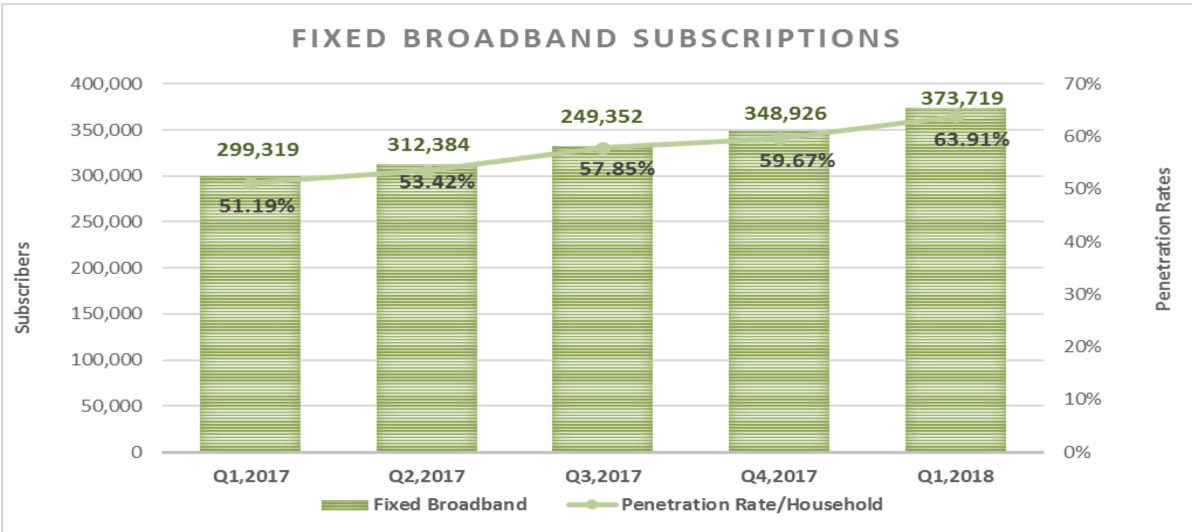
- The total fixed internet subscriptions increased by 7.05% during the first quarter 2018 reaching 376,088 subscriptions.
- During the reported quarter, the fixed internet penetration rate per household reached 64.31%, which is 7.05% higher than the previous quarter.



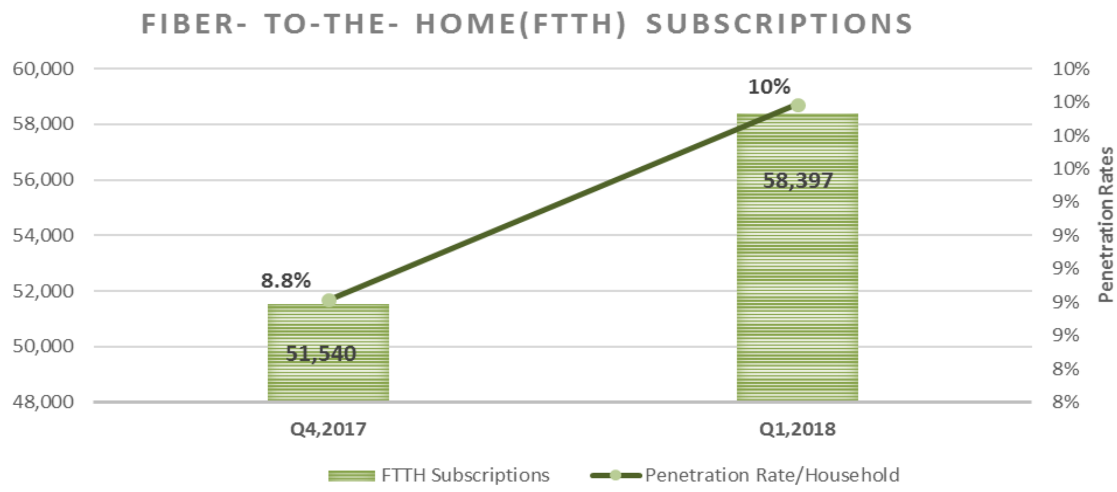
During the first quarter 2018, total active mobile broadband subscriptions dropped by 3.4% reaching to 4,205,485 from 4,351,583. Also, the penetration rate declined by 3.2% from 95.4% to 92.2% per inhabitant.



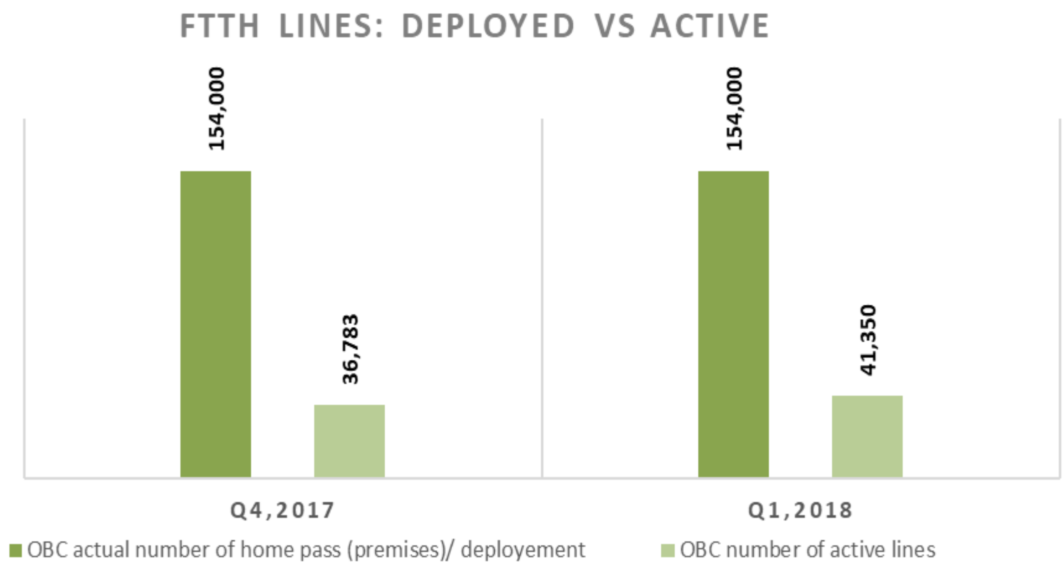
- During Q1/2018, fixed internet narrowband subscriptions decreased by 1.7% to 2,369 subscriptions compared to the previous quarter.



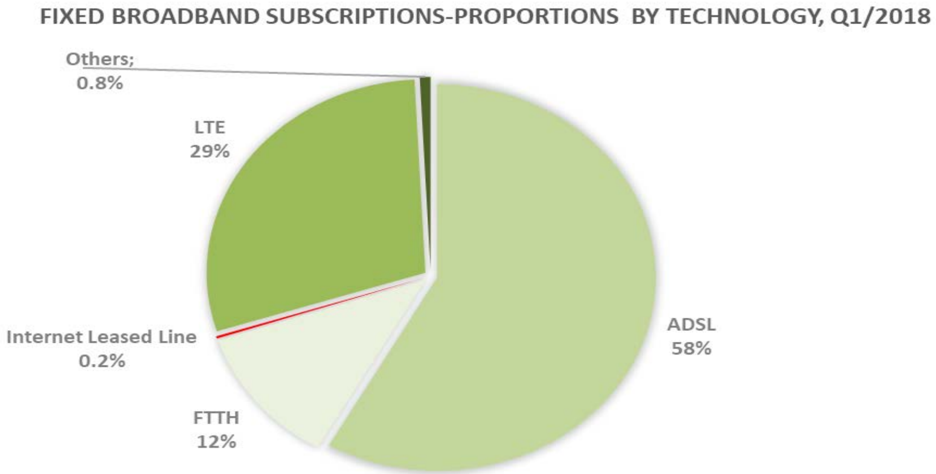
- During Q1/2018, Fixed Broadband subscriptions has experienced 7.1% growth over the Previous quarter. Fixed Broadband subscription reached to 373,719 subscriptions with penetration rate of 63.91% per household.



