سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q2, 2018

Competition and Tariffs Unit

Table of Content

➢ Introduction

The TRA is pleased to present Q2 2018 Report on the Indicators of Telecom Sector of Oman. We have 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 report provides a brief update on the status of major telecom services in the Sultanate of Oman. The quarterly reports cover voice and data services for both fixed and mobile segments.

The quarterly reports are compiled with the help of data collected 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 to prepare and present this report and disseminating the information contained in it. We hope the publication timing and quality of information of the quarterly reports will improve in future with the cooperation of service providers. We would like to urge the service providers to improve their data management in order to ensure accuracy and timeliness of information for the benefit of all users.

Comments and suggestions from the users of the quarterly 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 Q2, 2018

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

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

- The number of estiatmed households used for analysis were taken as of year 2017: (i.e, 584,762).

The penetration of different services stood at the following levels at end of the Q2/2018:

- Fixed line: 11.8%% of inhabitants
- Mobile subscriptions: 146.1% of inhabitants
- Fixed internet: 66.6% of households.

The Active Mobile Broadband Subscriptions reached to 92.4%of inhabitants by Q2/2018 with the total active subscriptions of 4,211,693.

During Q2/2018, the TRA received and approved:

- 19 new and revised Tariff Plans.
- 21 promotional tariff offers.

The TRA type approved 719 telecom equipments, and issued 51 authorizations for importing equipments. In addition, TRA Issued 910 releases to customs for importing telecom equipments during Q2/2018.

The TRA carried out 118 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q2, 2018

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscriptions	536,335	389,434	6,661,166
Penetration rate/Household[1]	11.8%	66.6%	146.1%
Revenue (Mn R.O)	44.738	32.664	141.038
International Outgoing Voice Minutes (Mn),	6.756	-	165.864
ARPU[2] **(R.O)**	3.91	27.96	7.06
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.

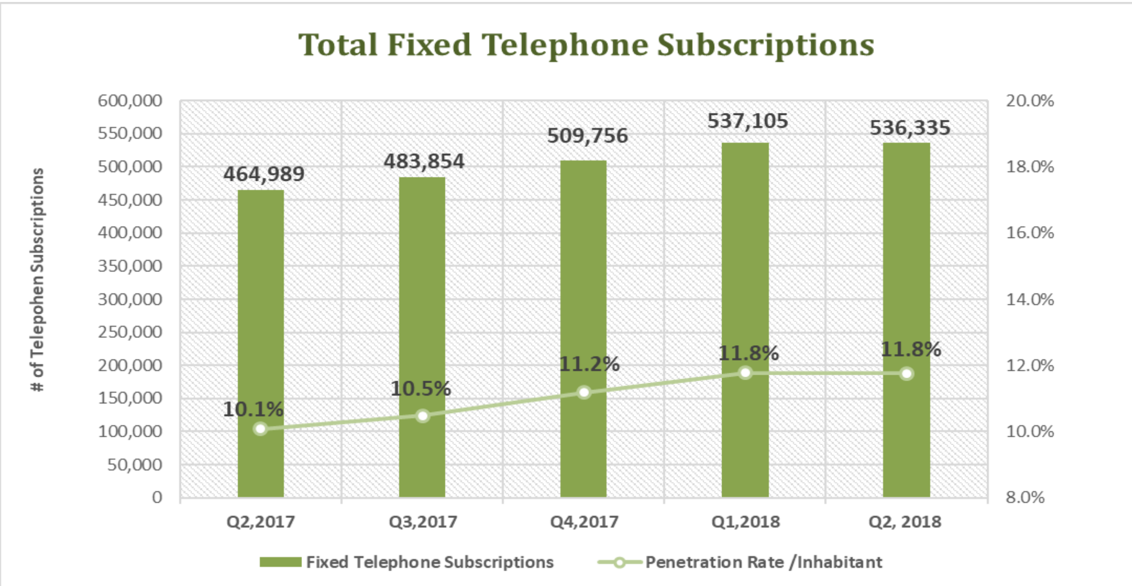
Fixed Telephone Service

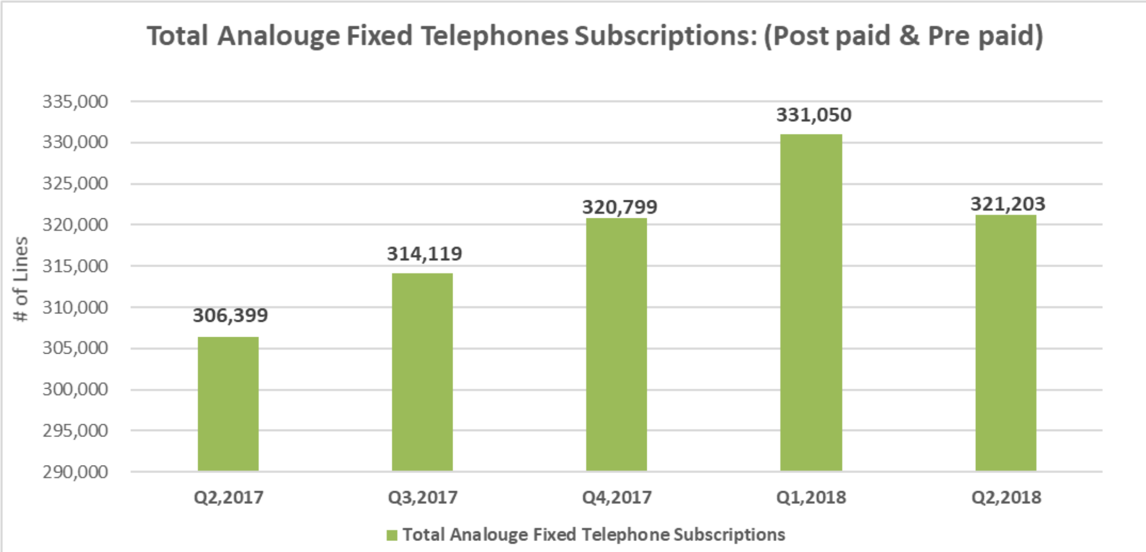
Type of Service	Q2/2018	Q1,2018	% Change
Fixed Telephone Subscriptions:			
1.1Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	321,203	331,050	**-2.9%**
1.2 VoIP Subscription	160,371	150,891	**6.3%**
1.3 WLL Connections	1,677	1,675	**0.1%**
1.4 ISDN Channels (Equivalent DELs)*	46,283	46,688	**-0.9%**
1.5 Public Telephone – Payphones	6,801	6,801	**0.0%**
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**536,335**	**537,105**	**-0.1%**
Fixed Line Penetration per 100 Inhabitant	**11.8%**	**11.8%**	***0.0%***
Fixed Line Penetration Per 100 Household	**91.72%**	**91.85%**	***-0.1%***

- **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).**
- **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.**

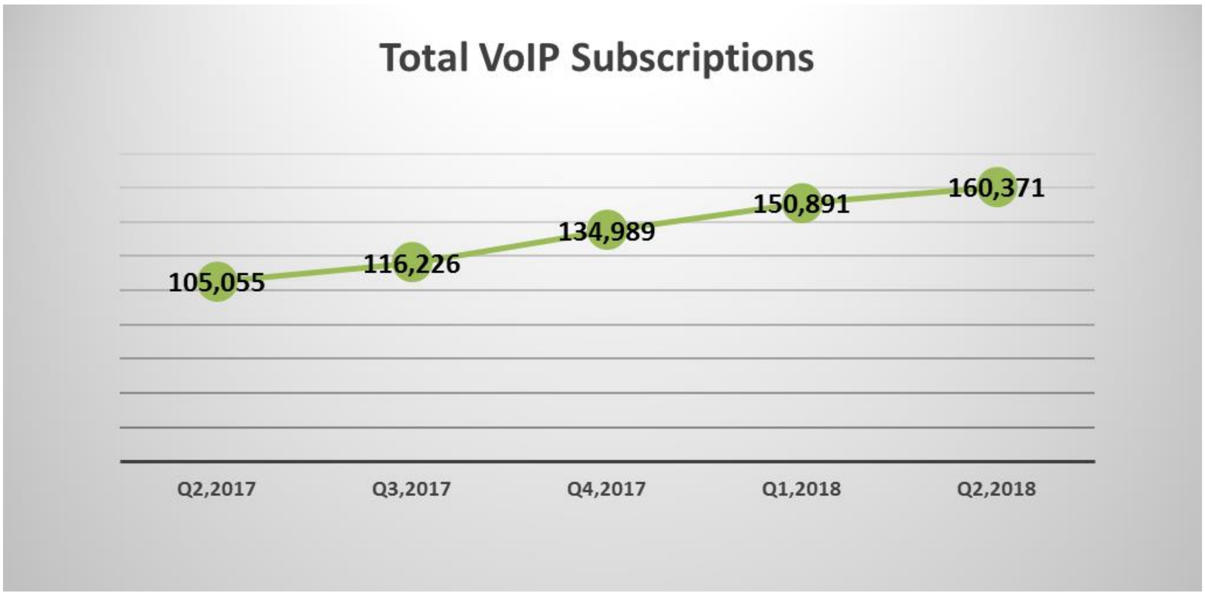
➢ During Q2/2018, the Fixed Telephone subscriptions were reported as 536,335 showing a minor drop of 0.1%.

➢ The penetration rate per inhabitant of the fixed telephone subscriptions remained almost static for the first two quarters of 2018. On the other hand, the penetration rate per household slightly decreased by 0.1%.

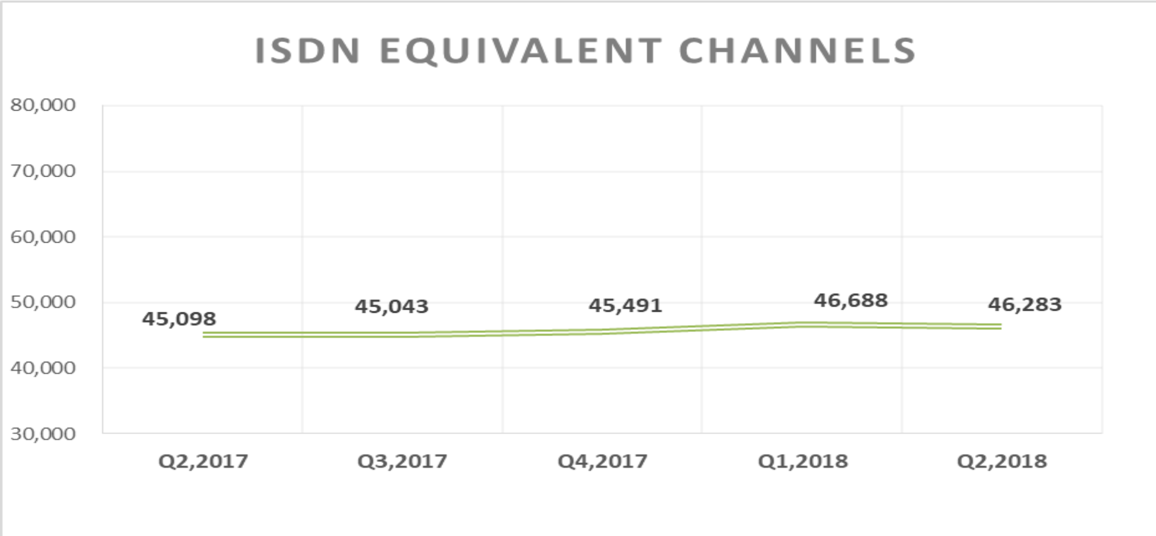




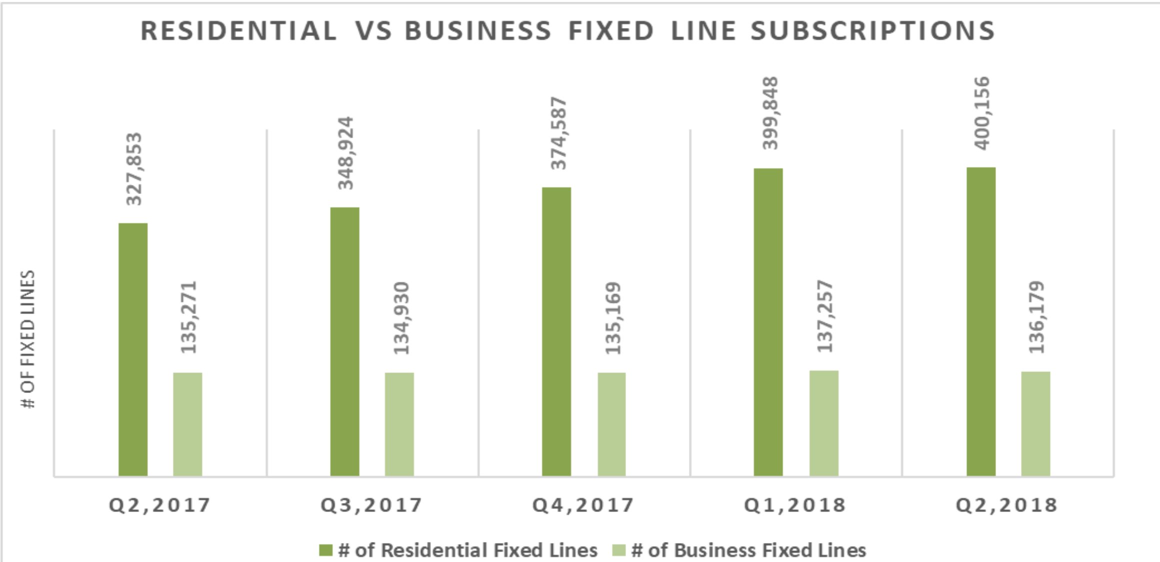
- Total analogue postpaid and prepaid fixed telephone subscriptions decreased by 2.9 % during Q2/2018.



