سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q3, 2017

Competition and Tariffs Unit

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Introduction

We are pleased to present Q3 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 ObservationsQ3, 2017

- As per the Monthly Statistical Bulletin of September 2017 which was published by NCSI, the population of the Sultanate reached to 4,614,713 inhabitants .

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

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

- Fixed line: 10.49% of inhabitants
- Mobile subscriptions: 154.10% of inhabitants
- Fixed internet: 58.28%of households.

The Active Mobile Broadband Subscribers reached to 96% of inhabitants by the Q3/2017 with the total active subscribers of *4,425,684* .

The Blackberry Subscribers represent 0.12% of the total Mobile Subscribers base at the end of Q3/2017.

During the Q3/2017, the TRA received and approved:

- 13 new and revised Tariff Plans.
- 22 promotional tariff offers

TRA type approved 573 telecom equipments, and issued 46 authorizations for importing equipments. In addition, TRA Issued 1006 releases to customs for importing telecom equipments during Q3/2017.

TRA carried out 196 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q3, 2017

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	483,854	335,126	7,111,372
Penetration rate[1]	84.15%	58.28%	154.10%
Revenue (Mln.RO)	39.285	28.922	152.062
International Outgoing Voice Minutes (mln),	6.251	-	198.251
ARPU[2] (RO)	4.25	28.77	7.13
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 Q3/2017 penetration rates are calculated based on the population (4,614,713), 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.

	Q3/2017	Q2/2017	% Change
Population	4,614,713	4,614,822	-0.002
Households[3]	575,000	575,000	-

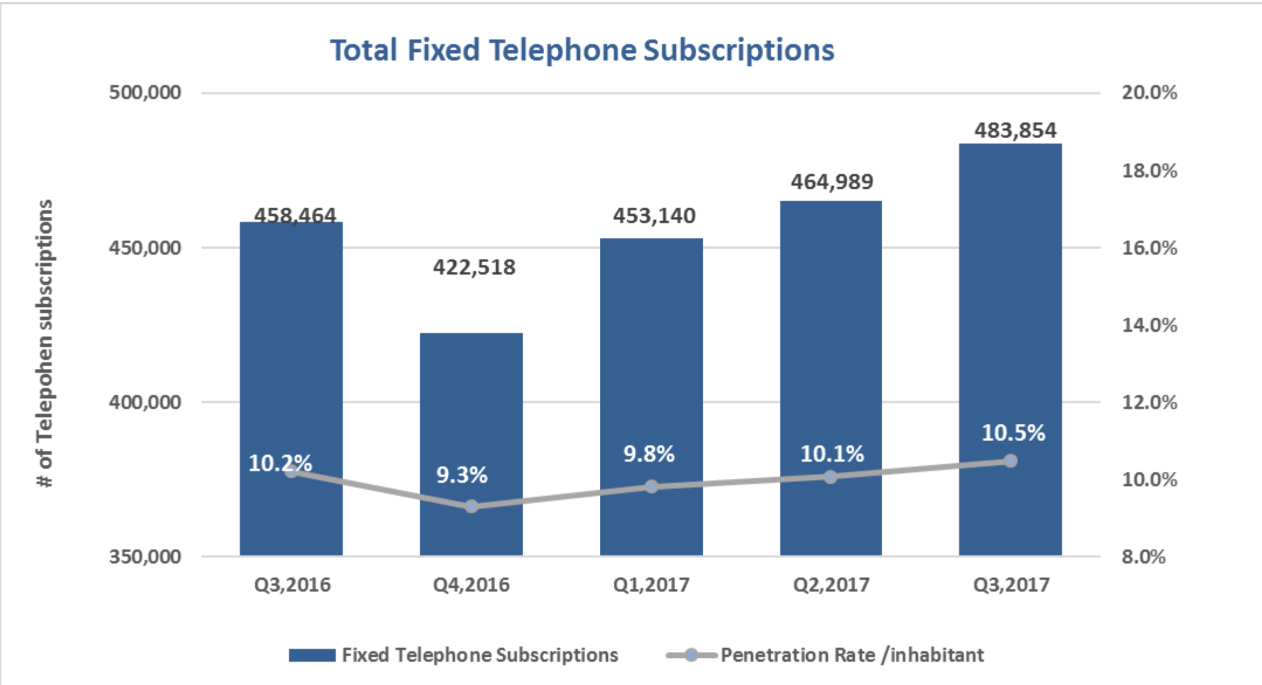
Fixed Telephone Service

Type of Service	Q3/2017	Q2/2017	% Change
Fixed Telephone Subscriptions:			
1.1 Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	314,119	306,399	3%
1.2 VoIP Subscription	116,226	105,055	11%
1.3 WLL Connections	1,665	1,636	2%
1.4 ISDN Channels (Equivalent DELs)*	45,043	45,098	-0.1%
1.5 Public Telephone – Payphones	6,801	6,801	0%
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**483,854**	**464,989**	**4%**
Fixed Line Penetration per 100 Inhabitant	***10.49%***	**10.08%**	**0.4%**
Fixed Line Penetration Per 100 Household	***84.15%***	**80.87%**	**3.3%**

Note: The Q3/2017 penetration rate has been calculated based on:

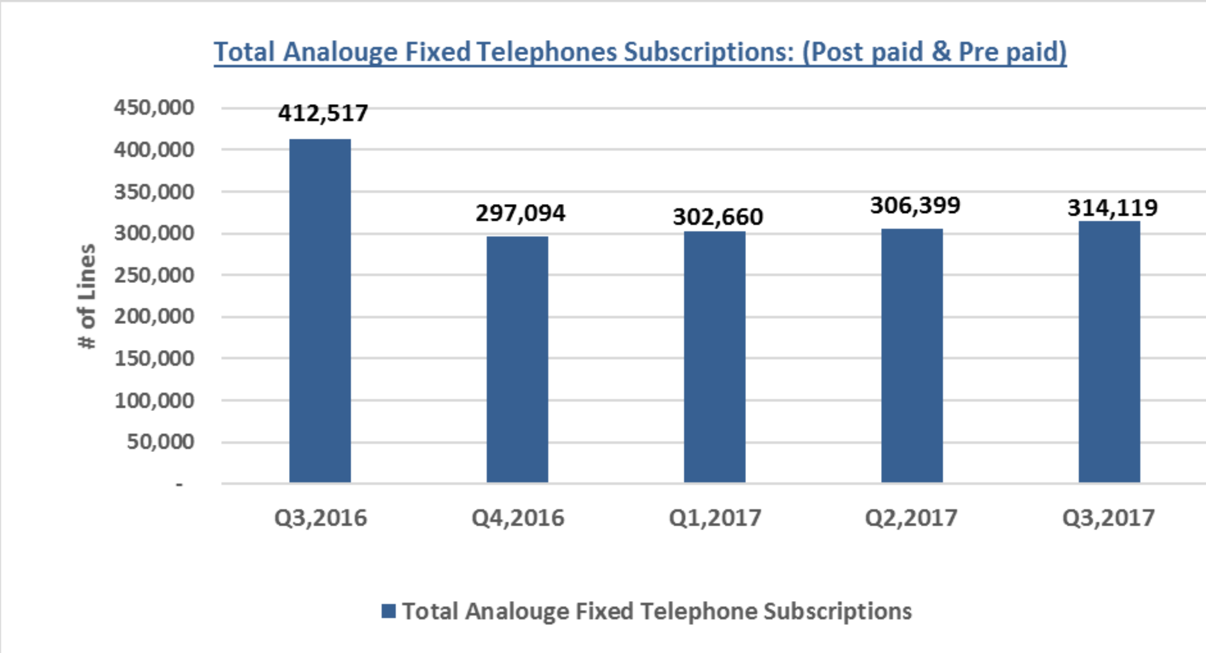
- The population of (4,614,713), as per the latest bulletin published by NCSI – June 2017.
- Households: 575,000 (as per the NCSI estimation during year 2015).

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



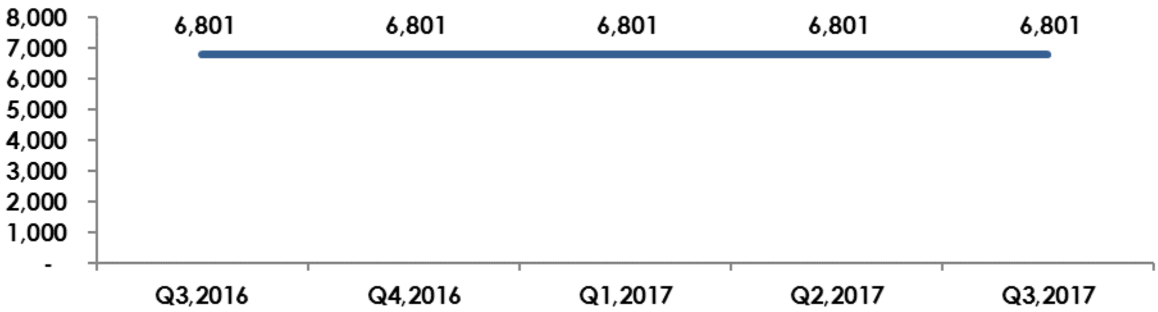
- During Q3/2017, the Fixed Telephone subscriptions were reported as 483,854 showing 4% growth.