- Fiber – to – the – home (FTTH) subscriptions grew by 13% during Q1, 2018 getting to the 58,397 subscriptions as compared to the 51,540 subscriptions in the Q4, 2017. Similarly, the FTTH penetration per 100 household improved to 10% by end of Q1, 2018. The total FTTH subscriptions include all fiber connections through OBC and operators themselves.

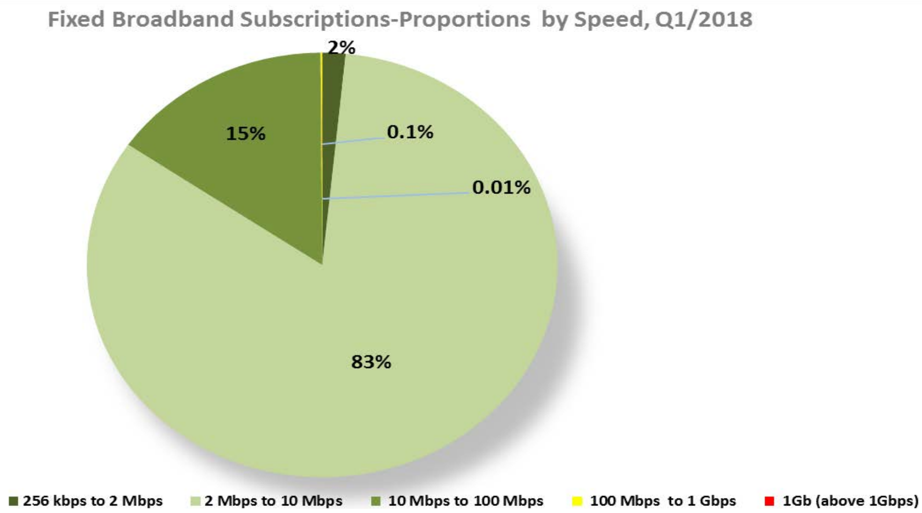


- Oman Broadband Company (OBC) has deployed 154,000 FTTH lines by the first quarter of 2018. Out of these home pass (premises), 41,350 lines were activated by Q1, 2018 with 12.4% growth as compared to the previous quarter.



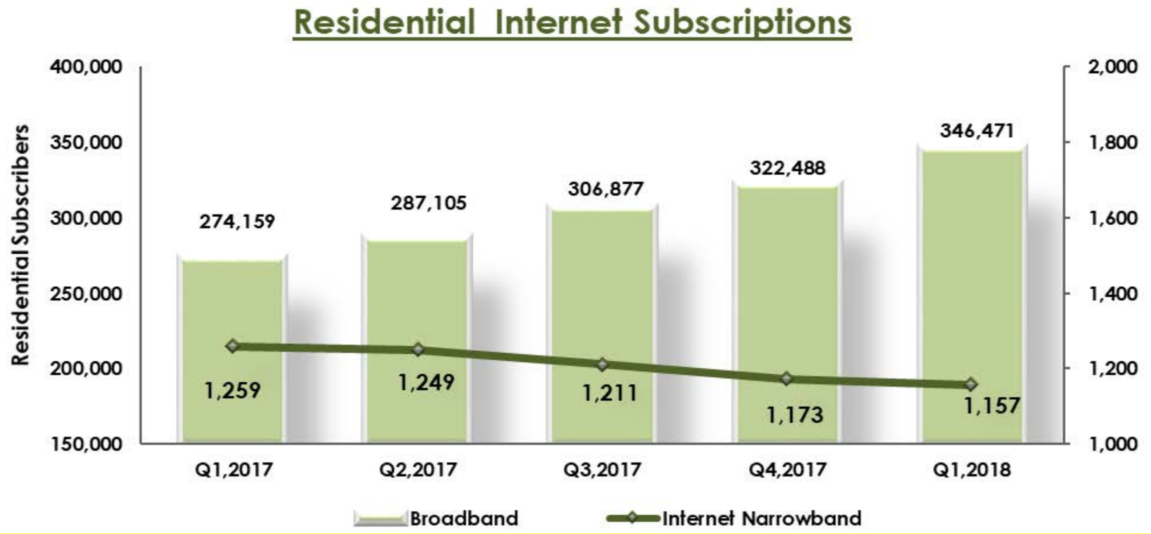
❖ <u>During Q1/2018, the fixed broadband subscriptions by technology are represented by following:</u>

- 58% for ADSL subscriptions.
- 29% for LTE subscriptions.
- 12% for FTTH subscriptions.
- 0.2% for Internet Leased Line subscriptions.
- 0.8% for Other subscriptions.



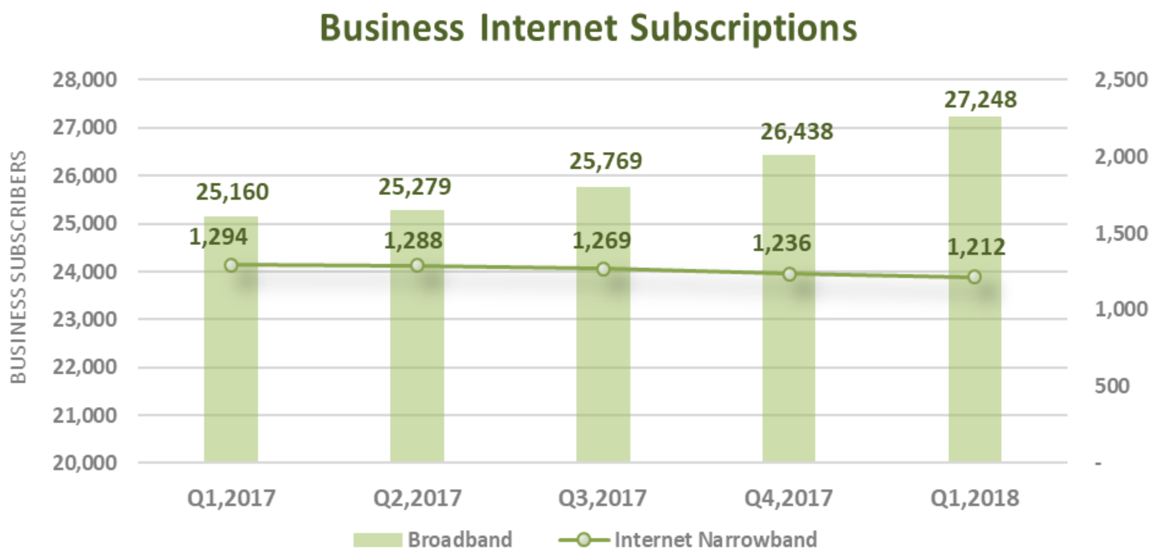
❖ <u>During Q1/2018, the fixed broadband by speed are distributed as follows:</u>