- 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 second quarter of 2018 by 6.3% reaching 160,371 subscriptions by end of Q/2018.



- The ISDN (Integrated services digital network) equivalent channels during Q2/2018 dropped slightly by 0.9% reaching 46,283 channels.



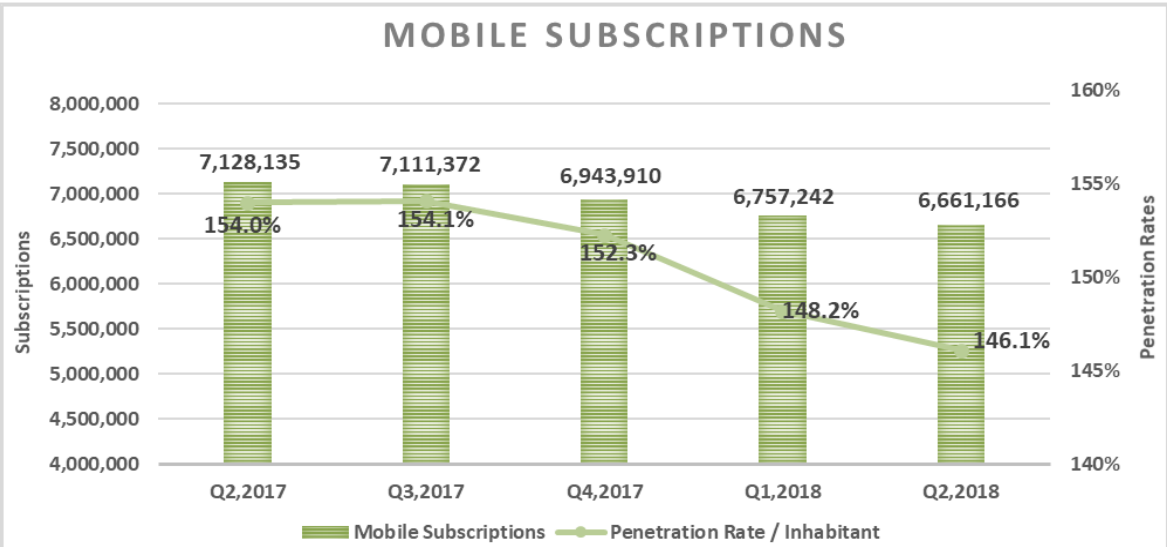
- During Q2/2018, the Business Fixed Line subscriptions dropped by 0.8%, while Residential Fixed Line improved by 0.1% as compared to the previous quarter.
- The split between fixed residential and business lines stood at 74.6% and 25.4% respectively at the end of Q2/2018.

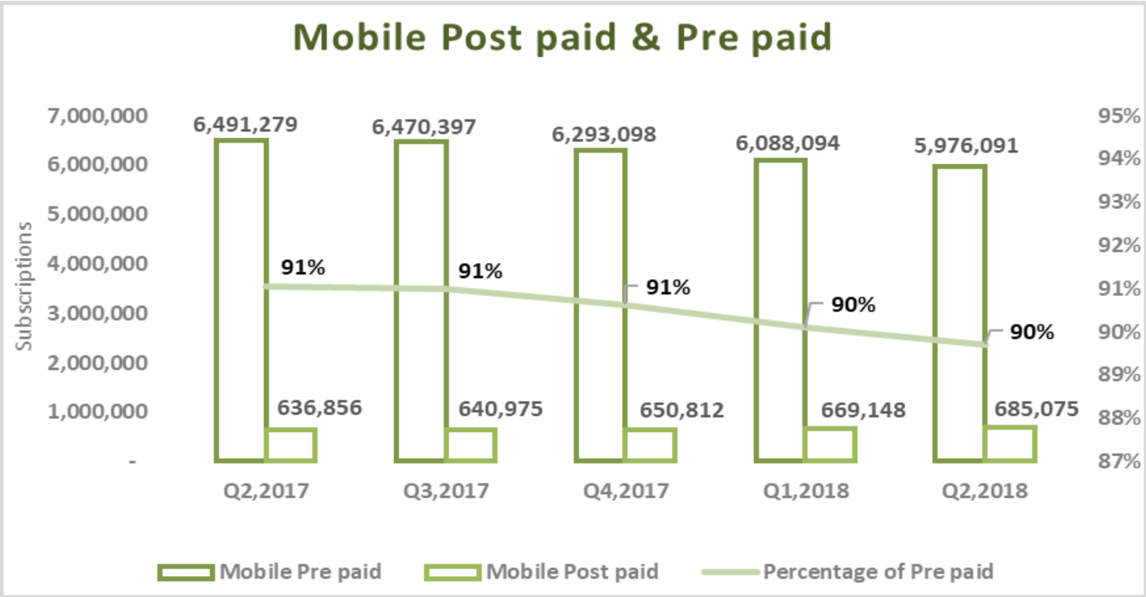
Mobile Service

Mobile Subscriptions	Q2,2018	Q1/2018	% Change
1. Post Paid			
1.1 Operators	**685,075**	**669,148**	**2.4%**
Total Postpaid Subscriptions	**685,075**	**669,148**	2.4%
2. Pre paid			
2.1 Operators	4,979,399	5,100,343	**-2.4%**
2.2 Resellers	996,692	987,751	**0.9%**
Total Prepaid Subscriptions	**5,976,091**	**6,088,094**	-1.8%
Total Mobile Subscriptions: (1+2)	**6,661,166**	**6,757,242**	**-1.4%**
Mobile Penetration/100 Inhabitant	**146.08%**	**148.19%**	**-2.11%**

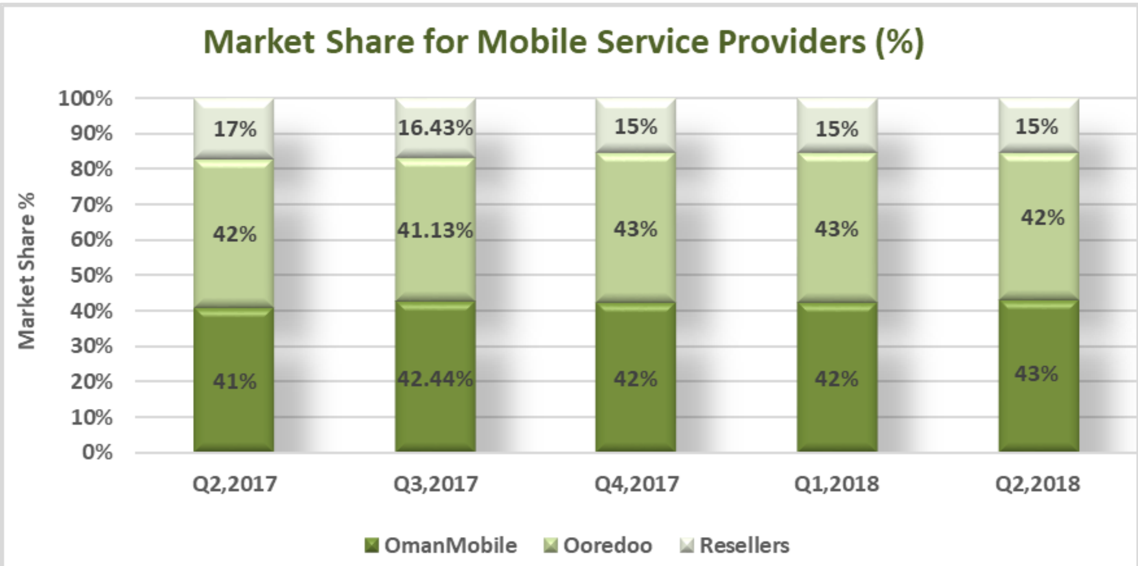
- **Note: The penetration rate is calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).**

➢ The total mobile subscriptions declined by 1.4% during the Q2/2018 reaching 6,661,166 subscriptions. Accordingly, mobile penetration decreased by 2.11% in Q2/2018.

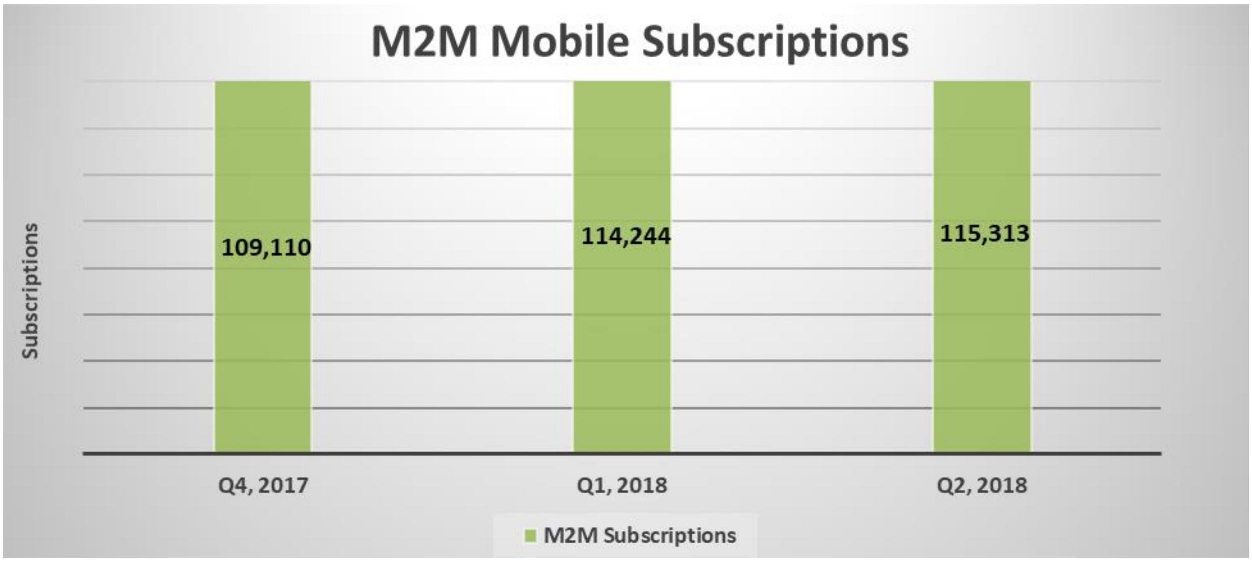




- Post-paid mobile subscriptions reached the level of 685,075 with 2.4% growth over the previous quarter.
- Prepaid mobile subscriptions dropped slightly by 1.8% in Q2/2018 reaching 5,976,091 total subscriptions.
- By end of Q2, 2018, the mobile prepaid subscriptions represent 90% of the total mobile subscriptions.



- For Q2/2018, the market share based on mobile subscriptions for Oman Mobile was 43%, while Ooredoo and Resellers' shares were 42%, 15% respectively.



- Machine to Machine (M2M)[1] Mobile Subscriptions reached 115,313 subscriptions at the end of Q2/2018.