- The penetration rate per inhabitant of the fixed telephone subscriptions slightly increased by 0.4% compared to the last quarter. The penetration rate per household increased by 3.3%.

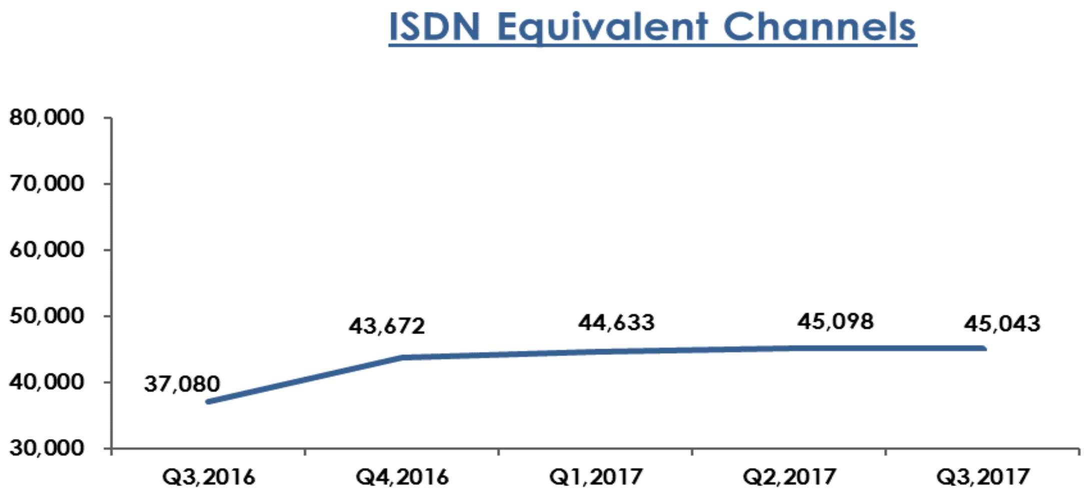


- Total analogue postpaid and prepaid fixed telephone subscriptions increased during Q3/2017 by 3%.

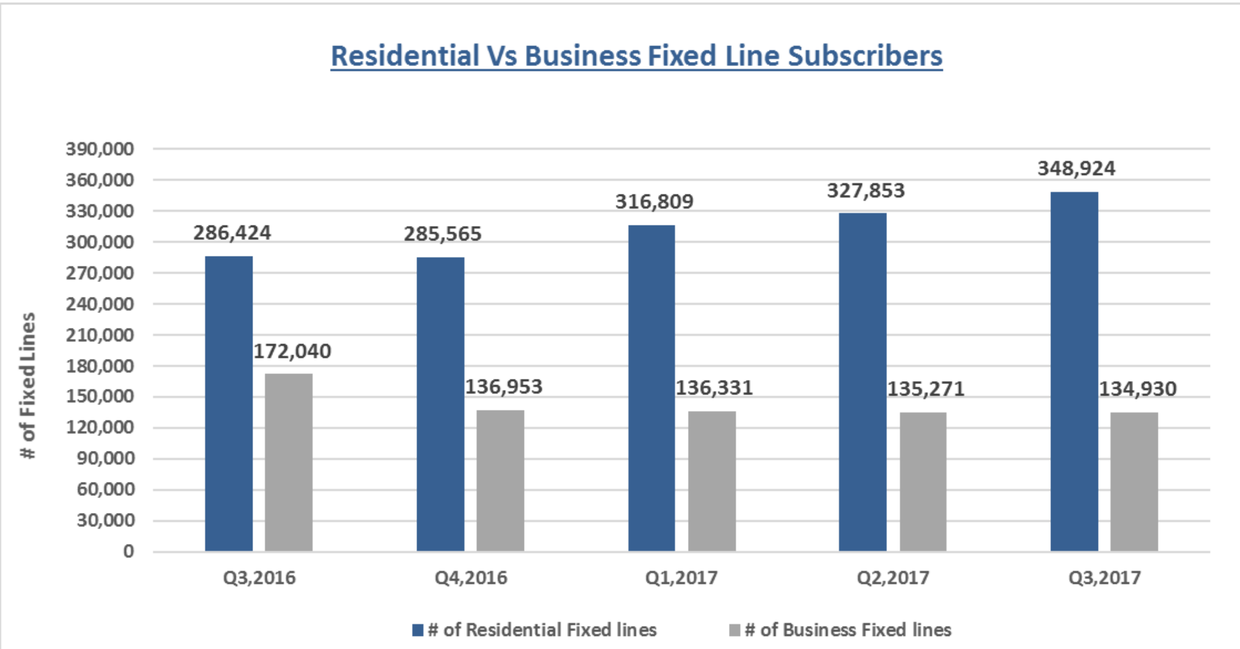
Pay Phones



- 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 Q3/2017, the ISDN equivalent channels dropped slightly by -0.1% reaching 45,043 channels.



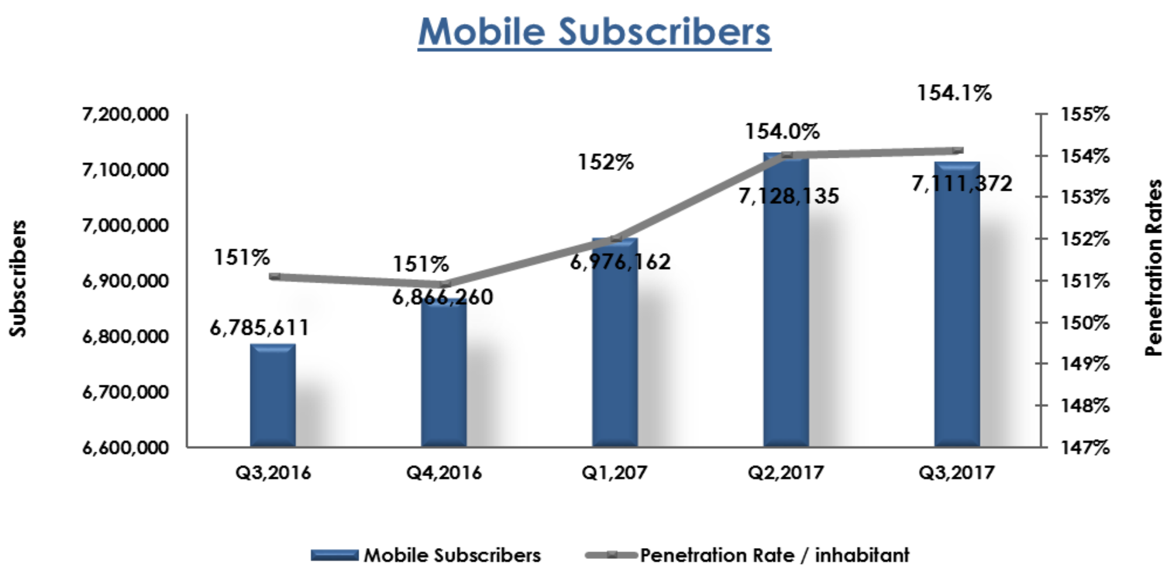
- During the Q3/2017, the Business Fixed line subscriptions decreased slightly by 0.3%, while residential fixed line subscribers increased by 6.4% as compared to the previous quarter.
- The split between fixed residential and business lines stood at 72.1% and 27.9% respectively in Q3/2017.