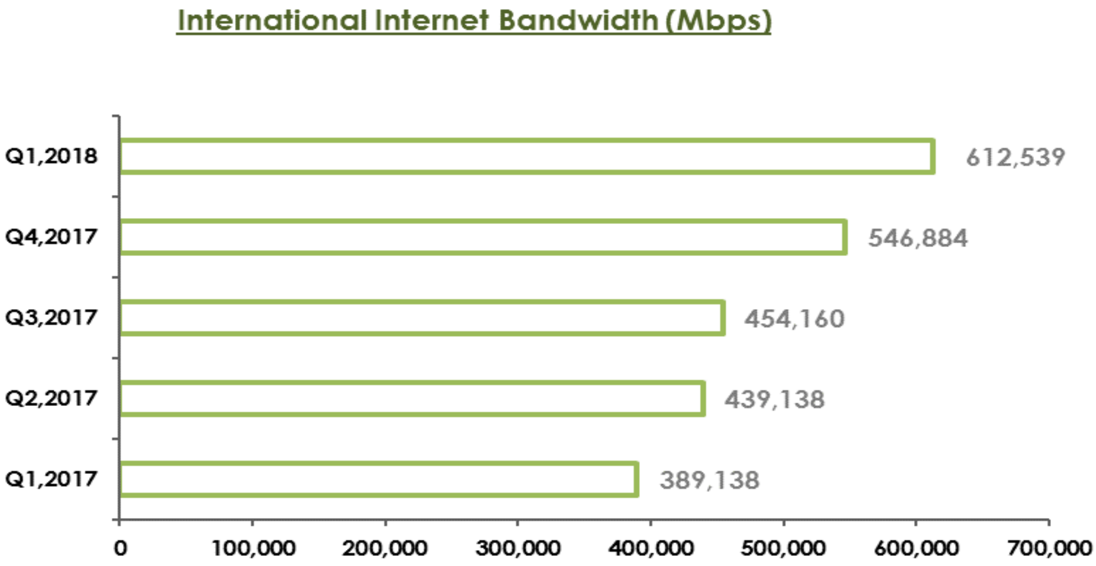
- 2% had access speed of 256 Kbps to 2 Mbps.
- 83% has access speed of 2Mbps to 10 Mbps.
- 15% had access speed of 10 Mbps to 100 Mbps.
- 0.1% had access speed of 100 Mbps to 1 Gbps.
- 0.01% had access speed of more than 1Gbps.



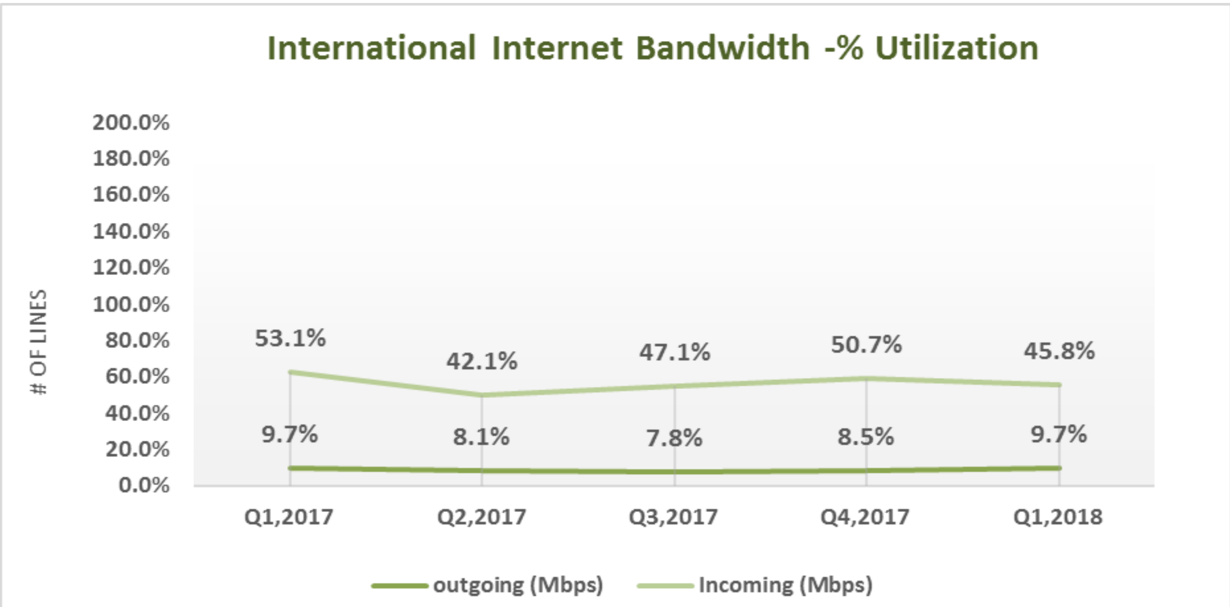
- The residential fixed broadband subscriptions in the above chart show an increase of 7% during Q1/2018. On the other hand, the residential narrowband subscriptions declined by 1% over the same period.

- The below chart presents growth in the business fixed broadband subscriptions by 3% while the business narrowband subscriptions declined by 2% during the same period.



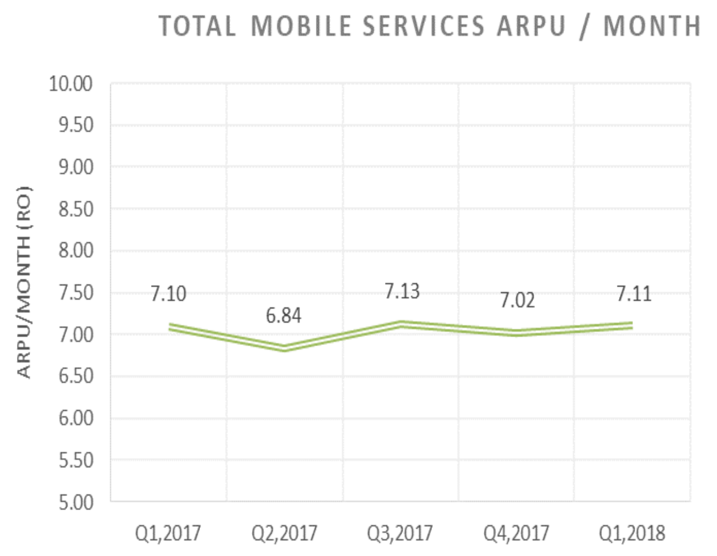


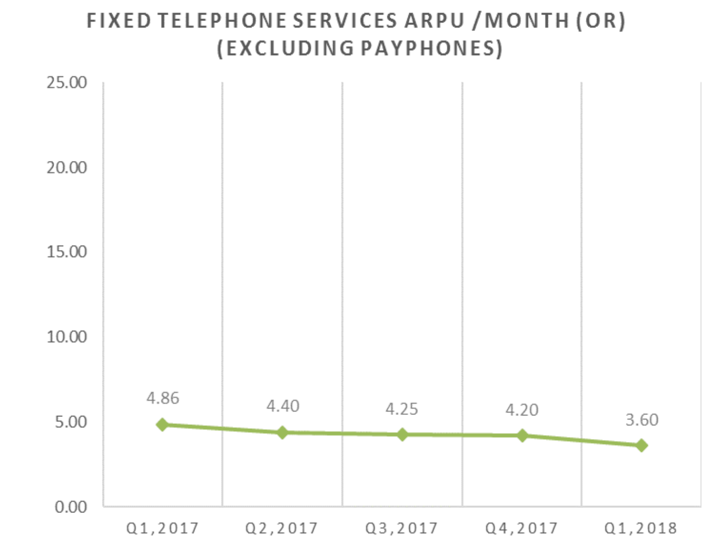
- During the Q1/2018, the operators had 612,539 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 546,884 Mbps.