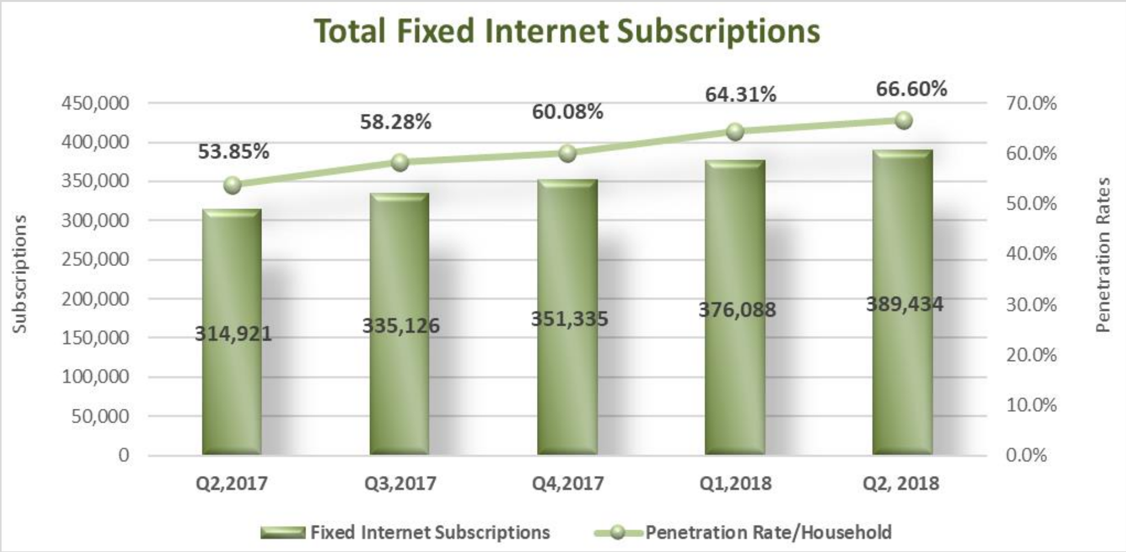
[1] **M2M mobile-network subscriptions**

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.

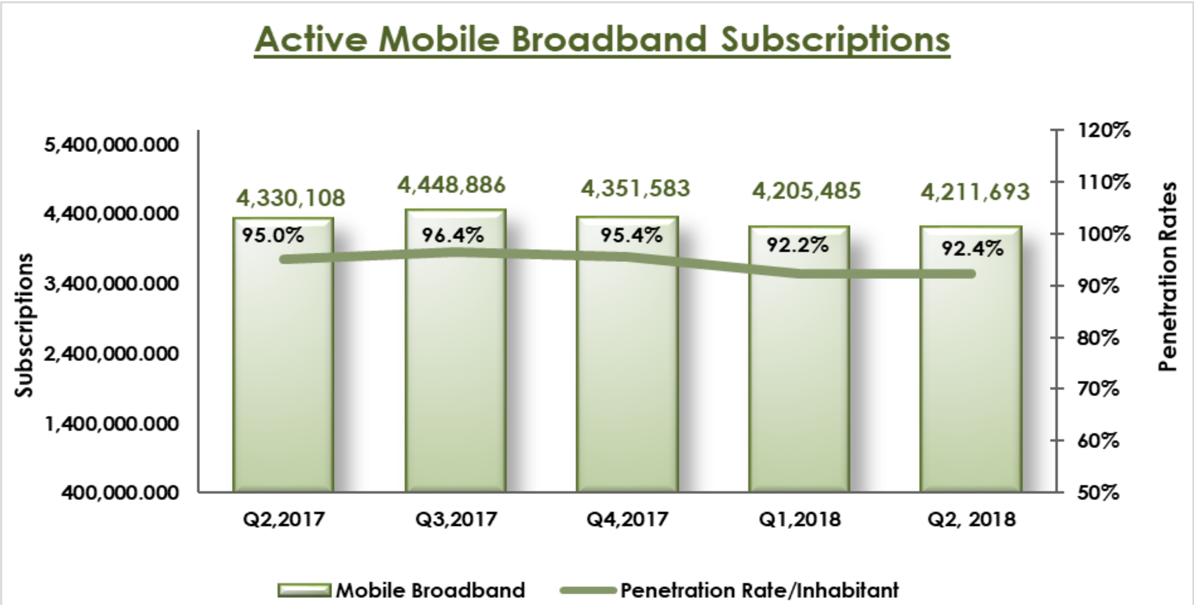
Internet Services

Type of Service	Q2,2018	Q1,2018	% Change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscriptions	2,311	2,340	**-1.2%**
1.2 Internet Leased Lines(Narrowband)	30	29	**3.4%**
1. **Total Fixed Narrowband Subscriptions : (1.1+1.2)**	**2,341**	**2,369**	**-1.2%**
Fixed Broadband Subscriptions			
2. Total Fixed Broadband Subscriptions	**387,093**	**373,719**	**3.6%**
Total Fixed Internet Subscriptions (1+2)	**389,434**	**376,088**	**3.5%**
Fixed Internet Penetration /100 Household	**66.60%**	**64.31%**	**2.3%**
Fixed Broadband Subscriptions Penetration/100 Household	**66.20%**	**63.91%**	**2.3%**
Active Mobile Broadband Subscriptions			
3.1 Dedicated mobile-broadband Subscriptions*	700,862	731,206	**-4.1%**
3.2 Standard mobile-broadband Subscriptions*	3,510,831	3,474,279	**1.1%**
3. Total Active Mobile Broadband Subscriptions (3.1+3.2)	**4,211,693**	**4,205,485**	**0.1%**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**92.4%**	**92.2%**	**0.2%**

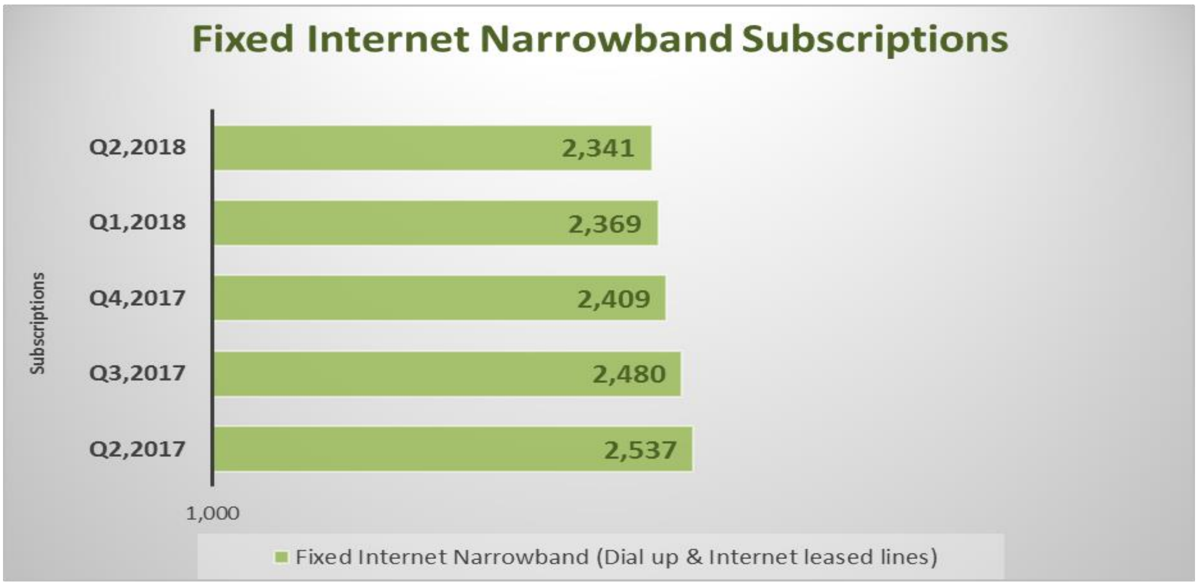
- **Note: The penetration rates are calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).**
- **Households: 584,762 (as per the latest NCSI estimation by end of 2017).**



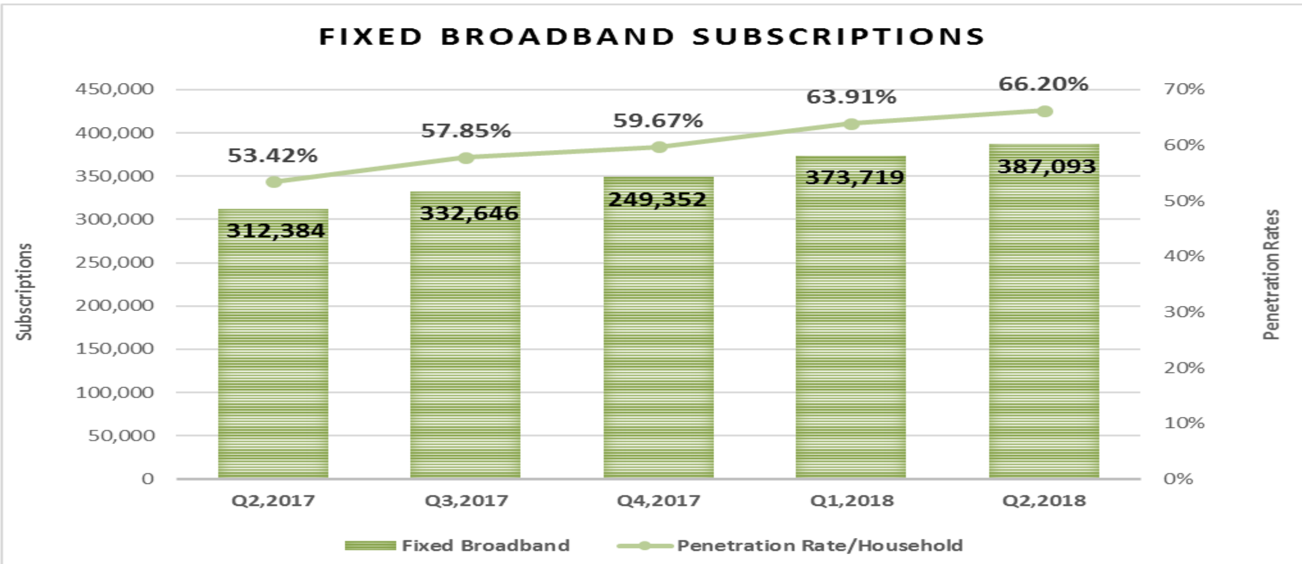
- The total fixed internet subscriptions increased by 3.5% at the end of Q2/2018 reaching 389,434 subscriptions.
- During the reported quarter, fixed internet penetration rate per household reached 66.60%, which is 2.3% higher than the previous quarter.



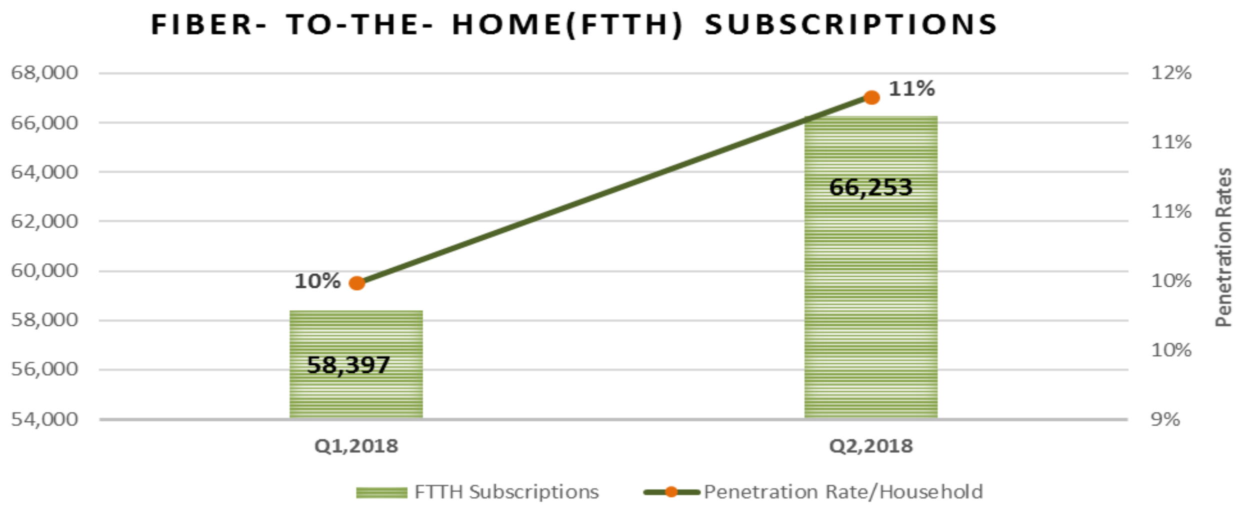
During Q2/2018, total active mobile broadband subscriptions increased by 0.1% reaching to 4,211,693 from 4,205,485 resulting an improvement in the per inhabitant penetration rate by 0.2% from 92.2% to 92.4%.