Mobile Service

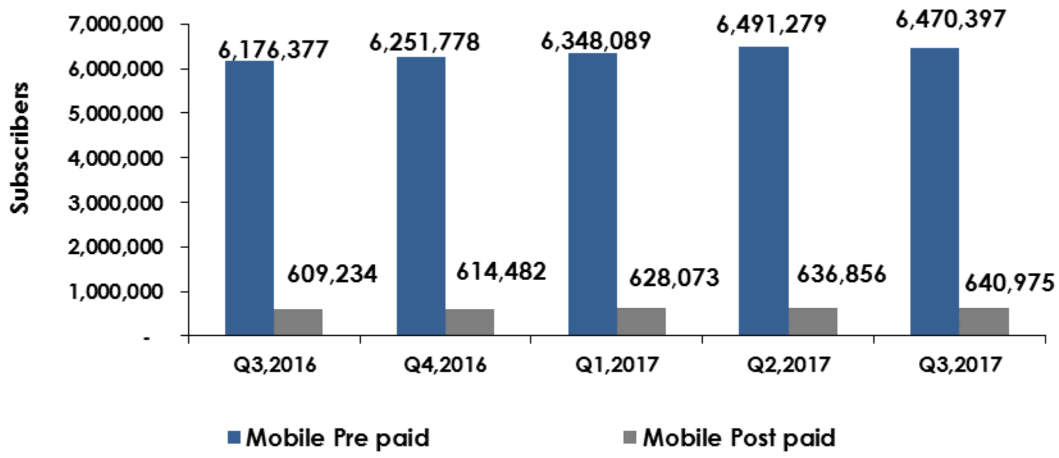
Mobile Subscribers	Q3/2017	Q2/2017	% change
1 Post Paid			
1.1 Operators	***640,975***	***636,856***	**%0.65**
Total Postpaid Subscribers	**640,975**	**636,856**	**%0.65**
Prepaid			
2.1 Operators	5,302,169	5,270,935	**%0.59**
1.2 Resellers	1,168,228	1,220,344	**-4.27%**
Total Prepaid Subscribers	**6,470,397**	**6,491,279**	**-0.32%**
Total Mobile Subscribers: (1+2)	**7,111,372**	**7,128,135**	**-0.24%**
Mobile Penetration/100 Inhabitant	**154.10%**	**154.46%**	**-0.36%**
BlackBerry Subscriptions			
3.1 Post Paid	2,381	2,786	**-14.54%**
3.2 Pre-Paid	8,442	13,348	**-36.75%**
Total BlackBerry Subscribers (3.1+3.2)	***10,823***	**16,134**	**-32.92%**
% of BlackBerry Mobile Subscribers of total Base in Oman	**0.21%**	**0.22%**	**-0.01%-**

- **Note: The Q2/2017penetration rates are calculated based on the population (4,614,713), as per the latest bulletin published by NCSI – June 2017.**

➢ The total mobile subscribers declined by 0.24% during the Q3/2017 achieving a total of 7,111,372 subscriber base. The mobile penetration decreased by 0.36% in Q3/2017.

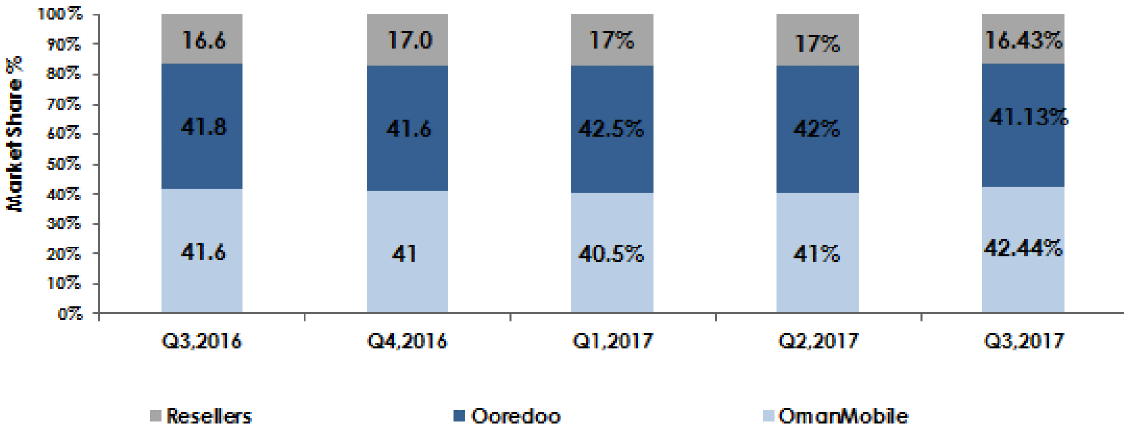


Mobile Post paid & Pre paid



- Post-paid mobile subscribers reached to the figure of 640,975 with 0.65% growth over the previous quarter.
- Prepaid mobile subscribers dropped slightly by 0.32% reaching to 6,470,397 subscribers.

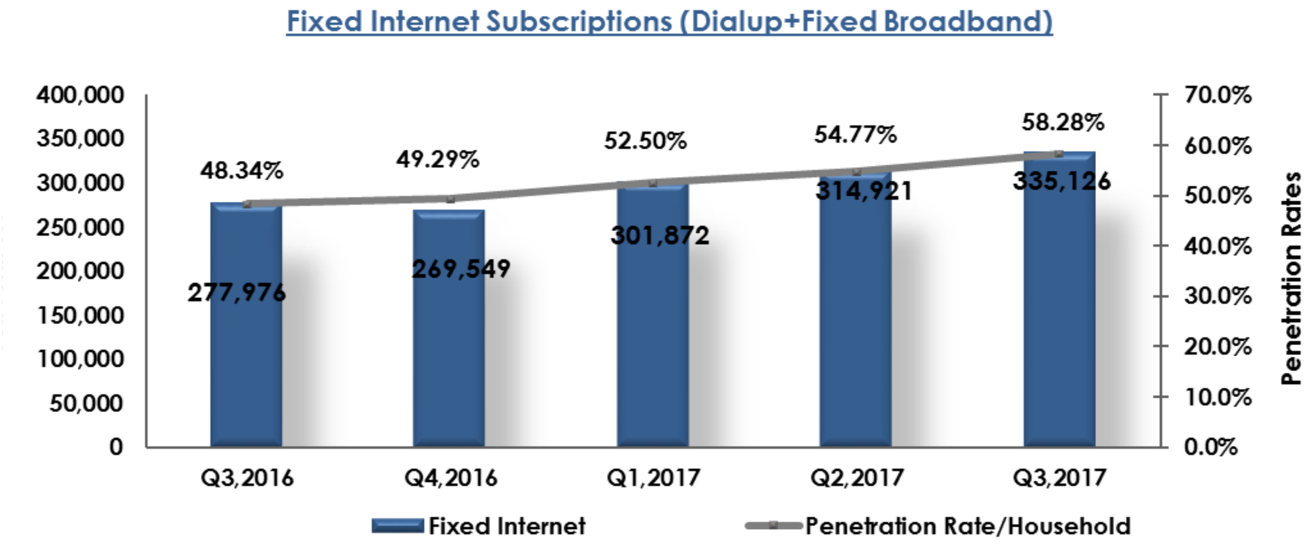
Market Share for Mobile Service Providers (%)



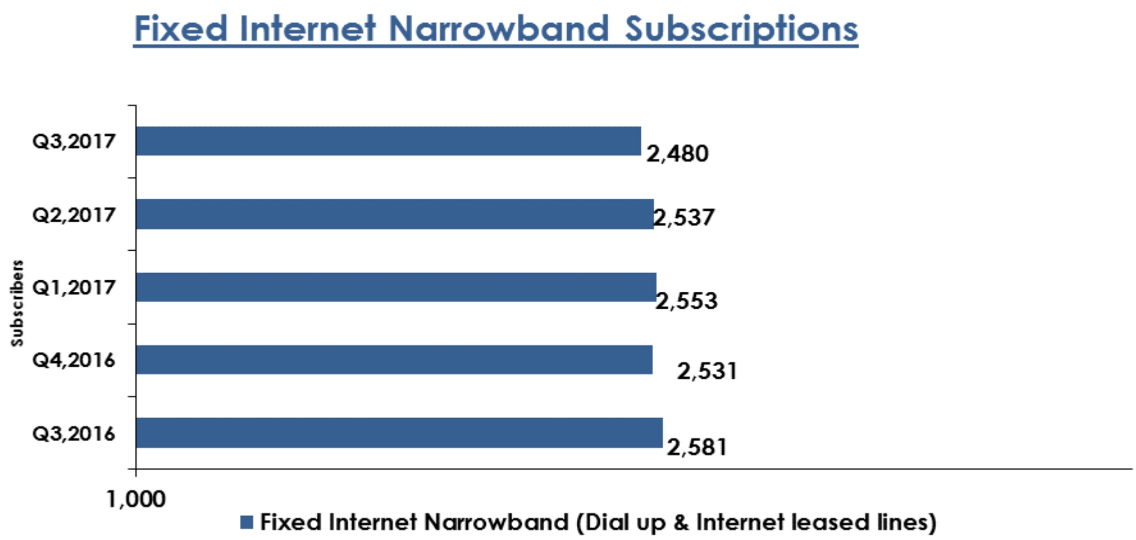
Internet Services

Type of Service	Q3/2017	Q2/2017	% change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscribers	2,450	2,507	**%2.27-**
1.2 Internet Leased Lines(Narrowband)	30	30	**%0.00**
1. **Total fixed Narrowband Subscriptions : (1.1+1.2)**	**2,480**	**2,537**	**%2.25-**
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	**332,646**	**312,384**	**%6.49**
Total Fixed Internet Subscribers (1+2)	**335,126**	**314,921**	**%6.42**
Fixed Internet Penetration /100 Household	**58.28%**	**54.77%**	**%3.51**
Fixed Broadband Subscribers Penetration/100 Household	**57.85%**	**54.33%**	**%3.52**
Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers*	696,715	1,732,446	**%59.78-**
3.2 Standard mobile-broadband Subscribers*	3,728,969	2,597,662	**%43.55**
Total Active Mobile Broadband Subscribers (3.1+3.2)	**4,425,684**	**4,330,108**	**%2.21**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**96%**	**94%**	**%2.00**