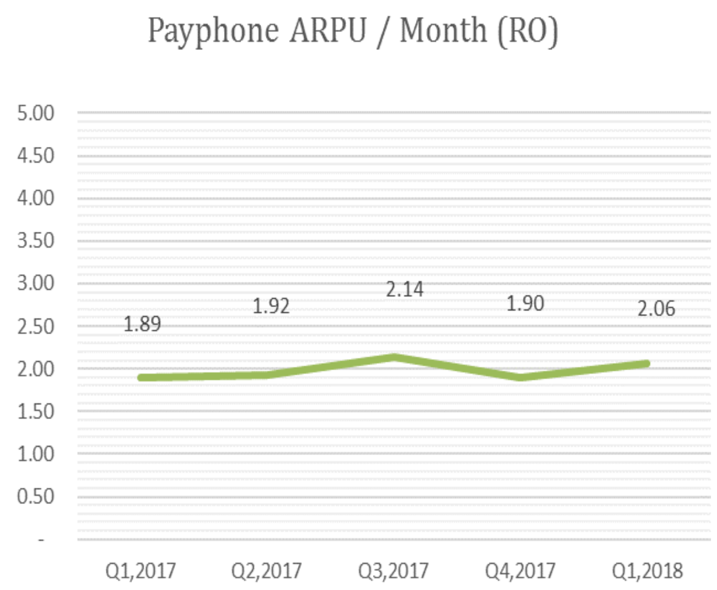


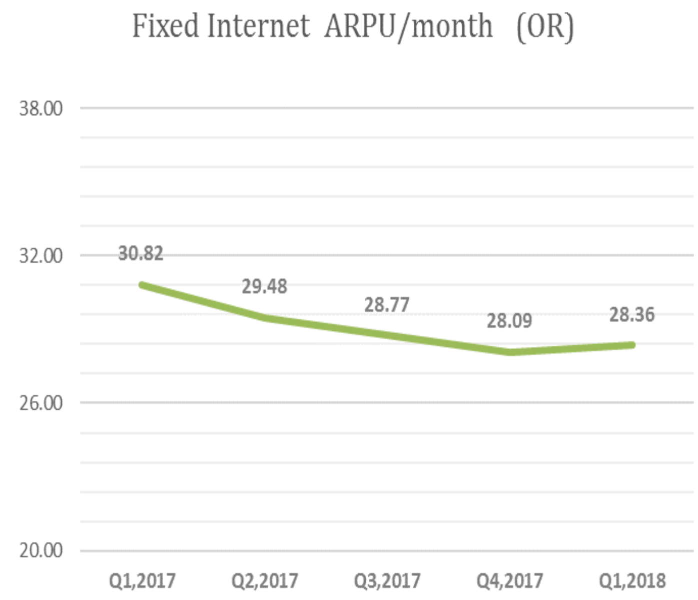
- Out of 612,539 Mbps capacity, on average 9.7% was utilized for the outgoing and 45.8% for the incoming traffic.

ARPUs



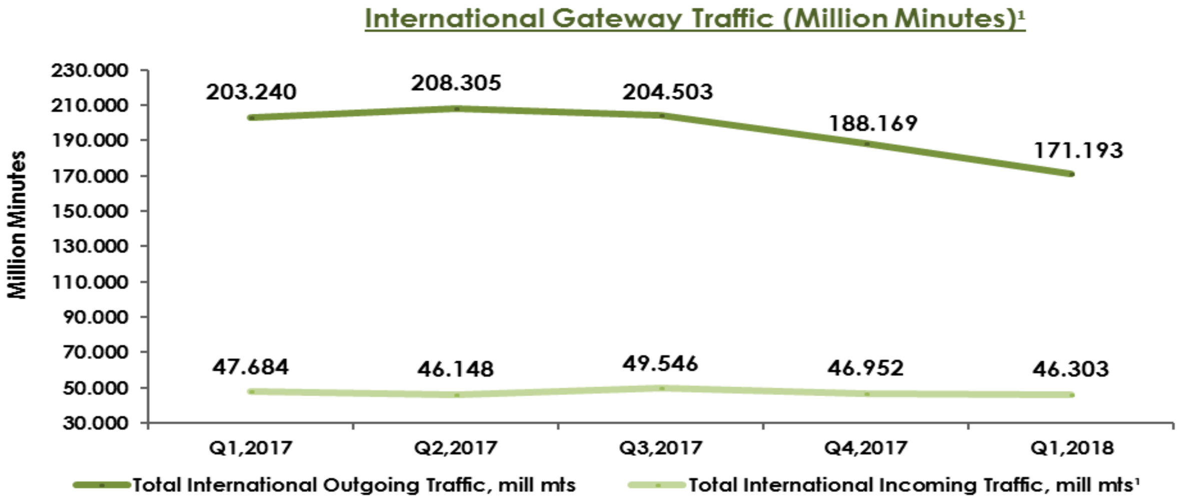




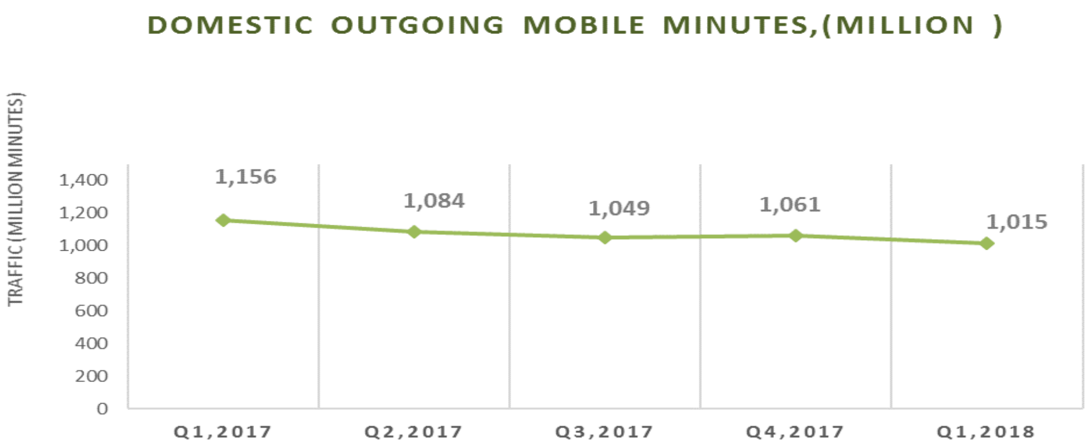


[1]ARPU (the average revenue per users (subscriptions))

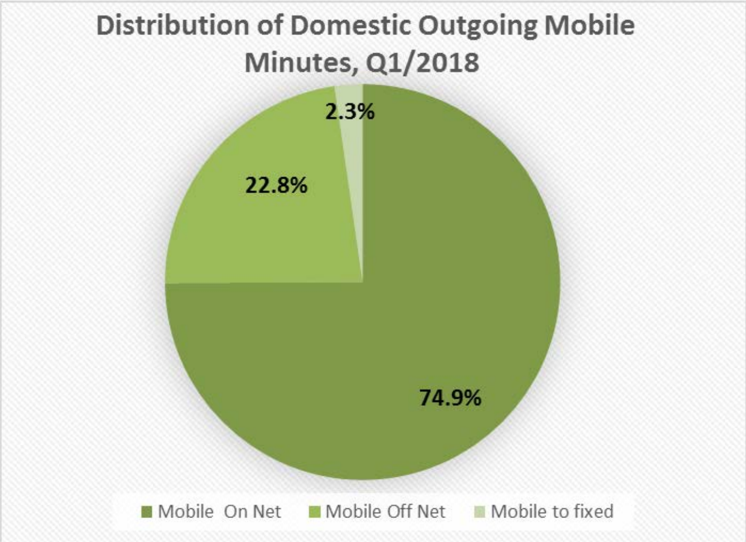
Traffic

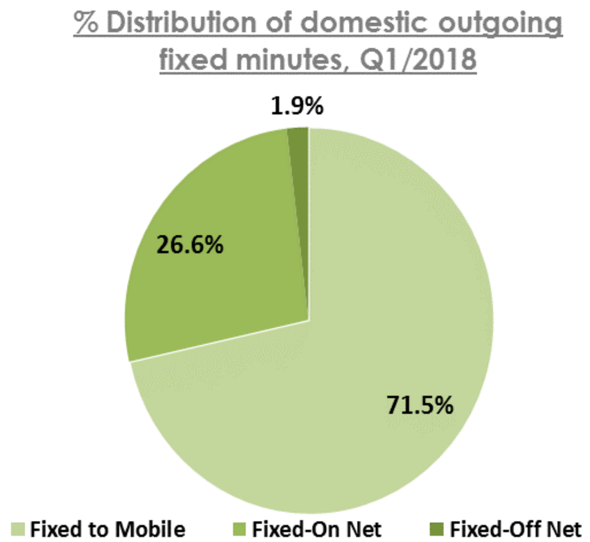


- The International Gateways Outgoing minutes continues to decline. During the last quarter, it dropped by 9% reaching 171.193 million minutes. Similarly, the Incoming minutes of the international gateways dropped by 1.4% during the same period.