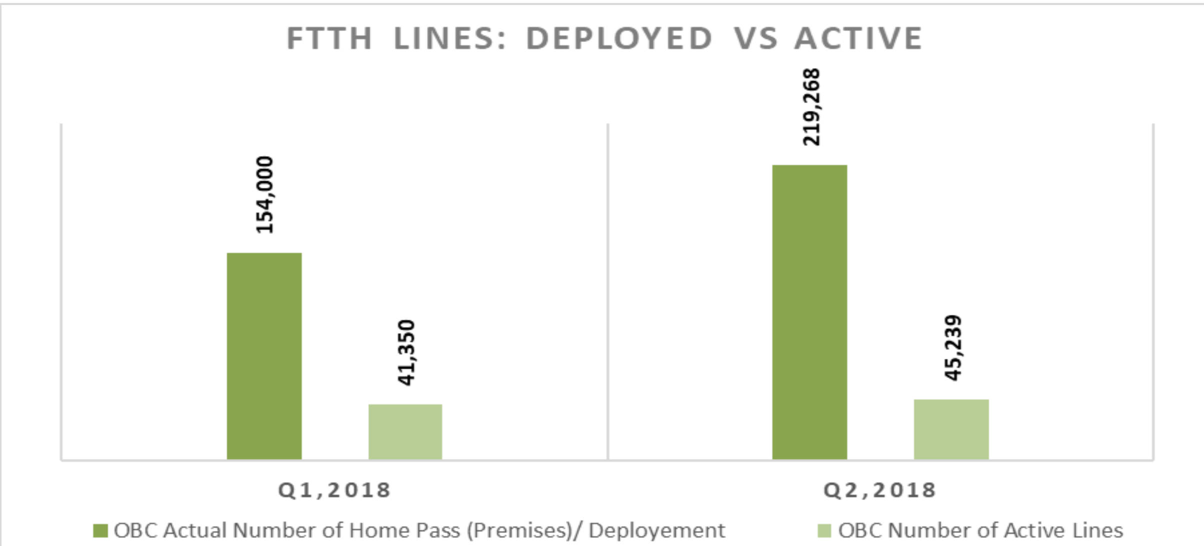
➢ During Q2/2018, fixed internet narrowband subscriptions decreased by 1.2% to 2,341 subscriptions compared to the results of the previous quarter.



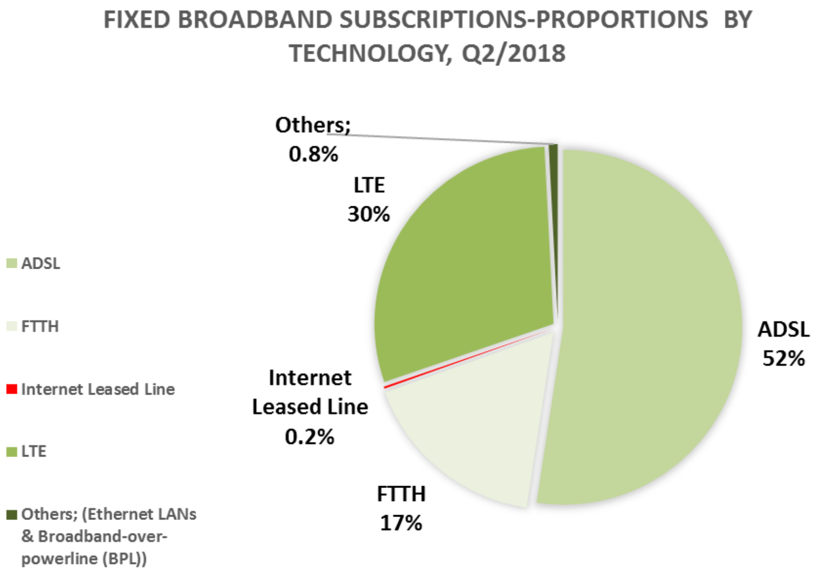
➢ During Q2/2018, the Fixed Broadband subscriptions has experienced 3.6% growth over the previous quarter. Fixed Broadband subscription reached 387,093 subscriptions with penetration rate of 66.20% per household.



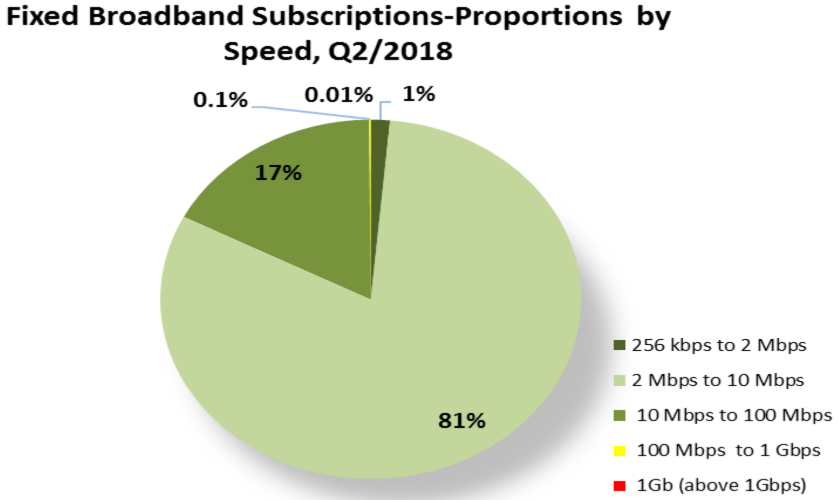
➢ Fiber – to – the – home (FTTH) subscriptions grew by 13.45% during Q2, 2018 reaching 66,253 subscriptions as compared to the 58,397 subscriptions at the end of Q1/2018. Similarly, the FTTH penetration per 100 household improved to 11% by end of Q2, 2018. It may be noted that the total FTTH subscription as shown above includes fiber laid down by OBC as well as operators own infrastructure.



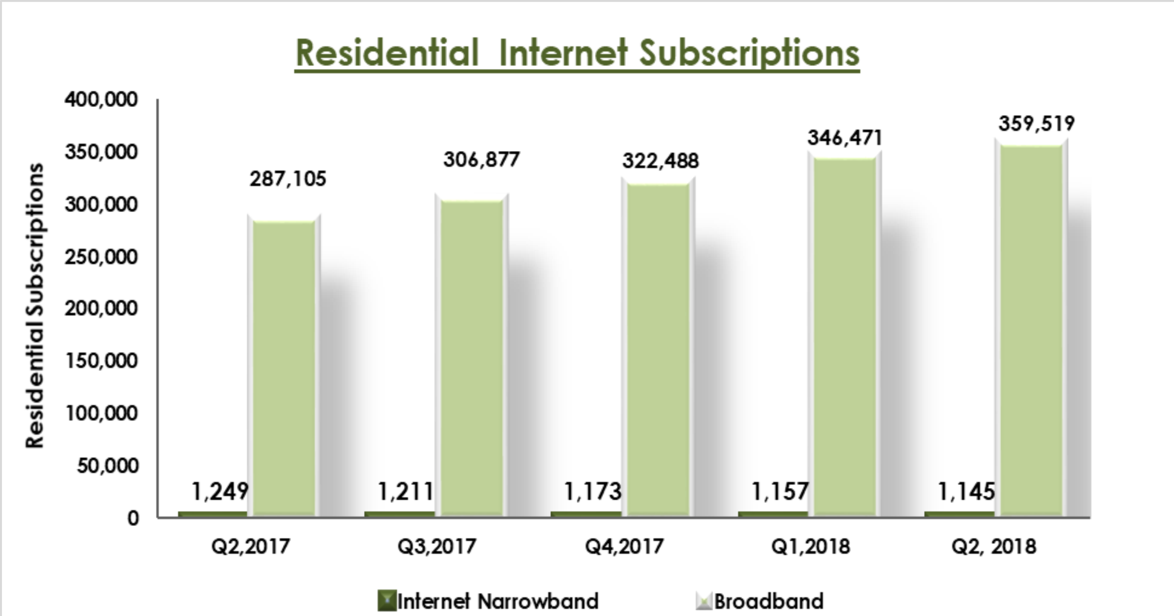
➢ Oman Broadband Company (OBC) has deployed 219,268 FTTH lines by the second quarter of 2018. Out of these home pass (premises), 45,239 lines were activated in Q2/2018 showing 9.4% growth as compared to 41,350 connections of the previous quarter.



- 52% for ADSL subscriptions.
- 30% for LTE subscriptions.
- 17% for FTTH subscriptions.
- 0.2% for Internet Leased Line subscriptions.
- 0.8% for others subscriptions.

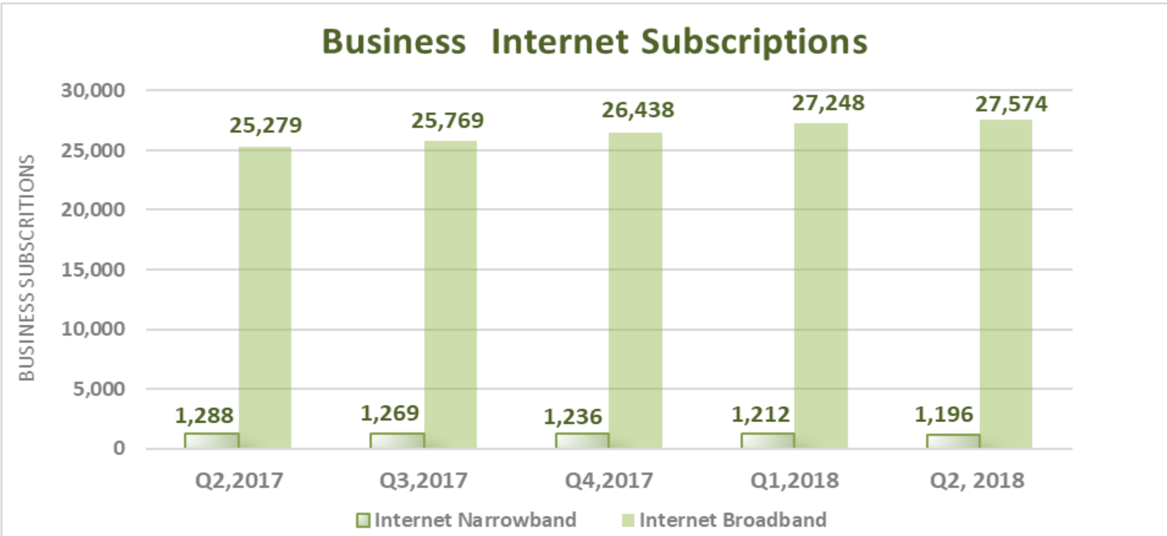


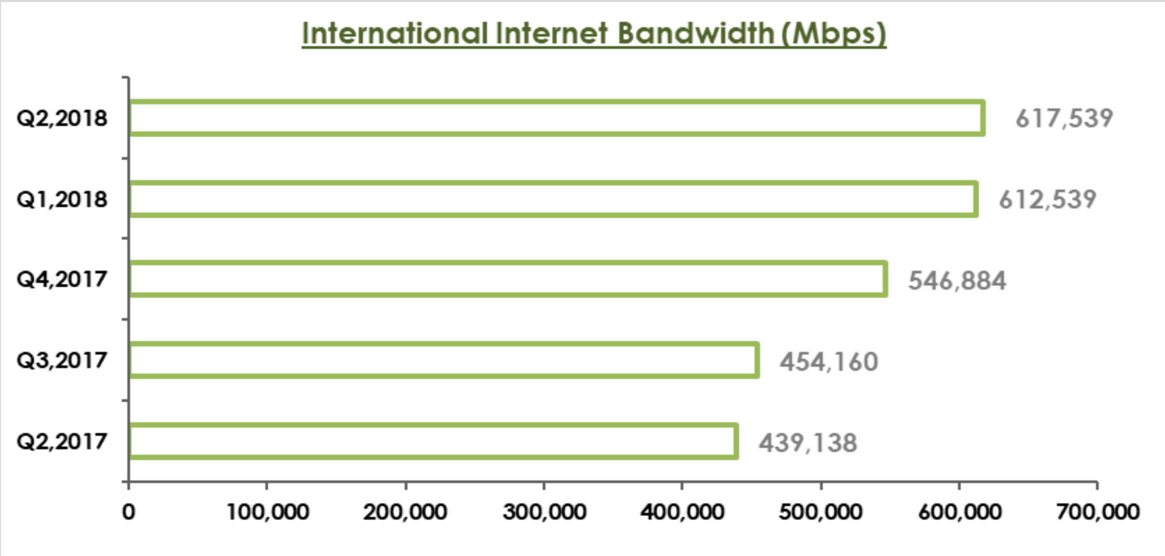
- 1% had access speed of 256 Kbps to 2 Mbps.
- 81% had access speed of 2Mbps to 10 Mbps.
- 17% had access speed of 10 Mbps to 100 Mbps.
- 0.1% had access speed of 100 Mbps to 1 Gbps.
- 0.01% had access speed of more than 1Gbps.