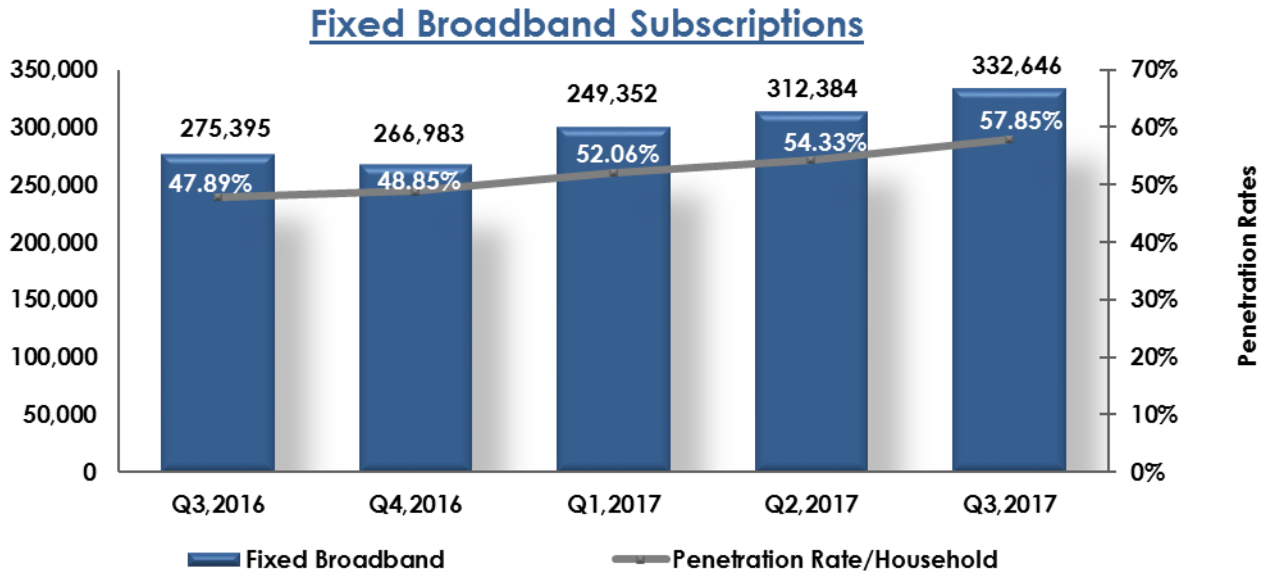
- **Note: The Q3/2017 penetration rate has been calculated based on the population (4,614,713), as per the latest bulletin published by NCSI – June 2017.**
- **Households: 575,000 (as per the NCSI estimation for year 2015).**
- ***Drop in dedicated mobile broadband subscribers is due to adjustment of data by one of the operators between the two categories (3.1 & 3.2).**



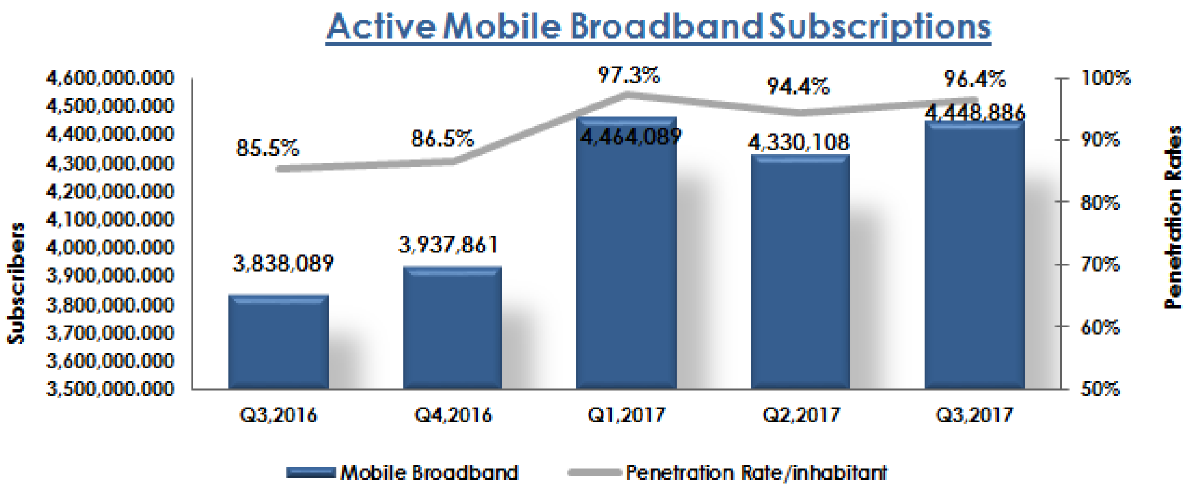
- The total fixed internet subscriptions increased by 6.42% during the third quarter 2017 reaching 335,126 subscriptions.
- During the reported quarter, the fixed internet penetration rate per household reached 58.28%, which is 3.51% higher than the previous quarter.



- During Q3/2017, fixed internet narrowband subscriptions decreased by 2.25% to 2,480 subscriptions.

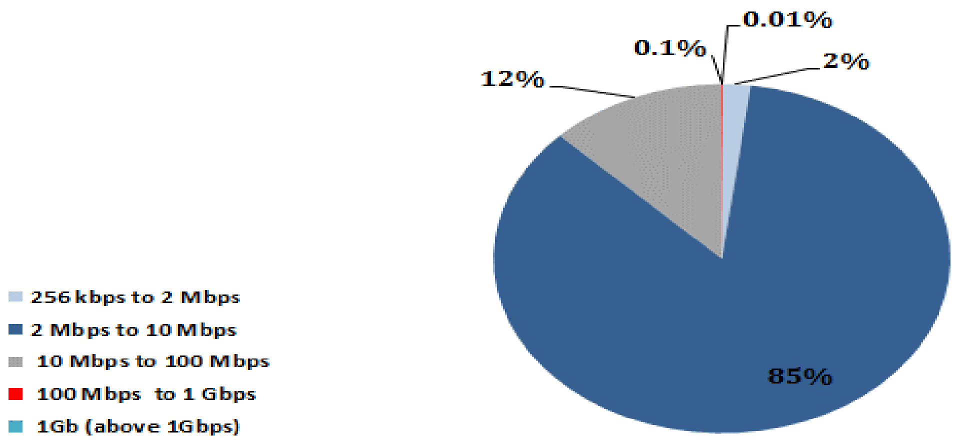


➢ During Q3/2017, Fixed Broadband subscriptions has experienced 6.49% growth over the previous quarter. Fixed Broadband subscription reached to 332,646 subscribers with penetration rate of 57.58% per household.



➢ During the third quarter 2017, total active mobile broadband subscribers increased by 2.21% reaching to 4,448,886 from 4,330,108. Also, the penetration rate increased by 2% from 94% to 96% per inhabitant.

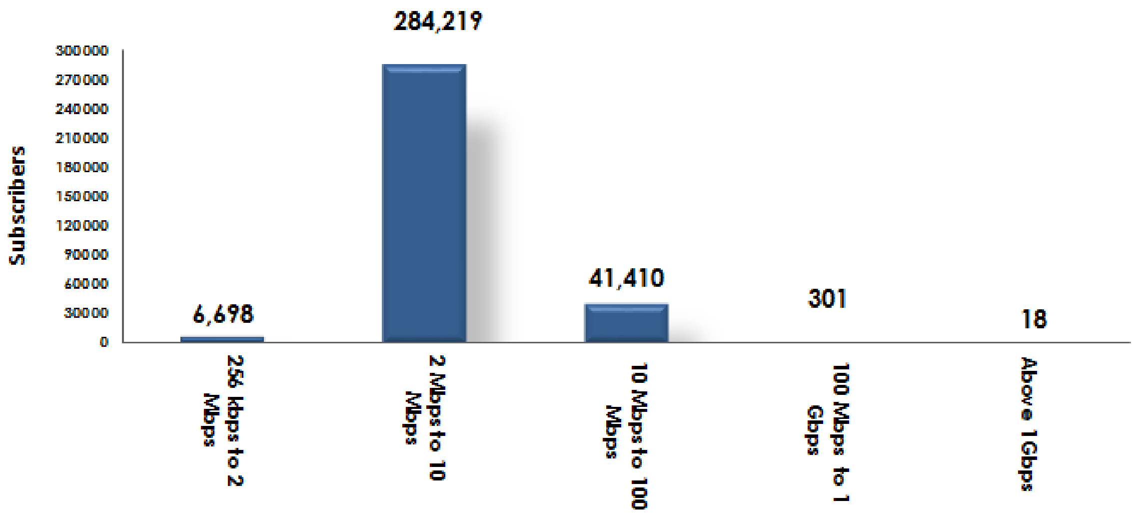
Fixed Broadband Subscriptions-Proportions by Speed, Q3/2017