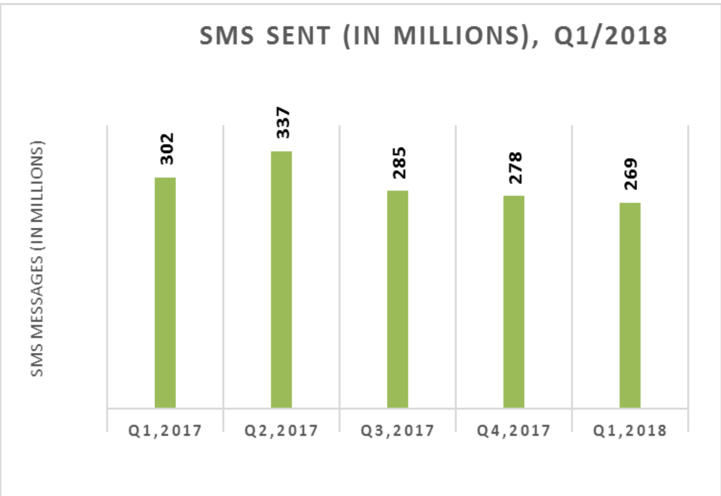
- During the first quarter 2018, the number of domestic outgoing mobile minutes dropped by 4.3% to 1,015 million minutes from the previous quarter traffic of 1,061 million minutes.
    - [1]*Note*: The IGW Incoming traffic figures pertaining to Q1&Q2 &Q3& Q4/2017 are provisional because Ooredoo updated its estimated inputs of the previous quarters and is still upgrading its data warehouse, as some issues remain un-resolved.

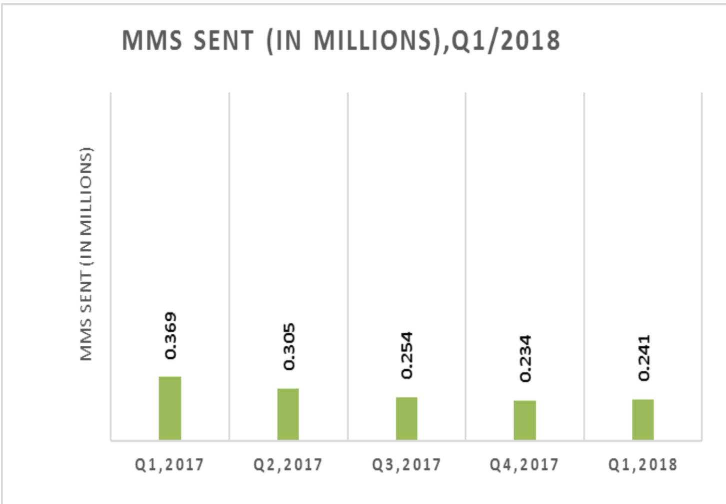




During Q1/2018, the mobile-to-mobile (On net) traffic had the major share of 74.9% out of the total domestic outgoing traffic, while the Off net mobile domestic traffic has 22.8% share. The Mobile to fixed Traffic represents only 2.3% of the total mobile domestic traffic.

During Q1/2018, the domestic outgoing fixed traffic carries 71.5% for fixed to mobile, 26.6% for fixed to fixed (On-net), and 1.9% for fixed to fixed (Off-net) traffic share.





Total outgoing SMS (short messages) Traffic dropped to reach 296 million messages by Q1/2018 from 278 million messages in the previous quarter.

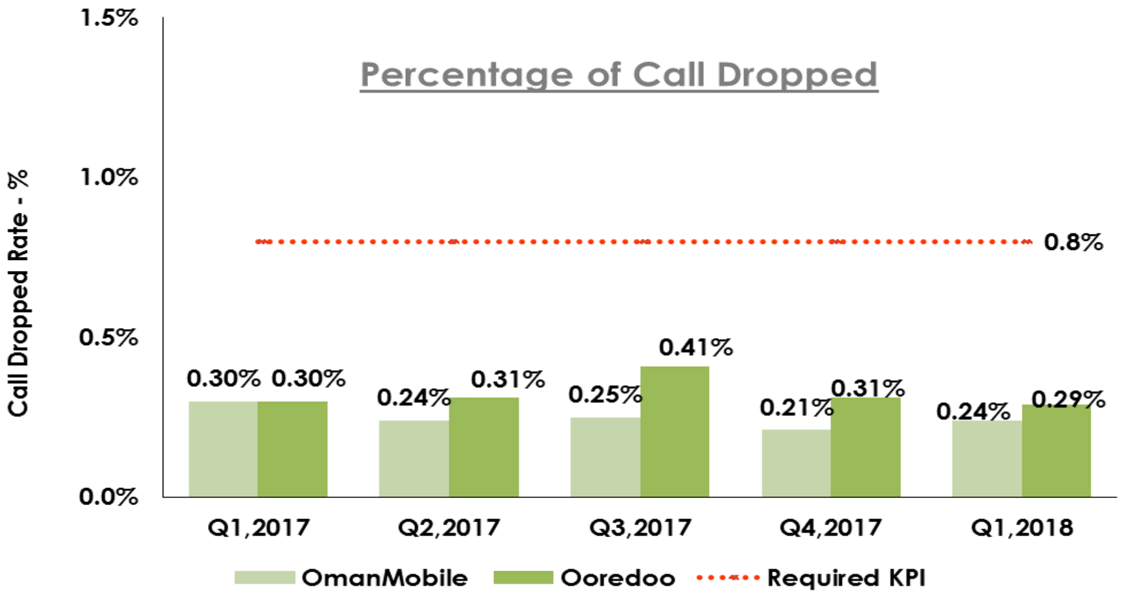
The number of outgoing MMS (multimedia massages) has been gradually decreasing since the last year reaching 0.241 million MMS by the end of Q1, 2018.