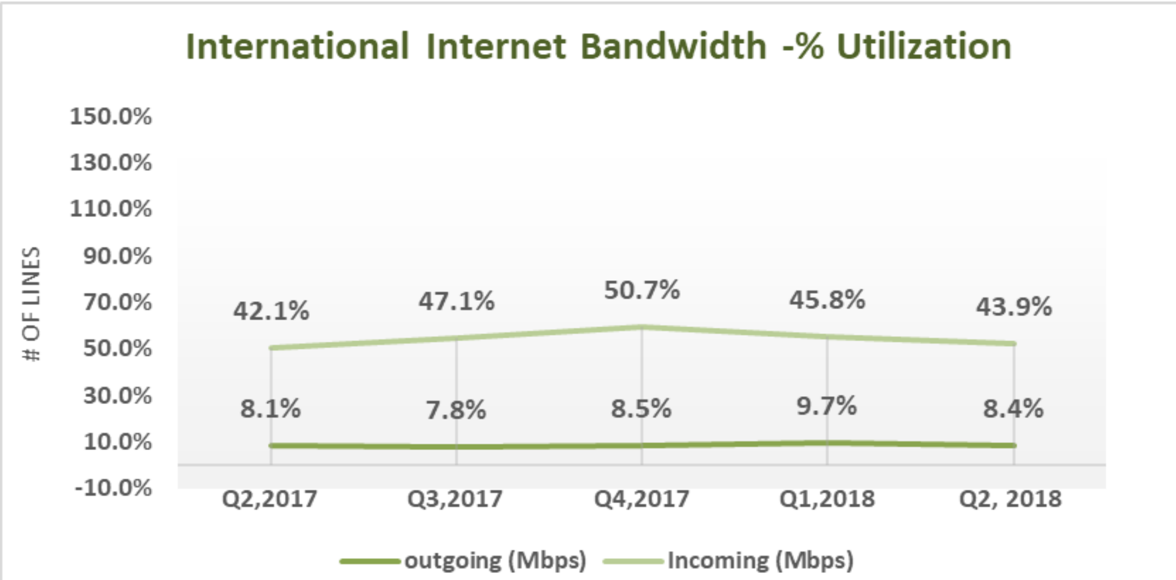
- The residential fixed broadband subscriptions in the above chart show an increase of 3.8% during Q2/2018. On the other hand, the residential narrowband subscriptions declined by 1% over the same period.

- The below chart shows the growth in business fixed broadband subscriptions, which is 1%, while the business narrowband subscriptions declined by 1% during the same period.



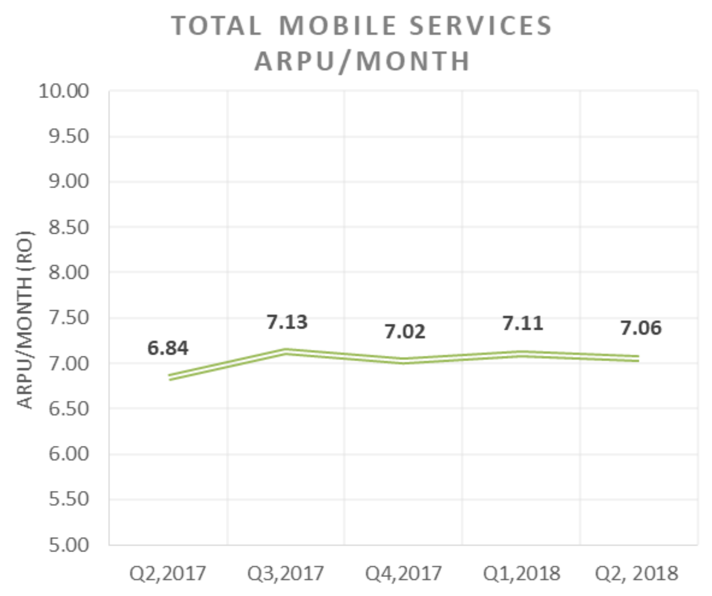


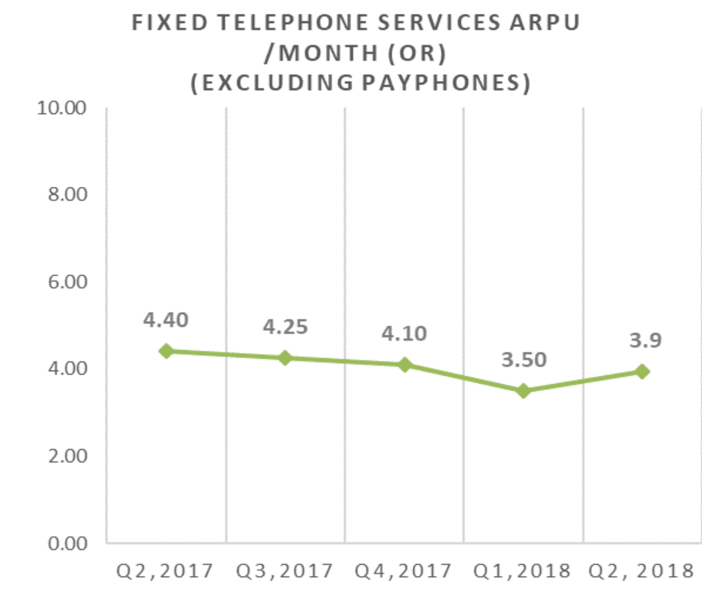
- During Q2/2018, the operators had 617,539 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 612,539 Mbps.

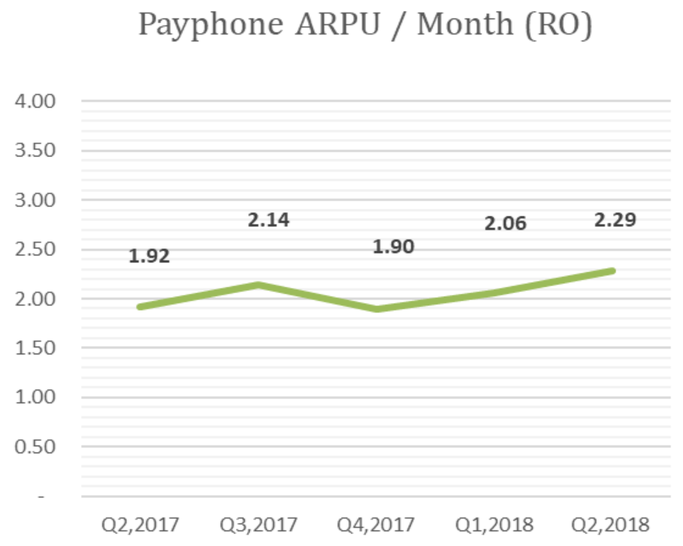


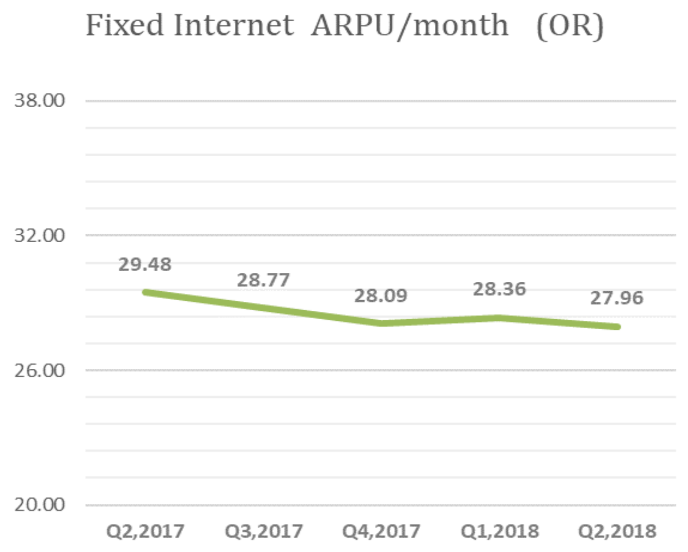
- Out of 617,539 Mbps capacity, on average 8.4% capacity was utilized for International Outgoing traffic while 43.9% for International Incoming traffic.