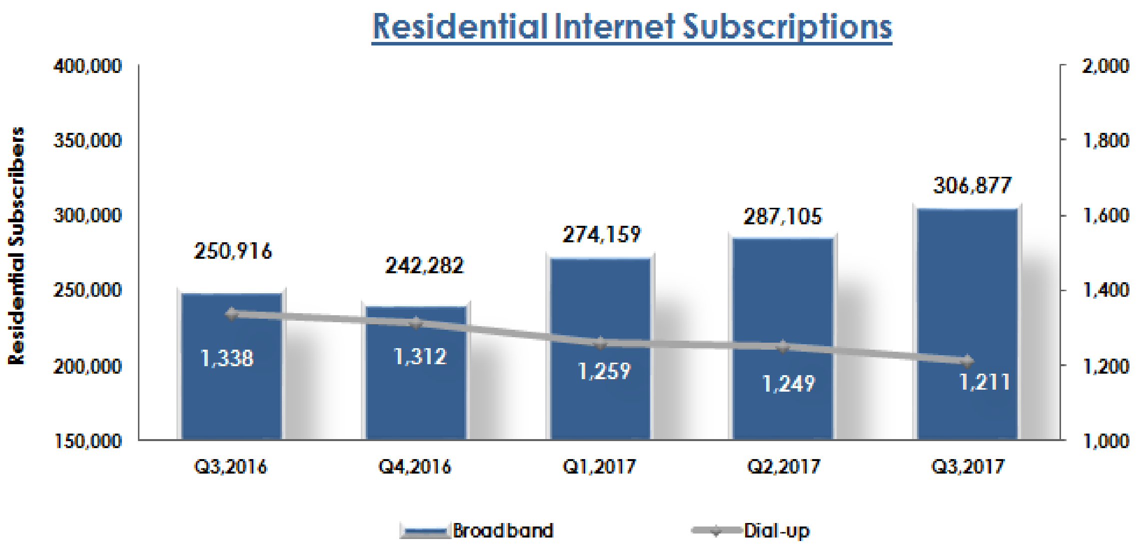


During Q3/2017,

- 2% of fixed Broadband subscribers had access speed of 256 Kbps to 2 Mbps.
- 85% of fixed Broadband subscribers had access speed of 2 Mbps to 10 Mbps.
- 12% of fixed Broadband subscribers had access speed of 10 Mbps to 100 Mbps.
- 0.1% of fixed Broadband subscribers had access speed of 100 Mbps to 1 Gbps.
- 0.01% of fixed Broadband subscribers had access speed of more than 1Gbps.

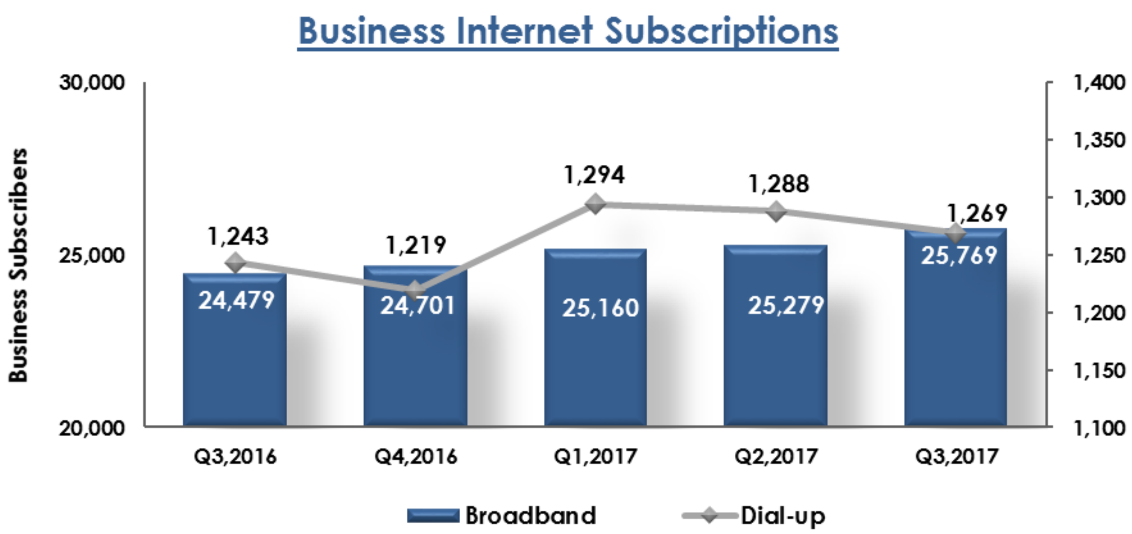
Fixed Broadband Subscribers by Internet Speed, (Q3 /2017)

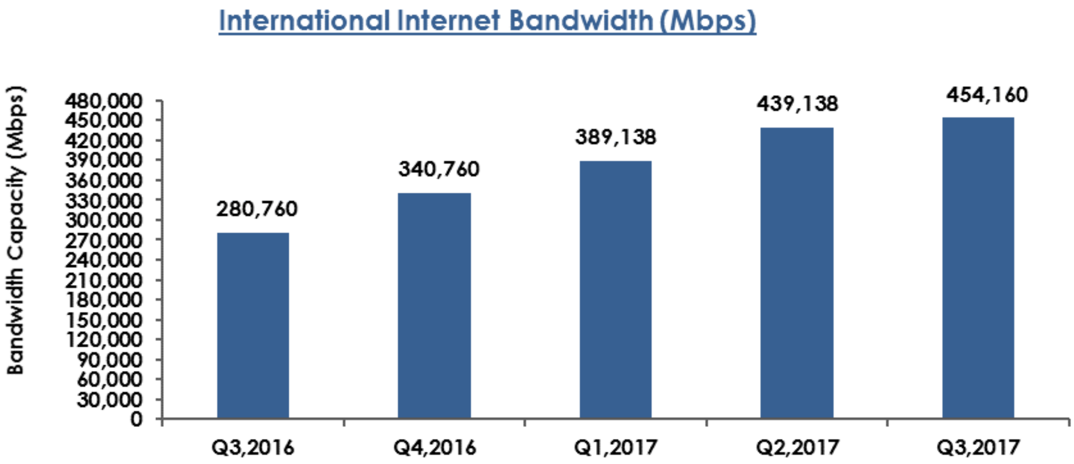




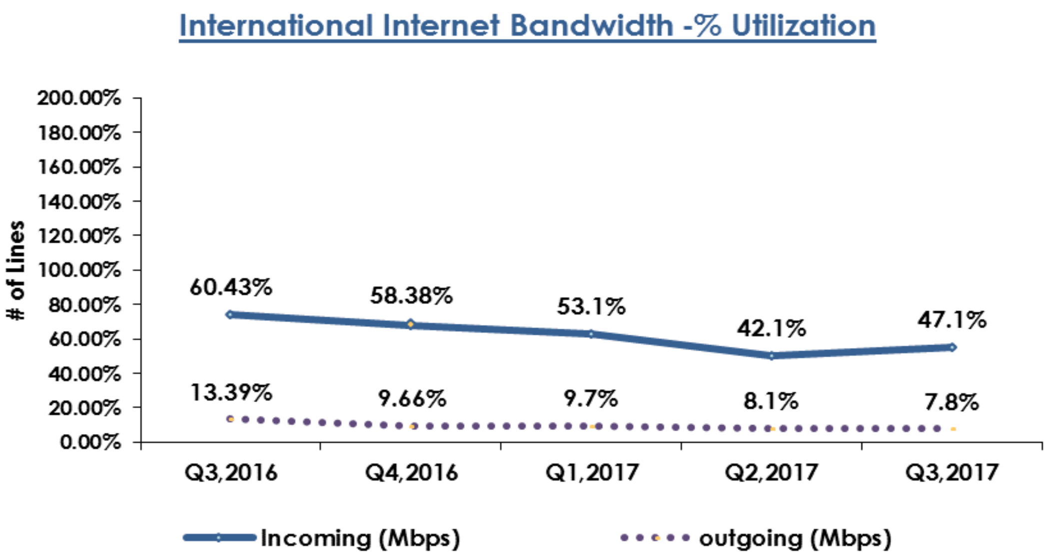
- The residential broadband subscribers in the above chart show an increase of 7% during Q3/2017. On the other hand, the residential dial up subscribers declined by 3% over the same period.