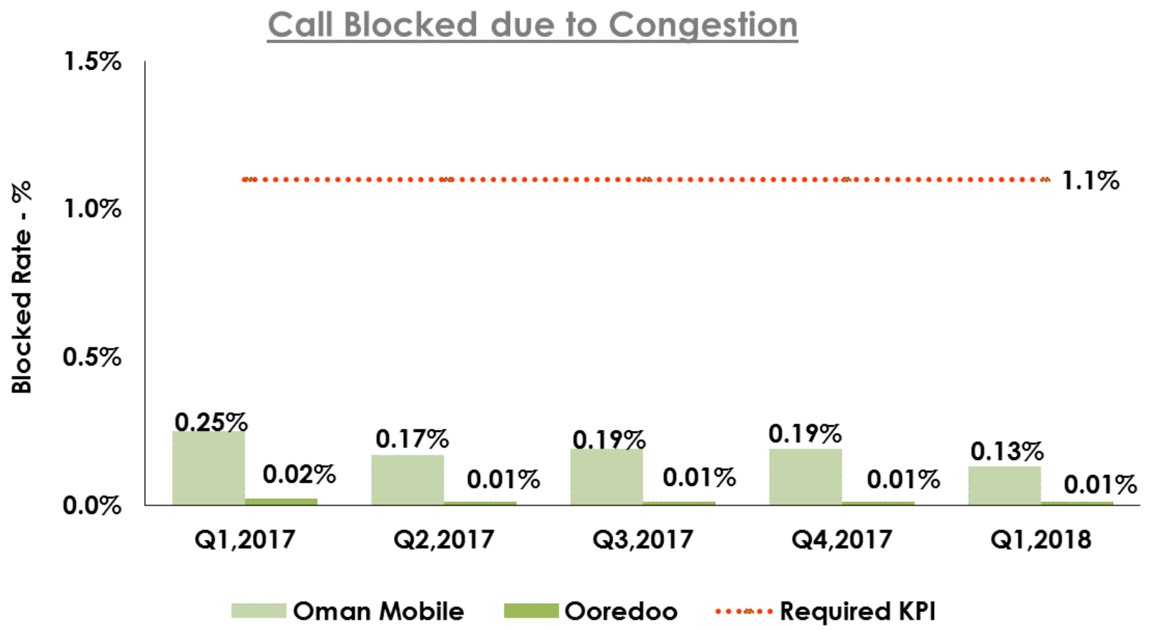
Quality of Service

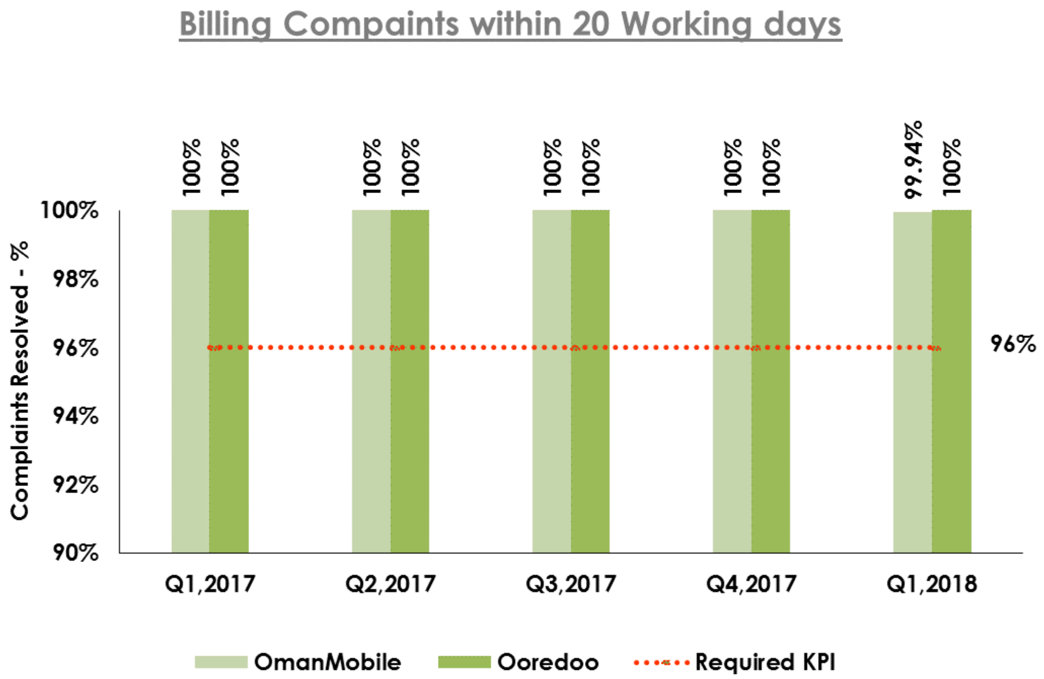
QoS indicators are as measured and reported by the operators-unaudited(

Mobile Services KPIs

Mobile Services KPIs	Required KPI (Quarterly)	Q1,2018		Q4,2017	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.24%	0.29%	0.21%	0.31%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.13%	0.01%	0.19%	0.01%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	99.94%	100%	100%	100%



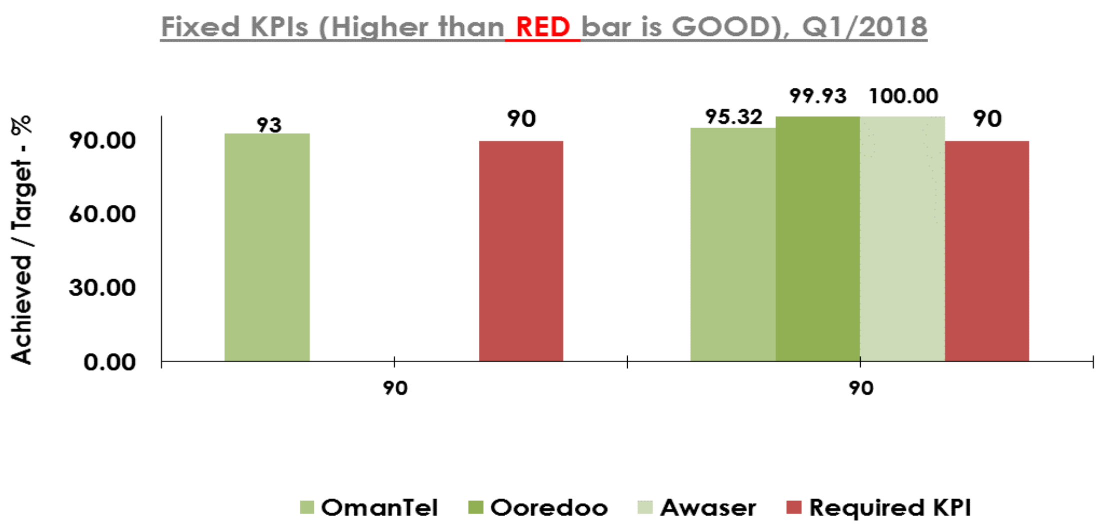

Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
1.1%
0.25%
0.02%
0.17%
0.01%
0.19%
0.01%
0.19%
0.01%
0.13%
0.01%
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Oman Mobile
Ooredoo
Required KPI


Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
100%
100%
100%
100%
100%
100%
100%
99.94%
100%
96%
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Q1,2018
OmanMobile
Ooredoo
Required KPI

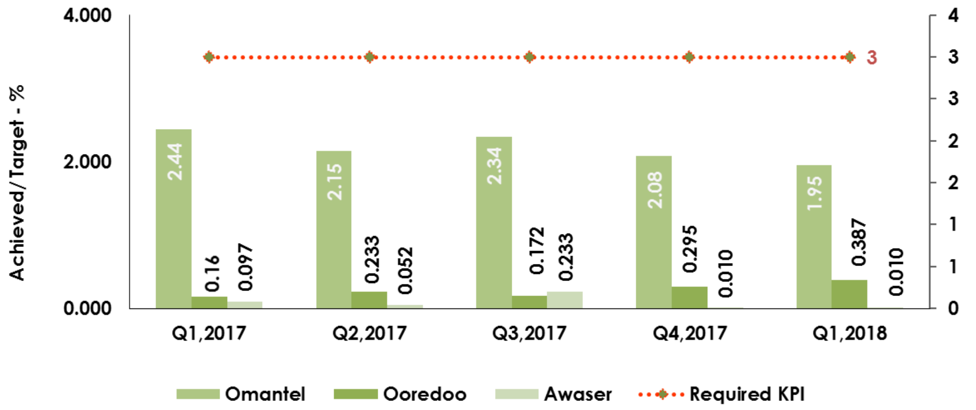
Fixed Services KPIs

Fixed Services KPIs	Required KPI (Quarterly)	Q1,2018			Q4/2017		
		Omantel %	Ooredoo %	Awasr %	Omantel %	Ooredoo %	Awasr %
1. Faults per 100 lines per quarter	Less than 3	1.95	0.387	0.010	2.08	0.295	0.010
2. % of faults to be cleared within 24 hours	More than 90%				**95.91**	**99.43**	**96.15**
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.015	0.001	-	0.005	0.001	-
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%				**95.32**	**99.93**	**100**
5. Billing complaints per 1000 Bills	Less than 1.5	0.381	0.645	0.3	0.256	0.249	0.57
6. Percentage of billing complaints resolved within 20 working days	More than 96%	99.94	100	100	100	100	**100**

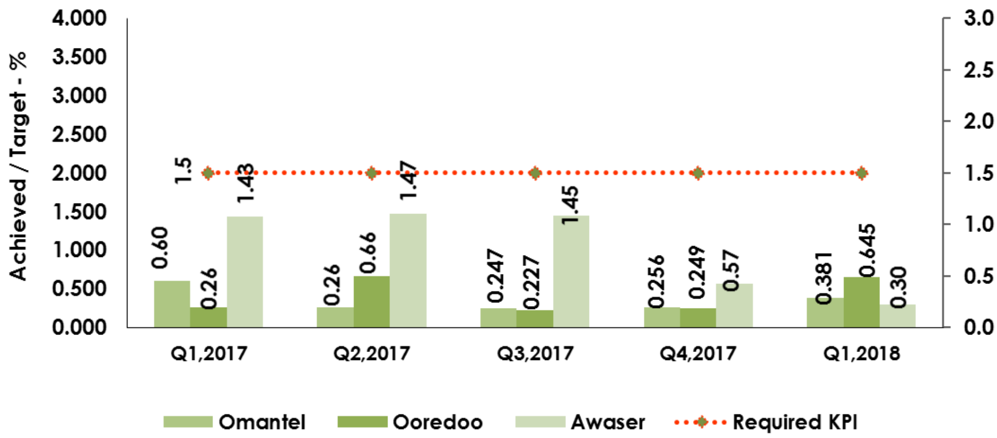
*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)