ARPUs



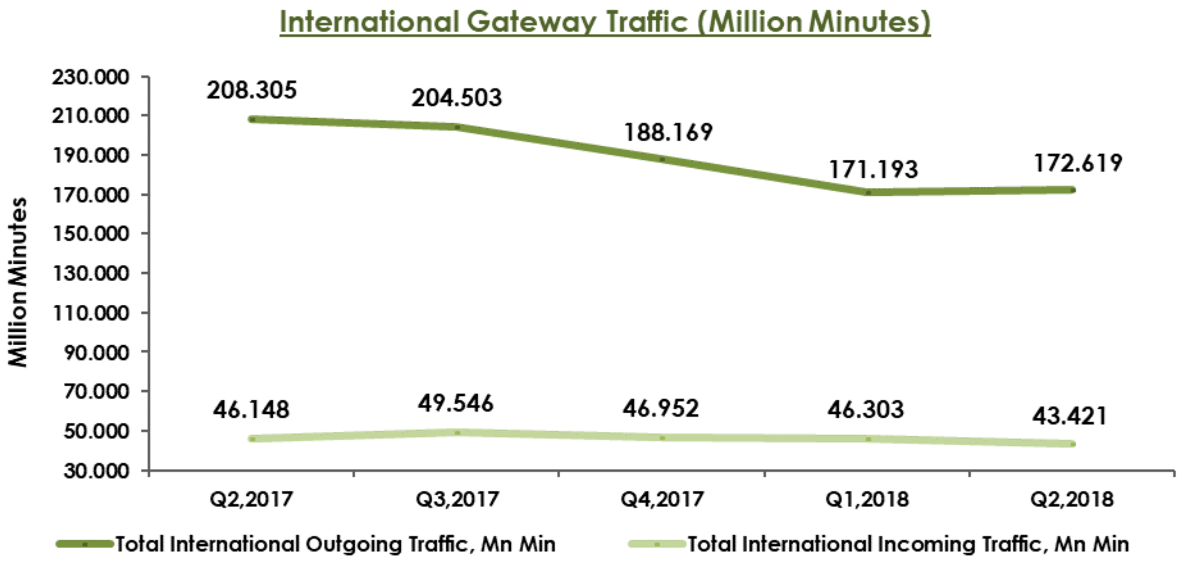




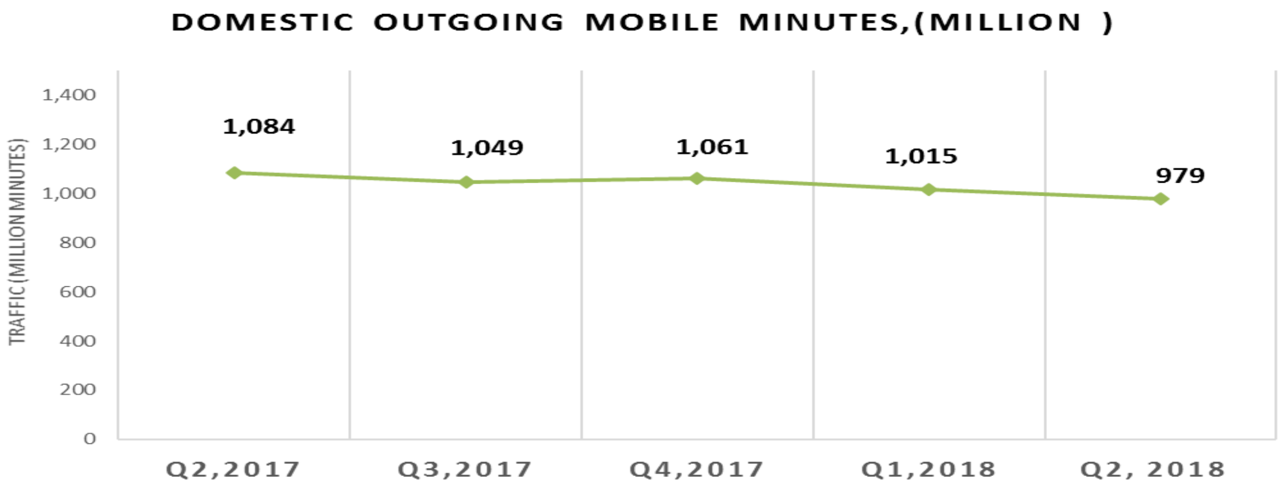


[1] **ARPU (average revenue per user (subscription))**

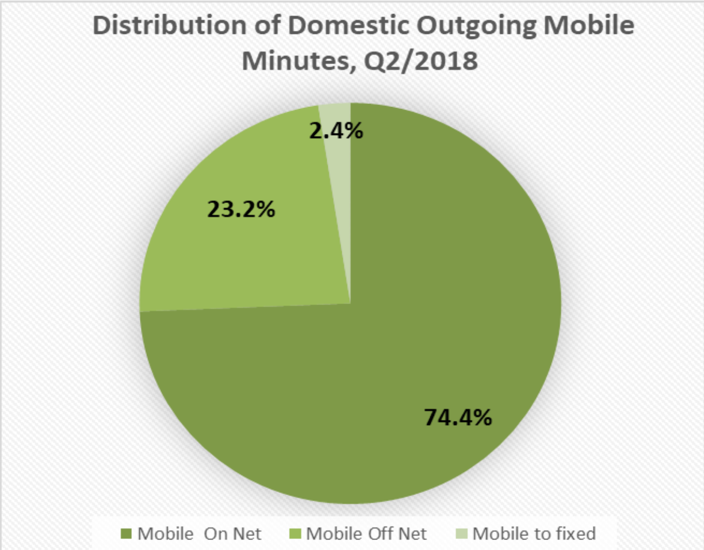
Traffic

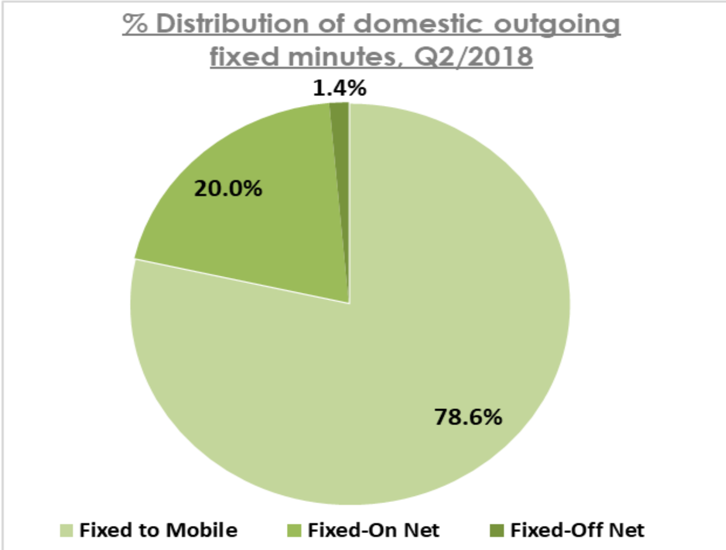


- The International Gateways Outgoing minutes rose slightly in Q2/2018. It increased by about 1% reaching 172.619 million minutes. However, the Incoming minutes of the international gateways declined by 6% during the same period.



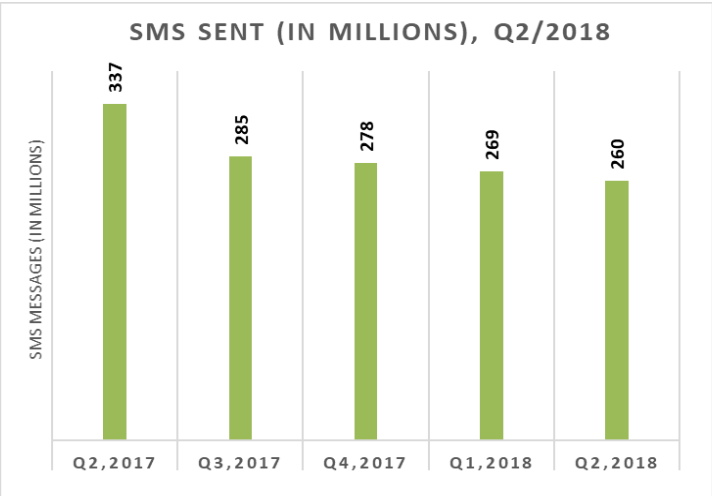
- The number of domestic outgoing mobile minutes continued to drop. In Q2/2018, the decline was 3.5% reaching the volume of 979 million minutes as compared to the previous quarter traffic of 1,015 million minutes.

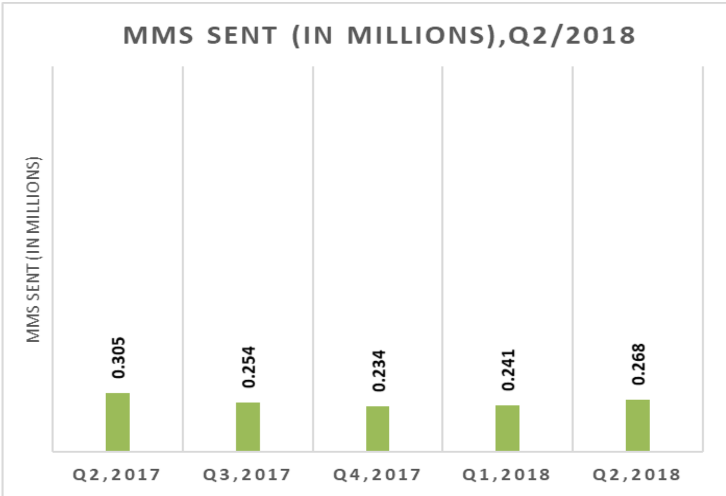




During Q2/2018, Mobile-to-Mobile (On Net) Traffic had the major share of 74.4% out of total Domestic Outgoing Traffic, while the Off Net Mobile Domestic Traffic has 23.2% share. The Mobile-to-Fixed Traffic represents only 2.4% of total Mobile Domestic Traffic.

During Q2/2018, the Domestic Outgoing Fixed Traffic carries 78.6% for Fixed to Mobile, 20% for Fixed-to-Fixed (On Net), and 1.4% for Fixed-to-Fixed (Off-Net) traffic share.





Total outgoing SMS (short messages) Traffic continued to drop to reach 260 million messages by Q2/2018 from 269 million messages in the previous quarter.

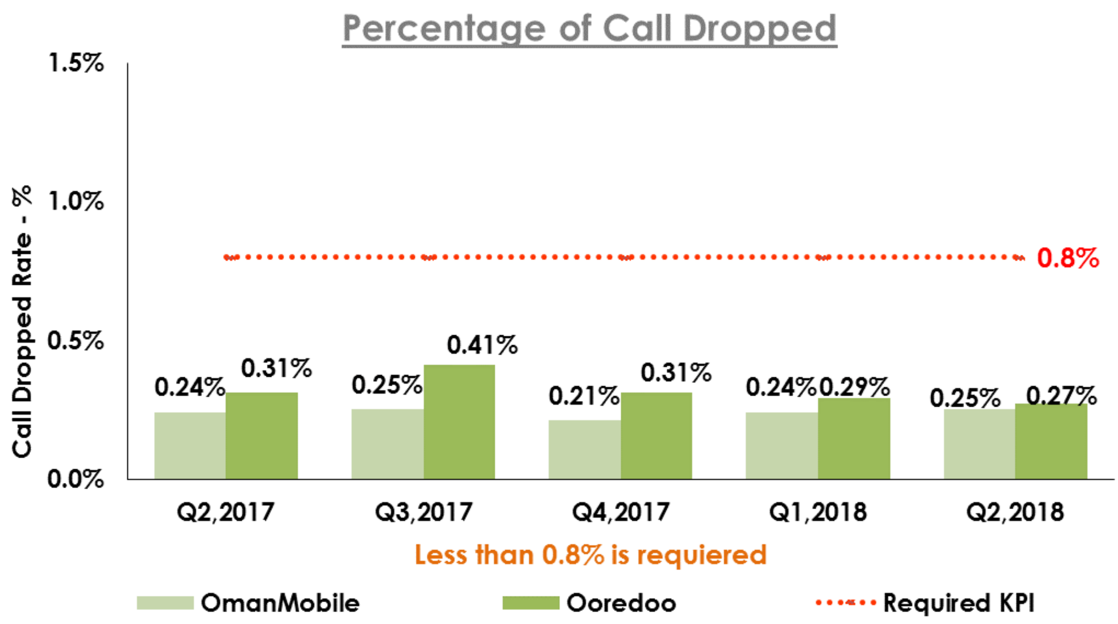
The number of outgoing MMS (multimedia massages) showed an increase in Q2/2018.

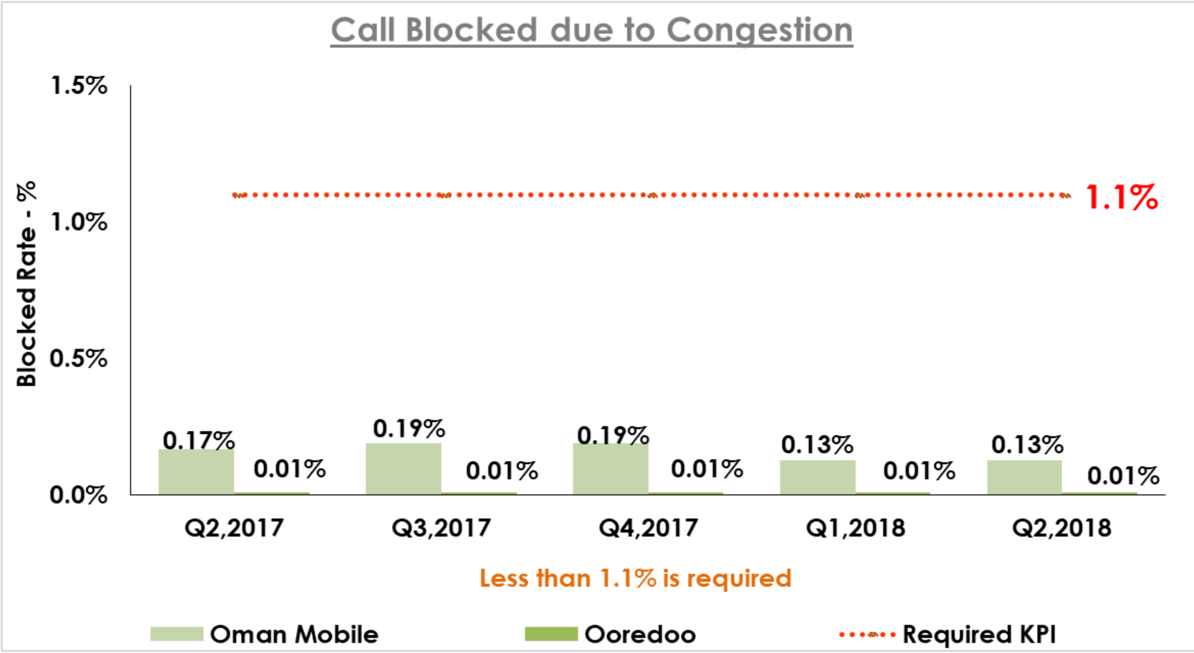
Quality of Service

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

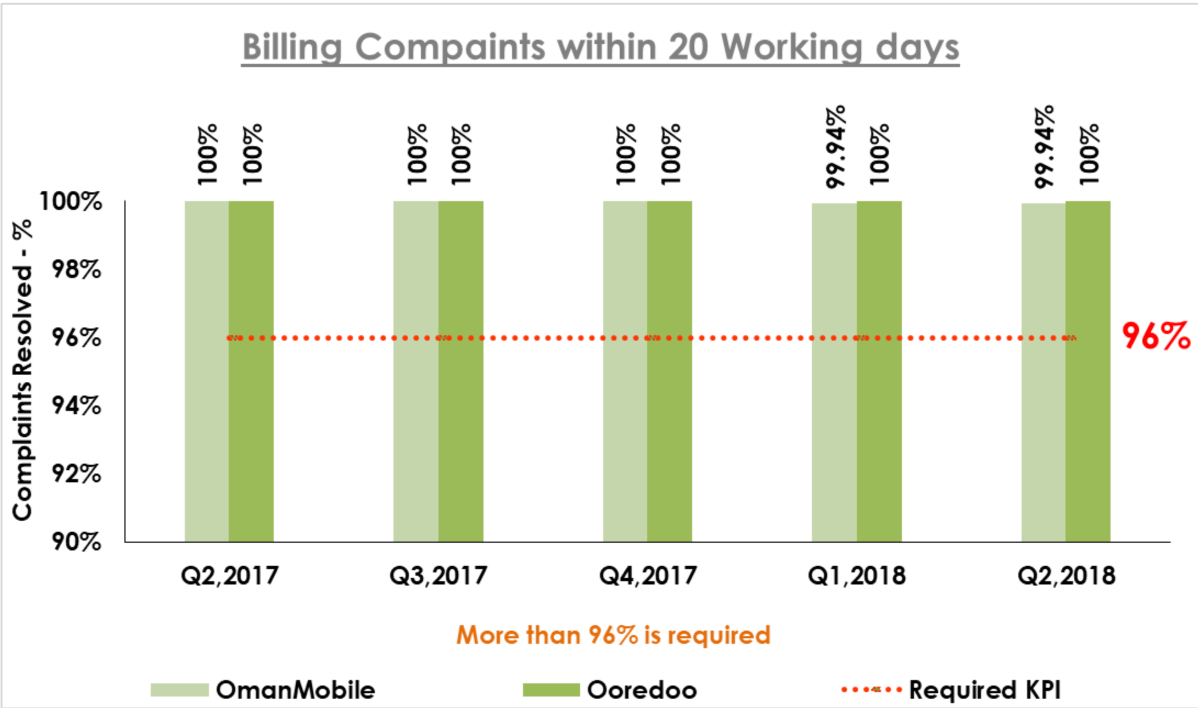
Mobile Services KPIs

Mobile Services KPIs	Required KPI (Quarterly)	Q2/2018		Q1/2018	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.25%	0.27%	0.24%	0.29%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.13%	0.01%	0.13%	0.01%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	99.94%	100%	99.94%	100%