- The below chart presents a growth in the business broadband subscriptions by 2% while the business dial-up declined by 1% during the same period.



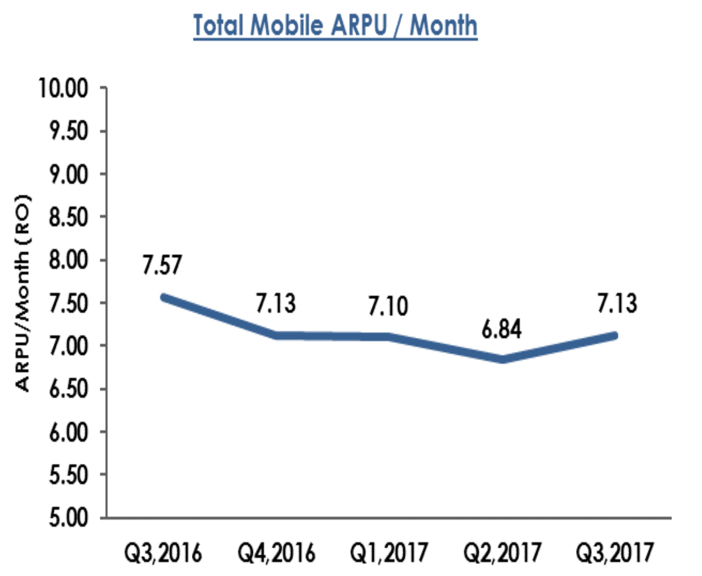


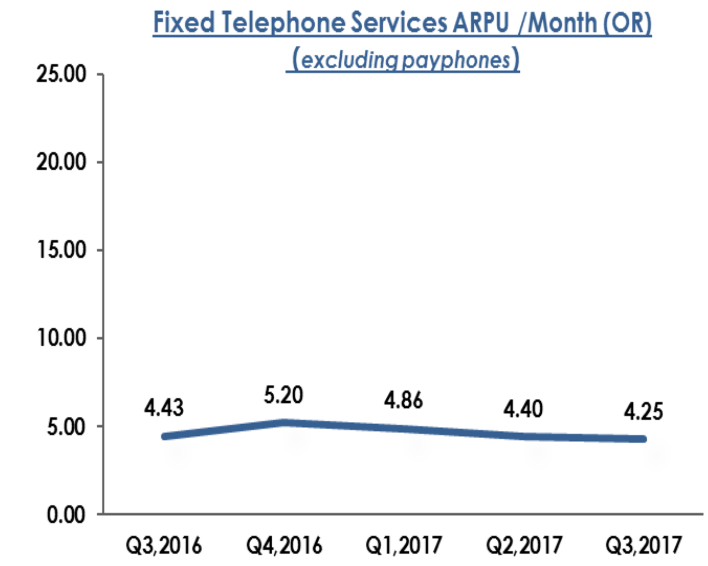
➢ During the Q2/2017, the operators had 454,160 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 439,138 Mbps.

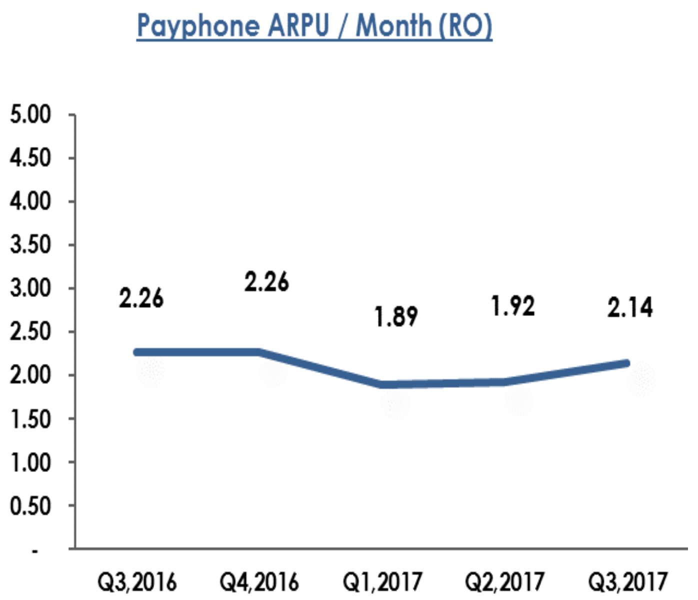


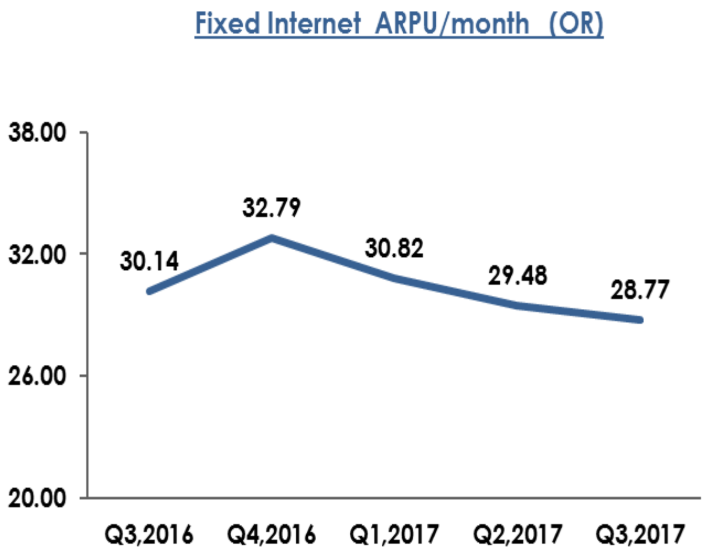
➢ Out of 454,160 Mbps capacity, on average 7.8% was utilized for the outgoing and 47.1% for the incoming traffic.