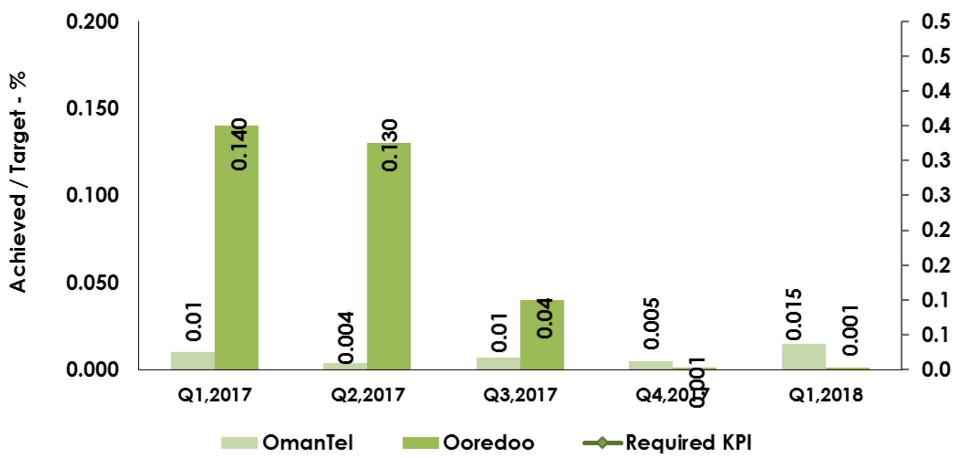
Faults per 100 lines



Billing complaints per 1000 Bills



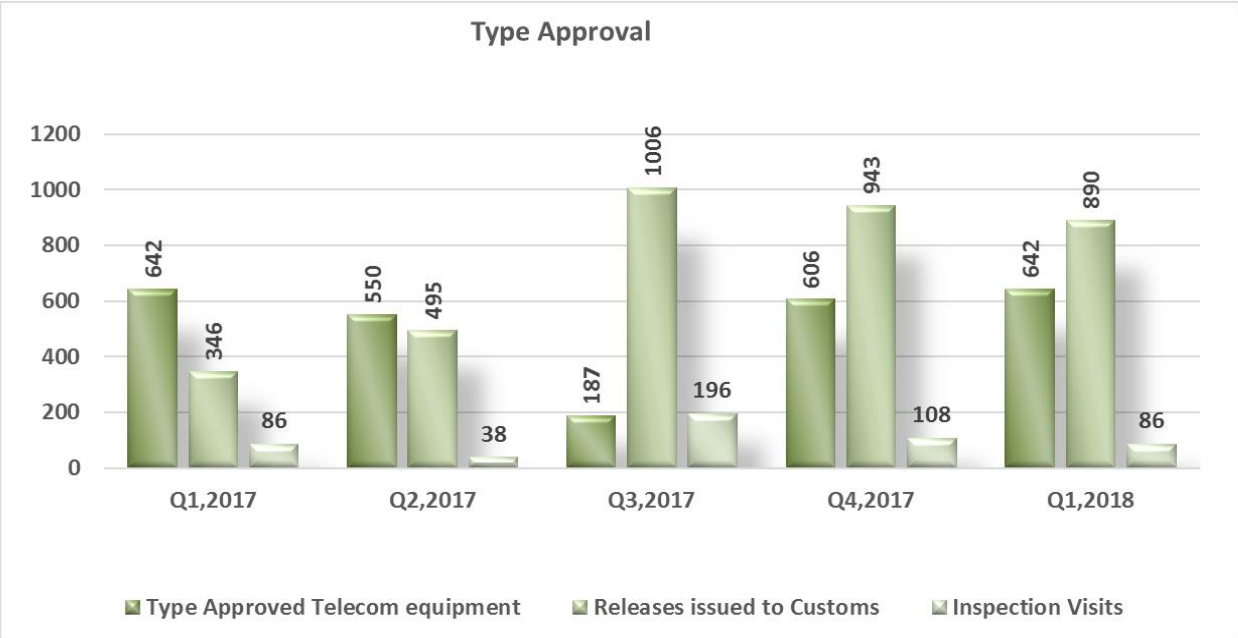
Unsuccessful call Ratio for local and national fixed calls

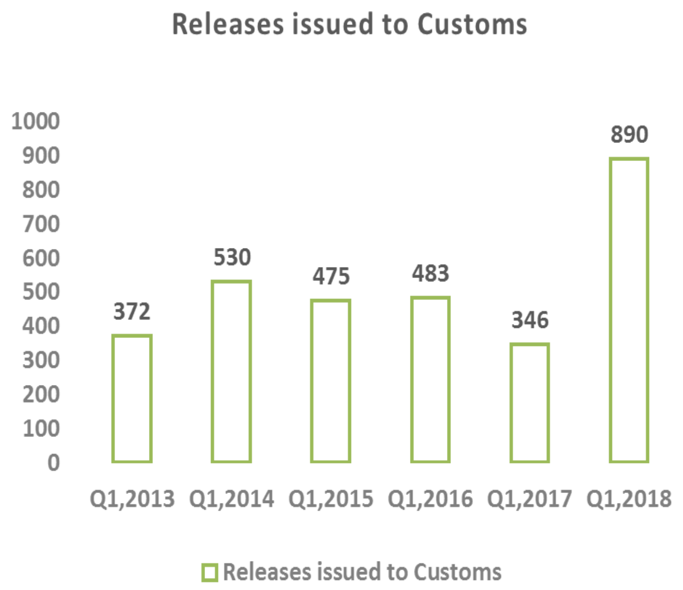


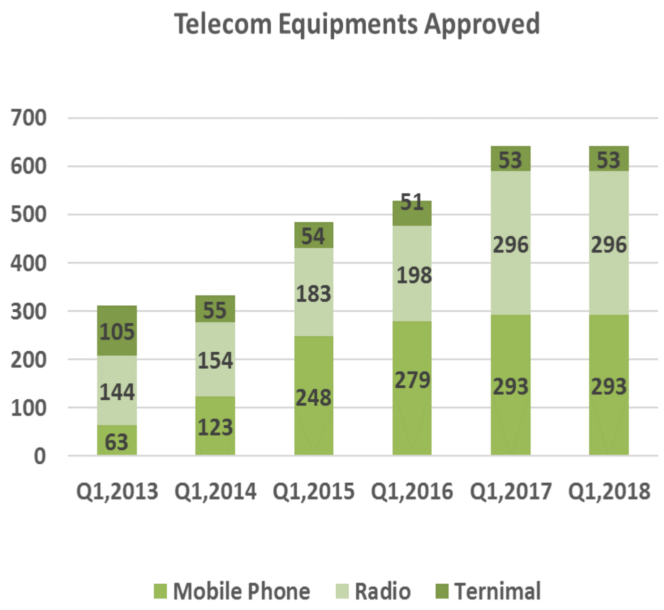
Type Approval

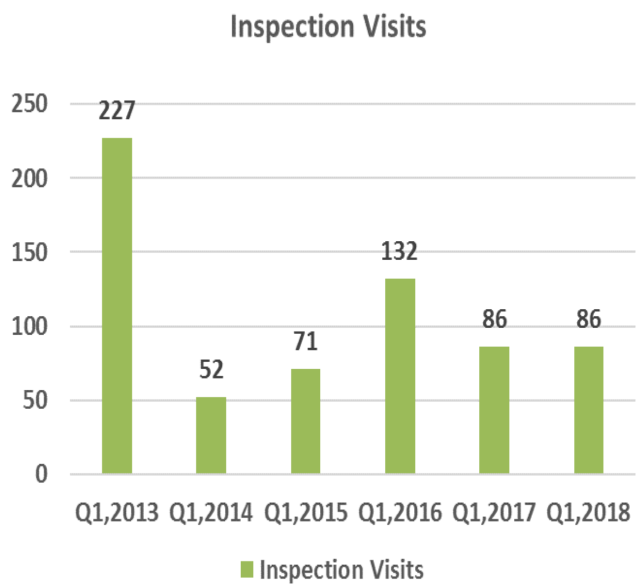
During Q1/2018, TRA:

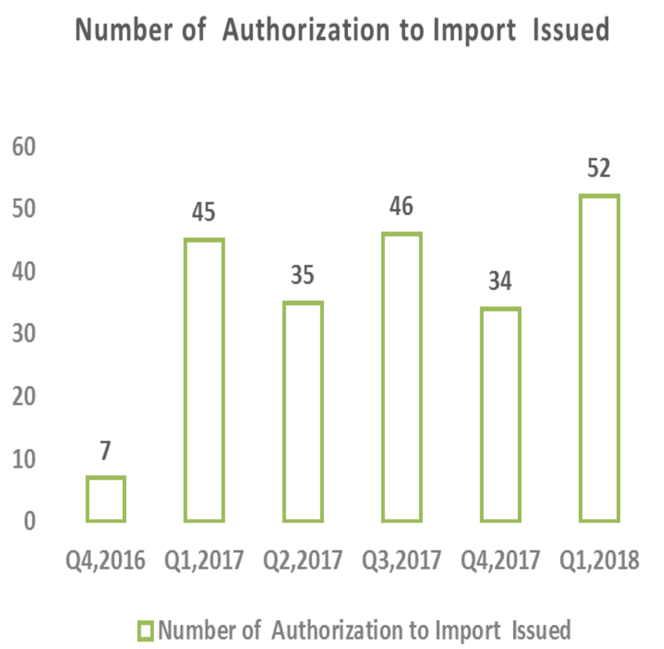
- Approved a total number of 642 (Previous Quarter 606) Telecom Equipment.
- Issued 890 (Previous Quarter: 943) Releases to Customs for Import of Telecom equipment.
- Inspected 86 (Previous Quarter: 108) dealerships.




Releases issued to Customs
1000
900
800
700
600
500
400
300
200
100
0
372
530
475
483
346
890
Q1,2013 Q1,2014 Q1,2015 Q1,2016 Q1,2017 Q1,2018
Releases issued to Customs


Telecom Equipments Approved
700
600
500
400
300
200
100
0
63
144
105
123
154
55
248
183
54
279
198
51
293
296
53
293
296
53
Q1,2013 Q1,2014 Q1,2015 Q1,2016 Q1,2017 Q1,2018
Mobile Phone
Radio
Ternimal


Inspection Visits
250
200
150
100
50
0
227
52
71
132
86
86
Q1,2013 Q1,2014 Q1,2015 Q1,2016 Q1,2017 Q1,2018
Inspection Visits


Number of Authorization to Import Issued
60
50
40
30
20
10
0
7
45
35
46
34
52
Q4,2016 Q1,2017 Q2,2017 Q3,2017 Q4,2017 Q1,2018
Number of Authorization to Import Issued

Tariffs & Promotions

Number of new and revised Promotions approved during the Q1,2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
National Voice	Mobile				3			3	8%
	Fixed							0	0%
InternationalVoice					1	2		3	8%
Data	MBB	1	3		4	2		10	28%
	FBB				3	1	1	5	14%
Welcome Pack / New Connections	Mobile	1						1	3%
	Fixed							0	0%
International Mobile Roaming					1	1		2	6%
Vaue Added Services					2	1		3	8%
Top-Up and Bundled services		1			4	4		9	25%
Leased line/MPLS								0	0%
Miscellanious								0	0%
Total		3	3	0	18	11	1	36	100%
%		8%	8%	0%	50%	31%	3%	100%	

Number of new and revised Tariffs approved or filed during the Q1,2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
Voice	Mobile							0	0%
	Fixed							0	0%
International Voice					2			2	15%
Data	Mobile		2					2	15%
	Fixed					1	1	2	15%
Welcome Pack / New Connections	Mobile		1					1	8%
	Fixed							0	0%
International Mobile Roaming								0	0%
Vaue Added Services					1	2		3	23%
Top-Up and Bundled services					1	1		2	15%
Leased line/MPLS								0	0%
Miscellanious					1			1	8%
Total		0	3	0	5	4	1	13	100%
%		0%	23%	0%	38%	31%	8%	100%	

No. of Approvals and Filings of Tariff Proposal (Promotions/New Services and Revisions) Q1, 2018

Licensee	No of Promotions		Total	New and Revisions		Total
	Approved	Filed		Approved	Filed	
Renna		3	3			0
Friendi		3	3		3	3
Teo			0			0
Omantel	17	1	18	4	1	5
Ooredoo	8	3	11	4		4
Awasr		1	1		1	1
Total	25	11	36	8	5	13
%	69%	31%	100%	62%	38%	100%

Segment-wise Tariff Proposals (Promotions/New Services and Revisions), Q1 2018

	Mobile	Fixed	Mobile & Fixed	Total
No. of Promotions	29	5	2	36
%	81%	14%	6%	100%
No. of new services and revisions	11	2	0	13
%	85%	15%	0%	100%

	Residential	Corporate	Residential & Corporate	Total
No. of Promotions	33	0	3	36
%	92%	0%	8%	100%
No. of new services and revisions	9	2	2	13
%	69%	15%	15%	100%

Summary of the tariff activity in Q1 2018:

1- The Promotional offers made during Q1/2018 were lesser by 3% comparing with Q1 2017 from 37 to 36.
2- Highest number of promotions approved and filed were for Mobile Broadband (28%) and Top-Up and Bundled Services (25%).
3- Most of the new tariffs and revisions approved and filed were for Value Added Services (23%), International Voice, Fixed Broadband & Mobile Broadband and Bundled Services (15% for each).
4- Out of total, 19% promotions were introduced by Mobile Resellers and Awasr.

Most prominent aspects of Promotions:

1- Few promotions were launched on the occasions of inauguration of the new Muscat International Airport, Mother's Day and National Days of Bangladesh & Sri Lank.
2- Omantel and Ooredoo launched a promotion for new device (WiFi Mesh) for better WiFi coverage in home.
3- Awasr launched Double Speed Promotion on their FTTH plans with an additional fee of RO 5/- only.
4- Ooredoo offered promotions of device discount for customers signing contract for Shahry Plans.
5- Most remarkable promotions Omantel launched this quarter are as follows:
    a. Social Media Add-ons for Hayyak Your Way: customers can add non-stop social data to their plan at RO 2.00
    b. YouTube Pass Promotion: for YouTube streaming for 3 Hours at 300 Baisa.
    c. Unlimited On-Net Calls for Hayyak Customers: customer will get the chance to make unlimited calls to Omantel network for 1 day at 300 Baisa.
    d. Omantel launched Non-stop SnapChat Promotion, subscribers to Hayyak Your way Plans can add SnapChat data Add-on for RO 3.000

Important services and revisions approved during this quarter:

1- Ooredoo revamped their Fixed Fibre-based plans, Ooredoo Internet Professional (OIP) for Corporate giving higher speed and volumes.
2- Ooredoo introduced Data Rollover feature to Shahry Business Packs.
3- Ooredoo launched Shahry Business Packs with 2x and 4x data volume and unlimited on-net calls for 12 and 24 month contracts.
4- Ooredoo launched Easy Data Service by which subscribers can request data bundles in advance payable on the next recharge.
5- Omantel launched their VoIP International calling service.
6- Omantel made enhancement to Baqati: increased data allowance for Baqati Large and X Large plans and add Favorite Numbers unlimited calling for each plan for free.
7- New Hayyak Your Way- International Bundles introduced as an add-on including a bundle of International minutes to Asian and GCC destinations at RO 2.000