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

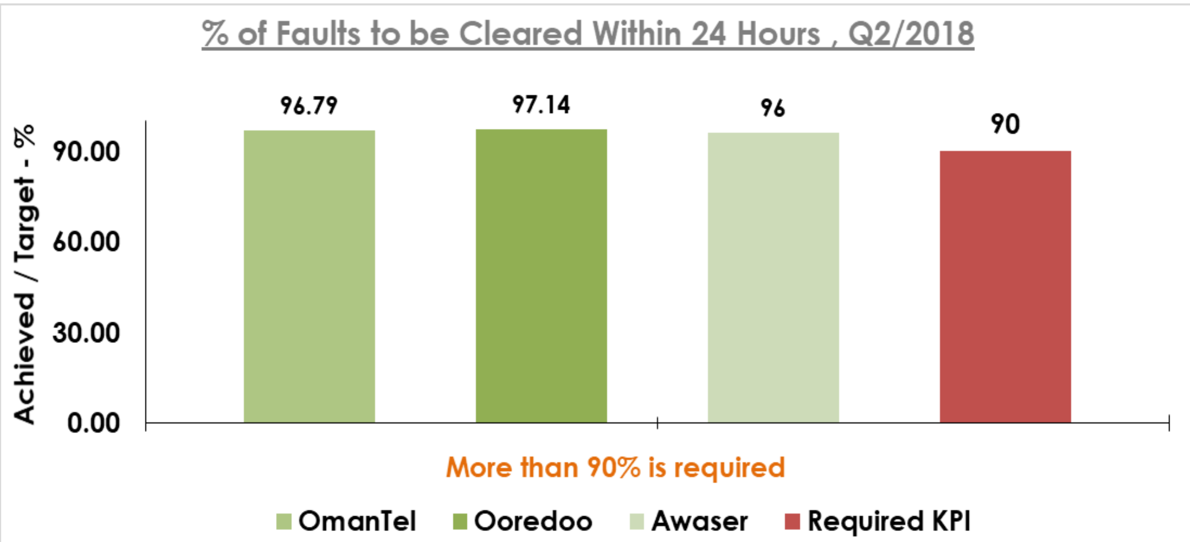


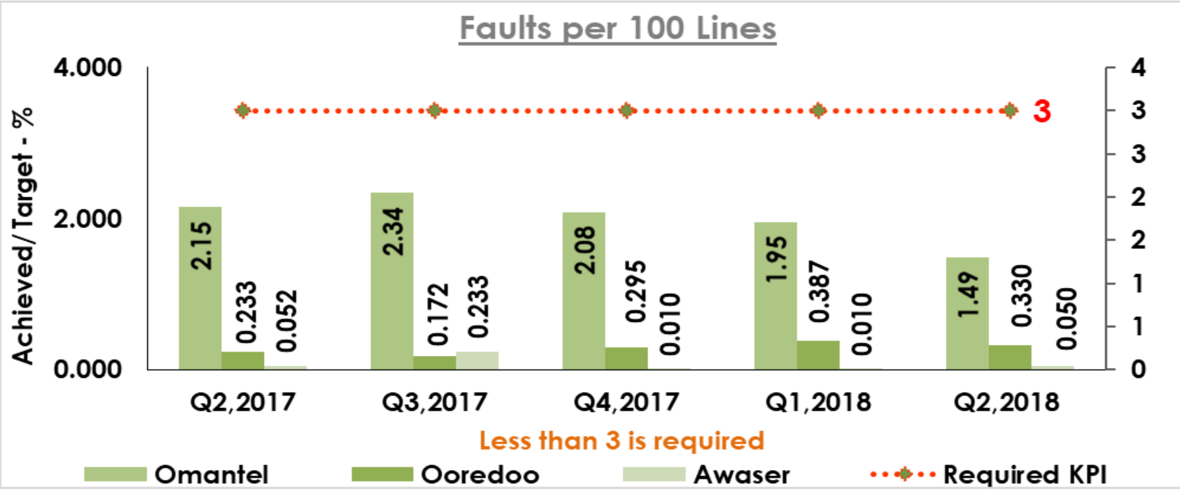
Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
100%
100%
100%
100%
100%
99.94%
100%
99.94%
100%
96%
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Q2,2018
More than 96% is required
OmanMobile
Ooredoo
Required KPI

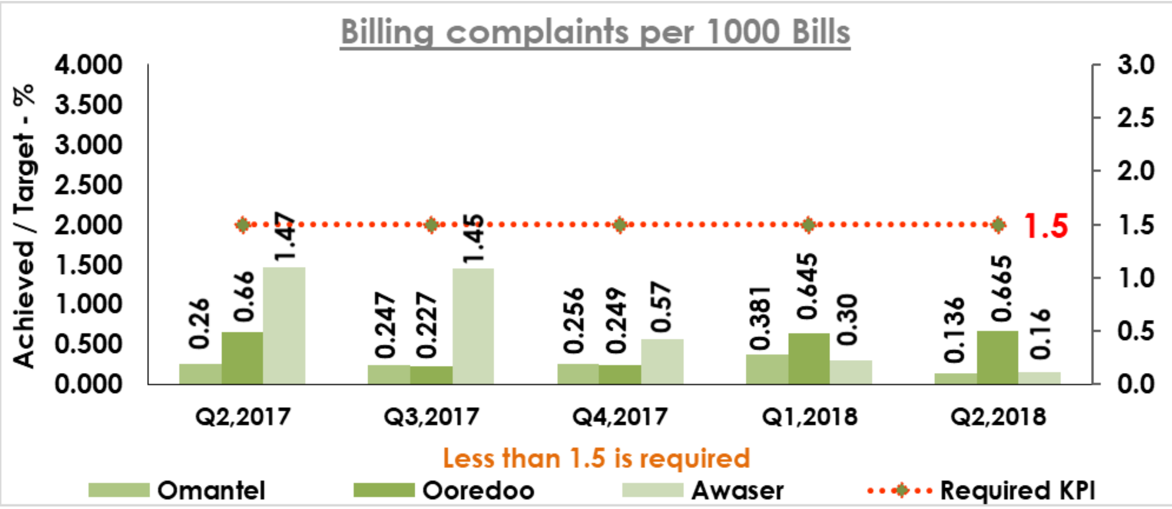
Fixed Services KPIs

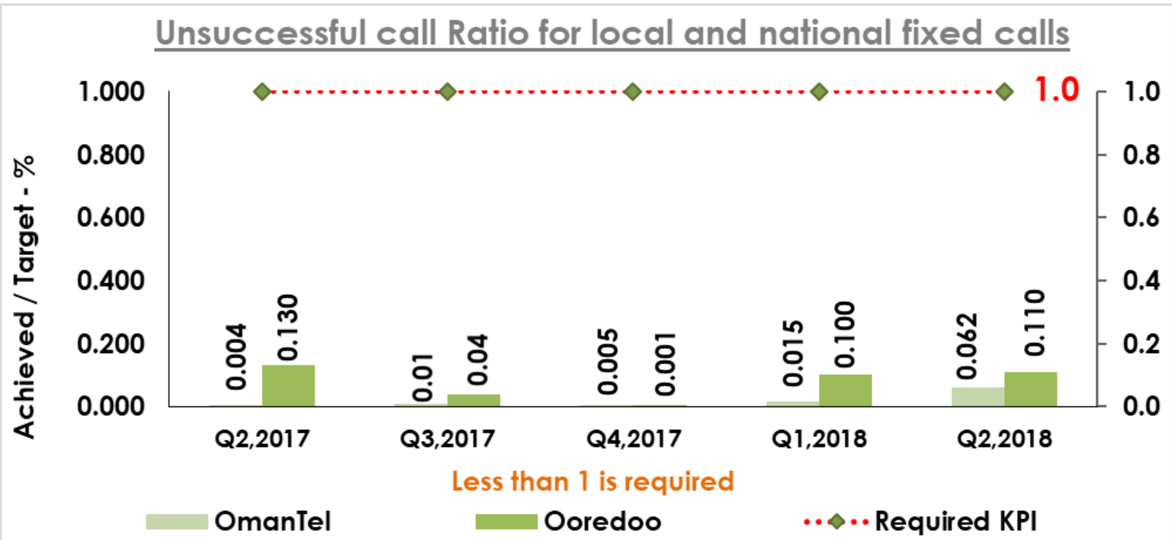
Fixed Services KPIs	Required KPI (Quarterly)	Q2,2018			Q1/2018		
		Omantel %	Ooredoo %	Awasr %	Omantel %	Ooredoo %	Awasr %
1. Faults per 100 lines per quarter	Less than 3	1.49	0.33	0.05	1.95	0.387	0.010
2. % of faults to be cleared within 24 hours	More than 90%	96.79	97.14	96	93	95.7	100
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.062	0.110	-	0.015	0.10	-
4. Billing complaints per 1000 Bills	Less than 1.5	0.136	0.665	0.16	0.381	0.645	0.3
5. Percentage of billing complaints resolved within 20 working days	More than 96%	98.984	100	100	99.65	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
3
2
2
1
1
0
3
2.15
0.233
0.052
2.34
0.172
0.233
2.08
0.295
0.010
1.95
0.387
0.010
1.49
0.330
0.050
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Q2,2018
Less than 3 is required
Omantel
Ooredoo
Awaser
Required KPI

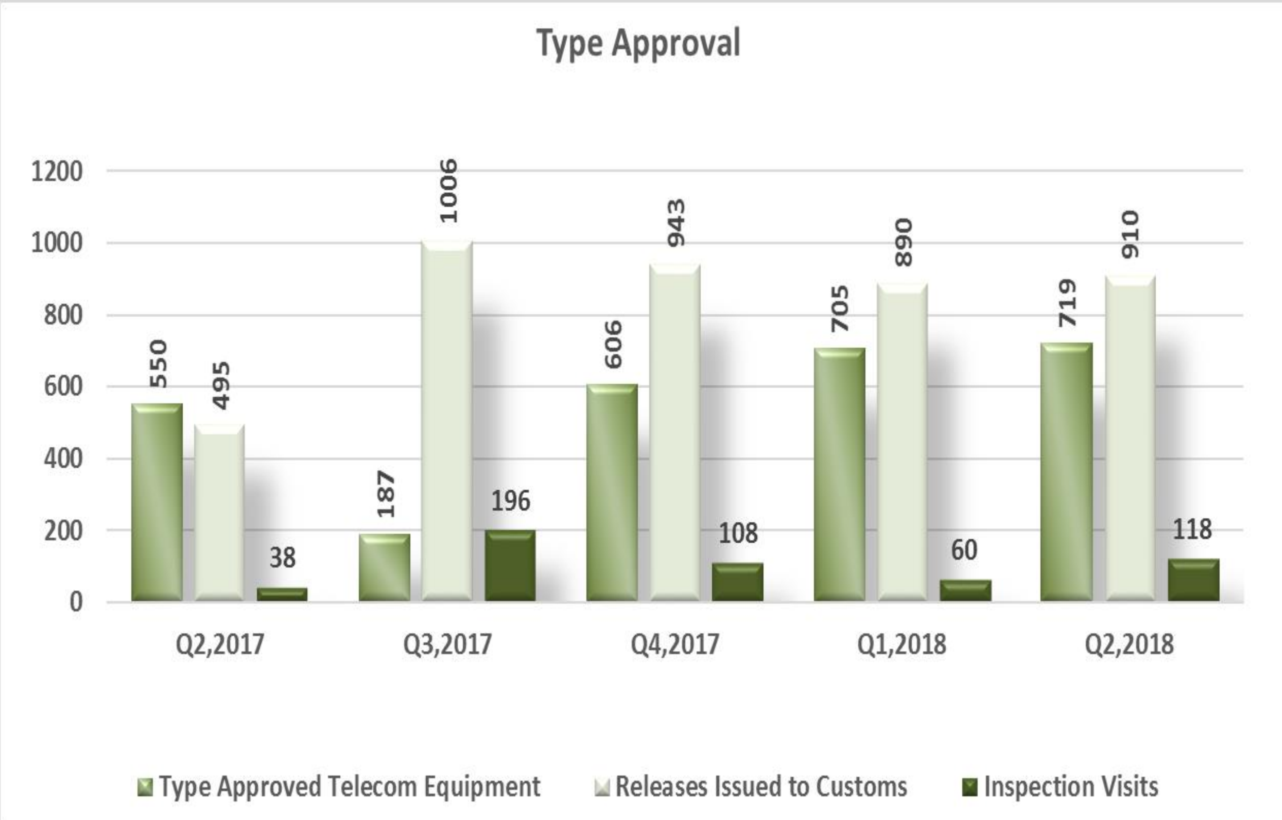

Billing complaints per 1000 Bills
Achieved / Target - %
4.000
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1.5
0.26
0.66
1.47
0.247
0.227
1.45
0.256
0.249
0.57
0.381
0.645
0.30
0.136
0.665
0.16
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Q2,2018
Less than 1.5 is required
Omantel
Ooredoo
Awaser
Required KPI