ARPUs



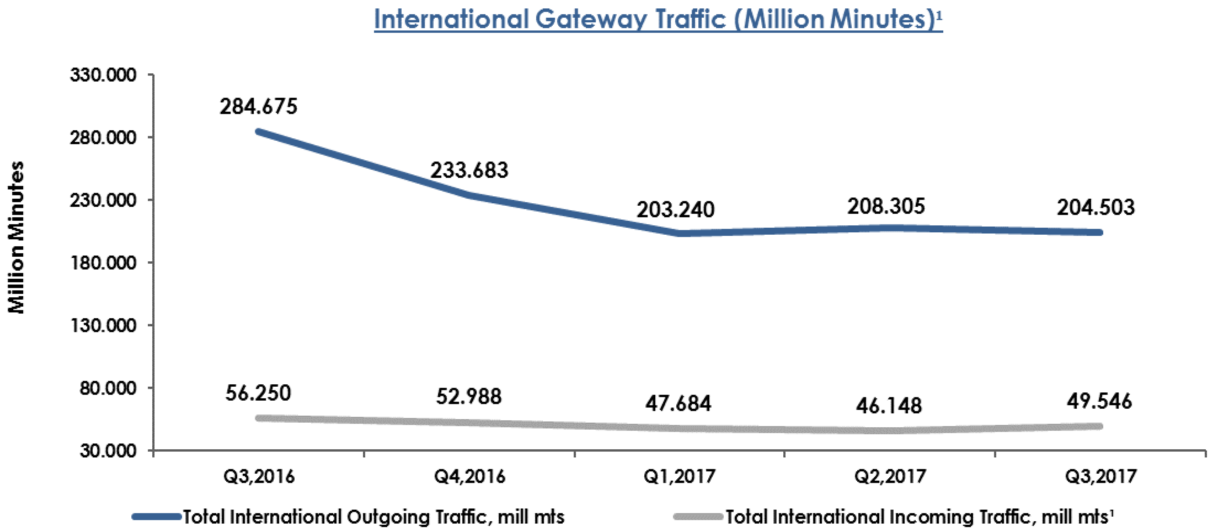




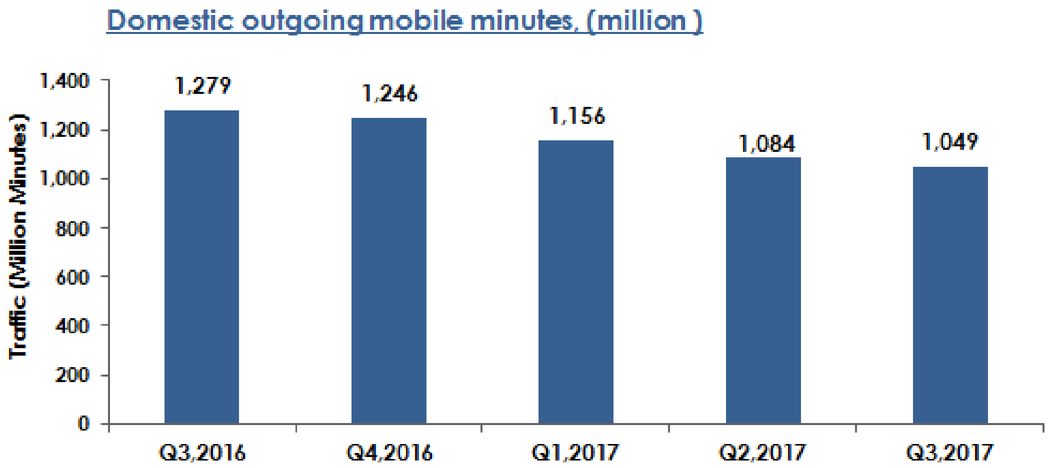


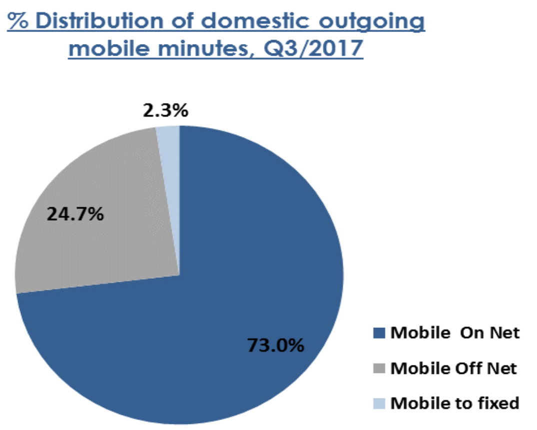
[1] ARPU (the average revenue per user)

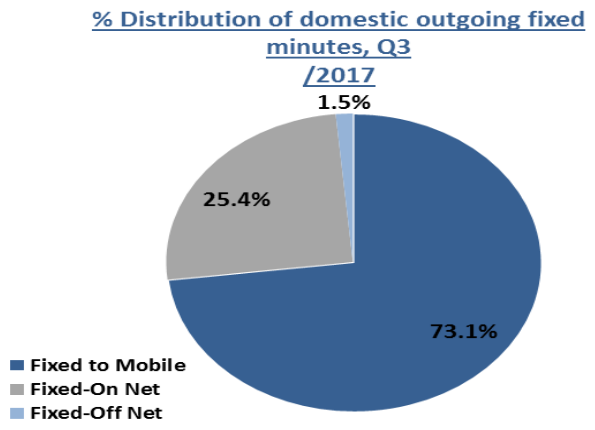
Traffic



- The Q3/2017 experienced decline in the outgoing international traffic by 2%, while the Incoming traffic increased by 7.4% during the same period due to the inclusion of the Connect Arabia IGW traffic.
- [1]***Note***: The figures pertaining to Q1&Q2 &Q3/2017 are provisional because one of the Licensees is upgrading its data warehouse and some issues remain un-resolved.
- During the second quarter 2017, the domestic mobile traffic declined by 3.2% to 1,049 million minutes from the previous quarter traffic of 1,084 million minutes.

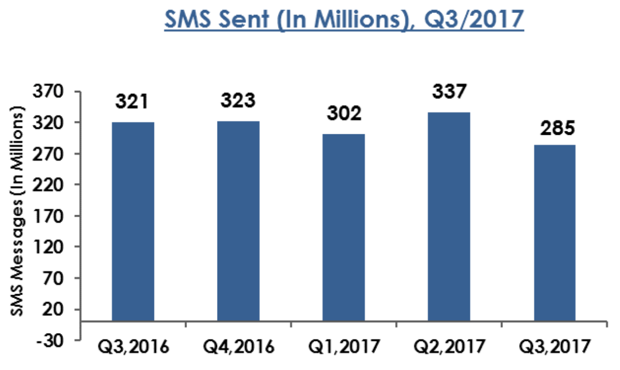


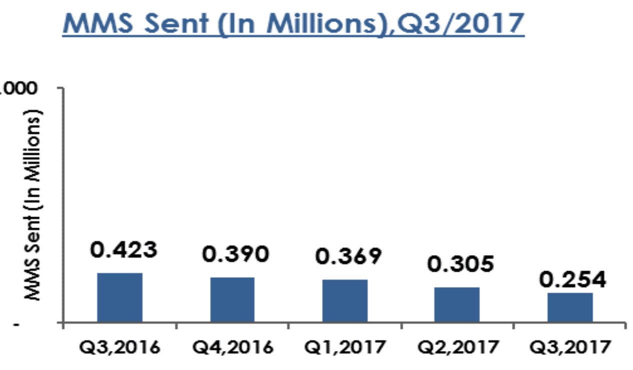




During Q3/2017, the mobile-to-mobile (On net) traffic had the major share of 73% out of the total domestic outgoing traffic, while the Off net mobile domestic traffic has 24.7% share. The Mobile to fixed Traffic represents only 2.3% of the total mobile domestic traffic.

During Q3/2017, the domestic outgoing fixed traffic carries 73.1% for fixed to mobile, 25.4% for fixed to fixed (On-net), and 1.5% for fixed to fixed (Off-net) traffic share.





Total outgoing SMS (short messages) Traffic dropped to reach 285 million messages by the Q3/2017 from 337 million messages in the previous quarter.

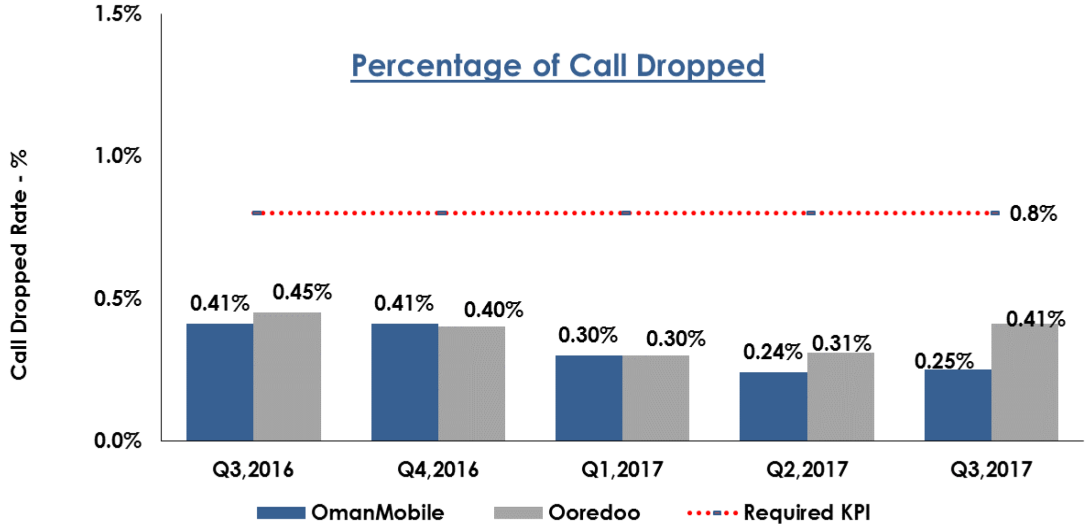
The number of outgoing MMS (multimedia massages) has been gradually decreasing since the last year reaching 0.254 million MMS by the end of Q3/2017.