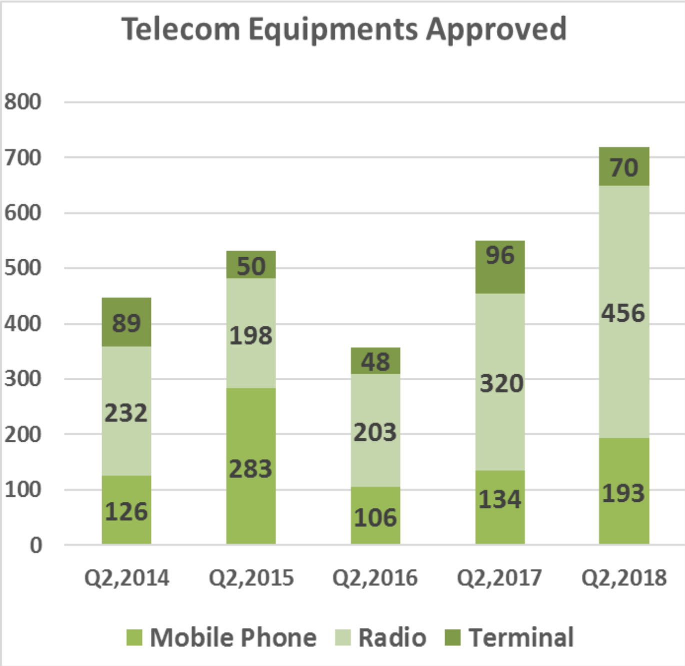

Unsuccessful call Ratio for local and national fixed calls
Achieved / Target - %
1.000
0.800
0.600
0.400
0.200
0.000
1.0
0.8
0.6
0.4
0.2
0.0
1.0
0.004
0.130
0.01
0.04
0.005
0.001
0.015
0.100
0.062
0.110
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Q2,2018
Less than 1 is required
OmanTel
Ooredoo
Required KPI

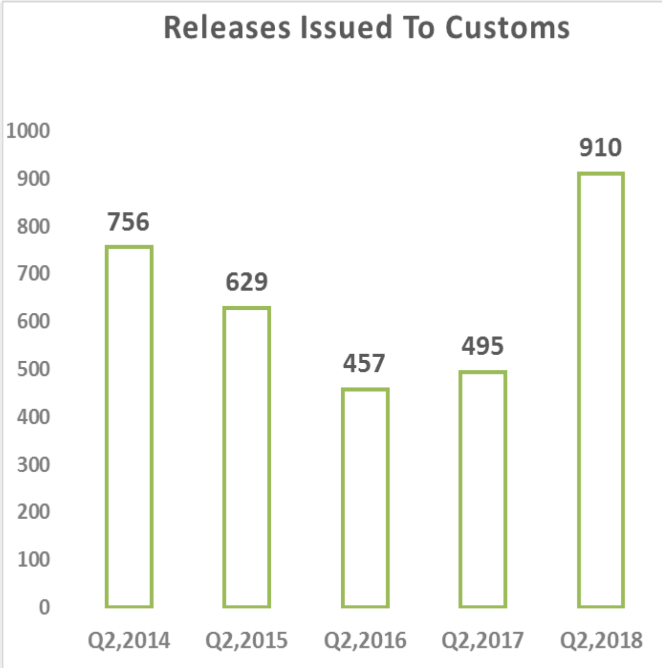
Type Approval

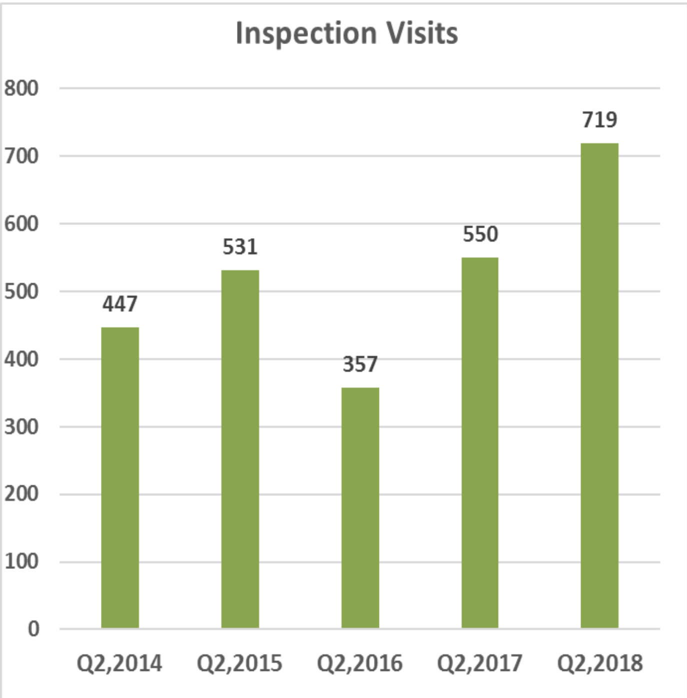
During Q2/2018, TRA:

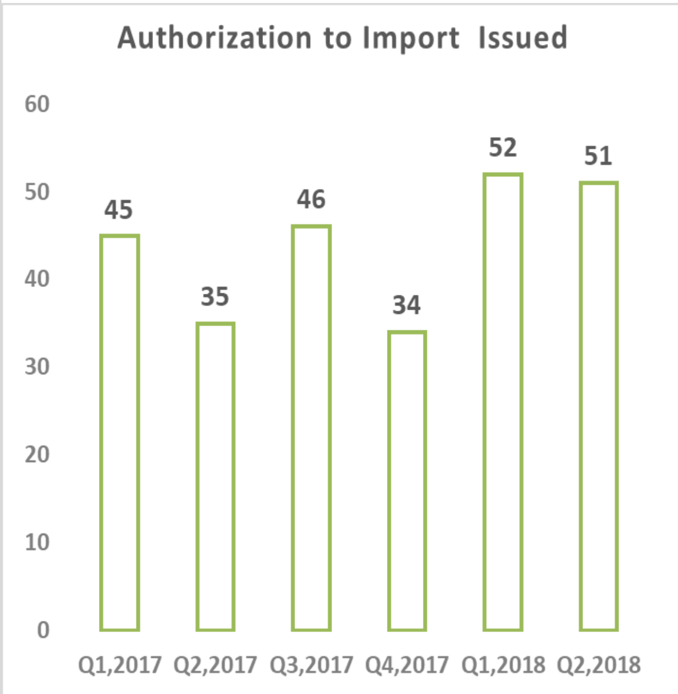
- approved a total number of 719 (Previous Quarter 705) Telecom Equipment.
- issued 910 (Previous Quarter: 890) Releases to Customs for Import of Telecom Equipment.
- inspected 118 (Previous Quarter: 60) Dealerships.




Telecom Equipments Approved
800
700
600
500
400
300
200
100
0
70
96
50
89
48
456
198
320
232
203
283
193
134
126
106
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Q2,2018
Mobile Phone
Radio
Terminal


Releases Issued To Customs
1000
900
800
700
600
500
400
300
200
100
0
756
629
457
495
910
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Q2,2018


Inspection Visits
800
700
600
500
400
300
200
100
0
447
531
357
550
719
Q2,2014
Q2,2015
Q2,2016
Q2,2017
Q2,2018


Authorization to Import Issued
60
50
40
30
20
10
0
45
35
46
34
52
51
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Q1,2018
Q2,2018

Tariffs & Promotions

Number of new and revised Promotions approved during Q2/2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
National Voice	Mobile							0	0%
	Fixed							0	0%
InternationalVoice						1		1	5%
Data	MBB	2				1		3	14%
	FBB				2	2	1	5	24%
Welcome Pack / New Connections	Mobile	2			1			3	14%
	Fixed							0	0%
International Mobile Roaming					2			2	10%
Vaue Added Services					1	1		2	10%
Top-Up and Bundled services		1			2			3	14%
Leased line/MPLS								0	0%
Miscellanious						2		2	10%
Total		5	0	0	8	7	1	21	100%
%		24%	0%	0%	38%	33%	5%	100%	

Number of new and revised Tariffs approved or filed during the Q2/2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
Voice	Mobile							0	0%
	Fixed							0	0%
International Voice								0	0%
Data	Mobile	1			1	1		3	16%
	Fixed				3		1	4	21%
Welcome Pack / New Connections	Mobile							0	0%
	Fixed							0	0%
International Mobile Roaming			1		1			2	11%
Vaue Added Services					6	2		8	42%
Top-Up and Bundled services					2			2	11%
Leased line/MPLS								0	0%
Miscellanious								0	0%
Total		1	1	0	13	3	1	19	100%
%		5%	5%	0%	68%	16%	5%	100%	

No. of Approvals and Filings of Tariff Proposal (Promotions/New Services and Revisions) Q2, 2018

Licensee	No of Promotions		Total	New and Revisions		Total
	Approved	Filed		Approved	Filed	
Renna		5	**5**		1	**1**
Friendi			**0**		1	**1**
Teo			**0**			**0**
Omantel	8		**8**	13		**13**
Ooredoo	6	1	**7**	3		**3**
Awasr		1	**1**		1	**1**
Total	14	7	**21**	16	3	**19**
%	**67%**	**33%**	**100%**	**84%**	**16%**	**100%**

Segment-wise Tariff Proposals (Promotions/New Services and Revisions) Q2 2018

	Mobile	Fixed	Mobile & Fixed	Total
No. of Promotions	14	5	2	**21**
%	67%	24%	10%	**100%**
No. of new services and revisions	15	4	0	**19**
%	**79%**	**21%**	**0%**	**100%**

	Residential	Corporate	Residential & Corporate	Total
No. of Promotions	18	1	2	**21**
%	86%	5%	10%	**100%**
No. of new services and revisions	15	3	1	**19**
%	**79%**	**16%**	**5%**	**100%**

Prominent aspects of Promotions:

1) Ooredoo's Surprise offer for Ooredoo Prepaid customers.
2) Omantel launched the following note-worth offers this quarter as follows:
    a) Jawazak Non-Stop Whatsapp Promotion: for RO 2 customer can enjoy WhatsApp while roaming in GCC for 3 days.
    b) My Circle Promotion: it is a device/technology to give the parents features to control usage and content of the network at their homes.
    c) World Cup Campaign: 50% bonus on recharge plus an opportunity to participate in a draw to go and watch the World Cup Final match lives in Russia.
    d) New Voice Add On for Hayyak Your Way:
    e) Two Years Contract for Ultra Home Broadband Promotion: customers who sign 2 Years contract for Ultra Home Broadband service can avail higher speed plans.

Other important services and revisions approved during this quarter:

1- Friendi launched their International roaming service within GCC countries.
2- Awaser made double speed offer on their fiber plans permanent.
3- Omantel introduced new Fixed Broadband packages (Aamali) to Small and Medium Enterprise.
4- Omantel introduced new enhanced Nama Packages for business customers.
5- Renna launched enhanced Mobile Broadband plans portfolio.