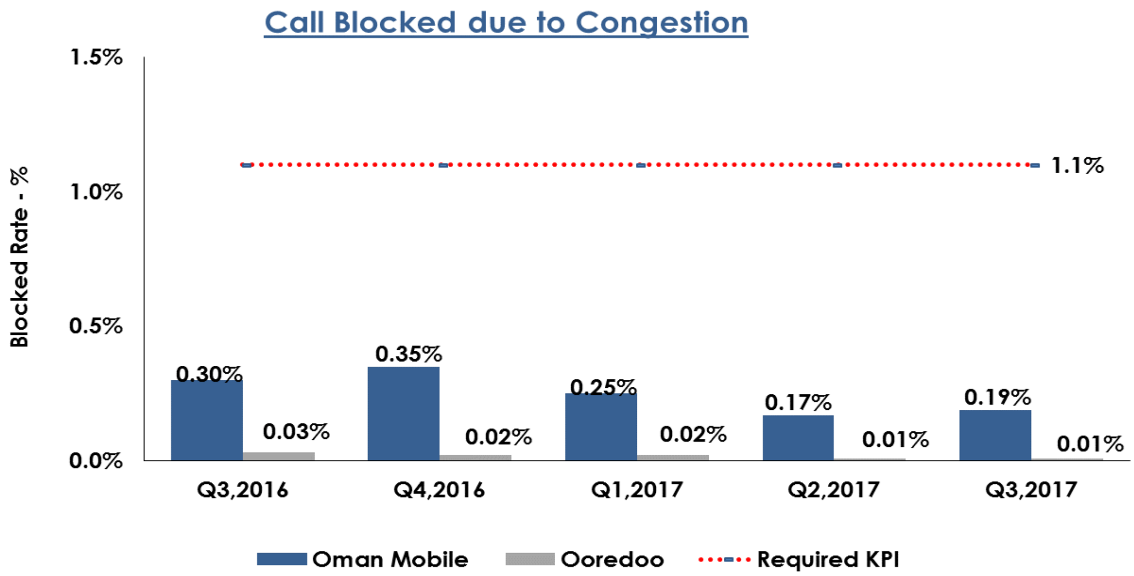
Quality of Service

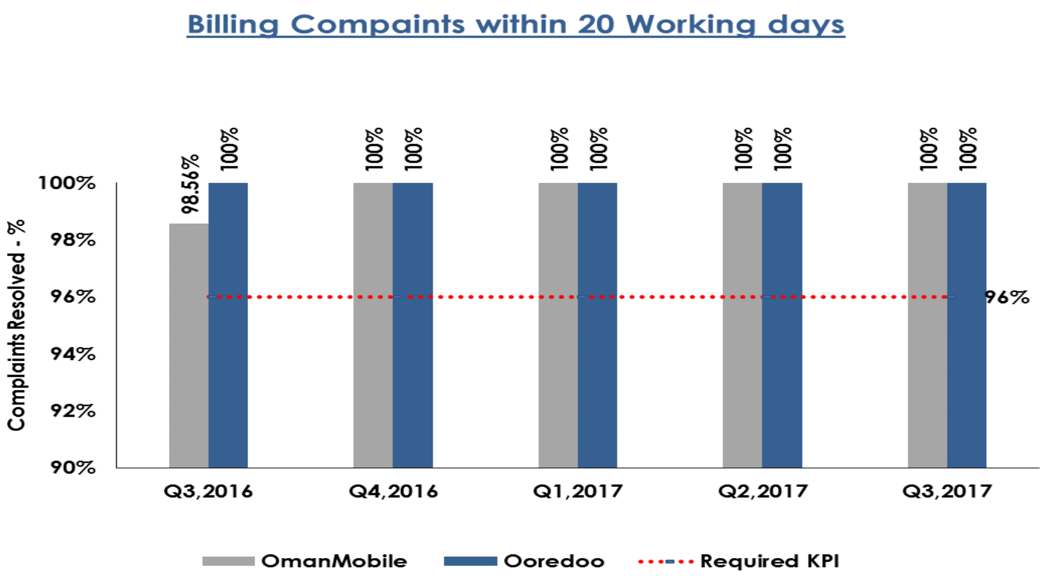
QoS indicators are as measured and reported by the operators-unaudited)

Mobile Services KPIs

Mobile Services KPIs	Required KPI (Quarterly)	Q3,2017		Q2,2017	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.25%	0.41%	0.24%	0.31%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	100%	100%	100%	100%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%




Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
1.1%
0.30%
0.03%
0.35%
0.02%
0.25%
0.02%
0.17%
0.01%
0.19%
0.01%
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Oman Mobile
Ooredoo
Required KPI

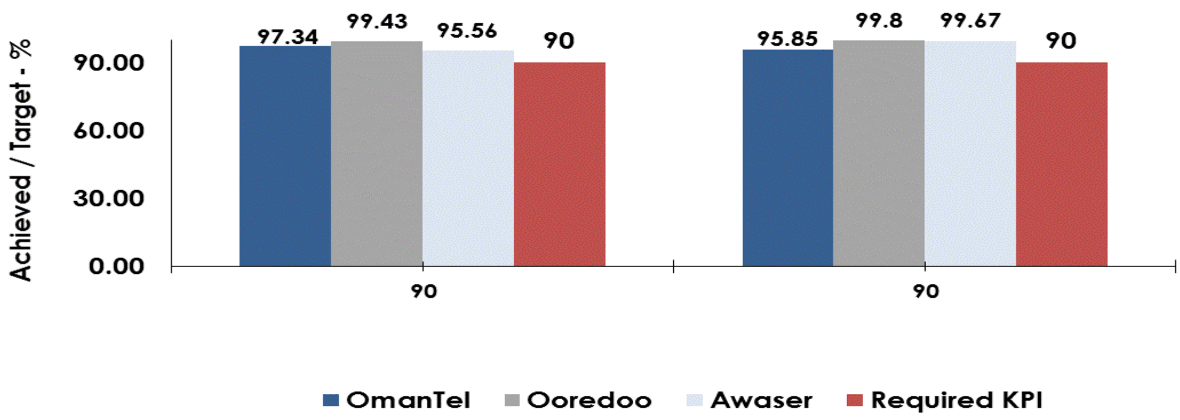

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
98.56%
100%
100%
100%
100%
100%
100%
100%
100%
100%
96%
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
OmanMobile
Ooredoo
Required KPI

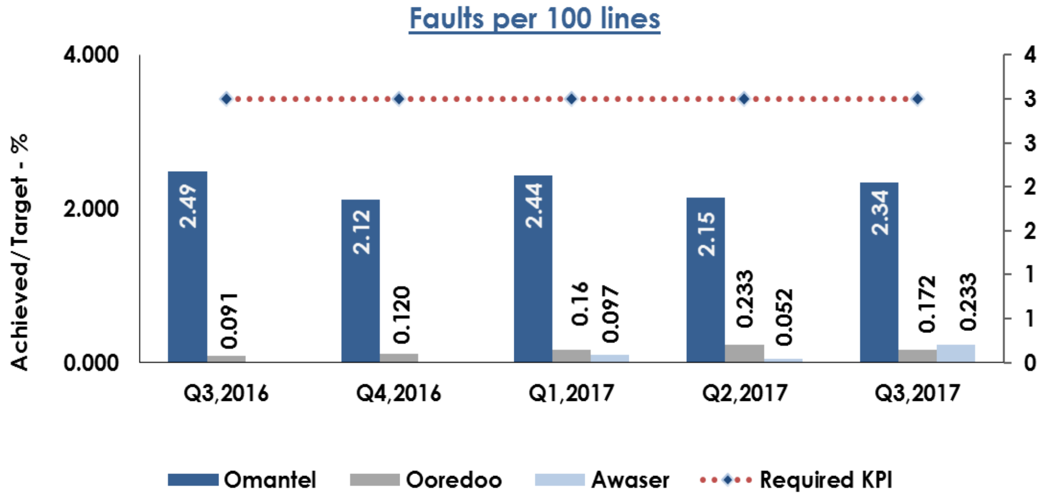
Fixed Services KPIs*

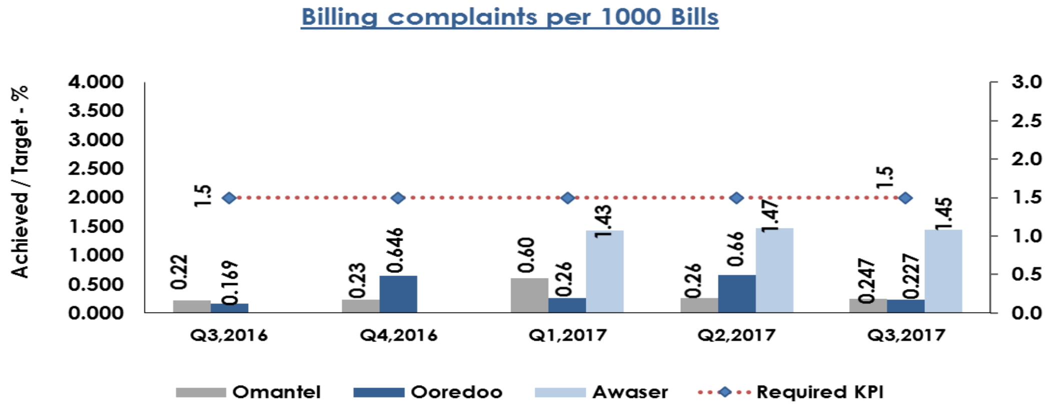
Fixed Services KPIs	Required KPI (Quarterly)	Q3/2017			Q2/2017		
		Omantel %	Ooredoo %	Awaser %	Omantel %	Ooredoo %	Awaser %
1. Faults per 100 lines per quarter	Less than 3	2.34	0.172	0.233	2.15	0.233	0.052
2. % of faults to be cleared within 24 hours	More than 90%	97.34	99.43	95.56	97.34	99.43	92
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.007	0.040	-	0.004	0.130	-
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	95.85	99.8	99.67	95.85	99.8	100
5. Billing complaints per 1000 Bills	Less than 1.5	0.247	0.227	1.450	0.26	0.66	1.47
6. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100	100	100

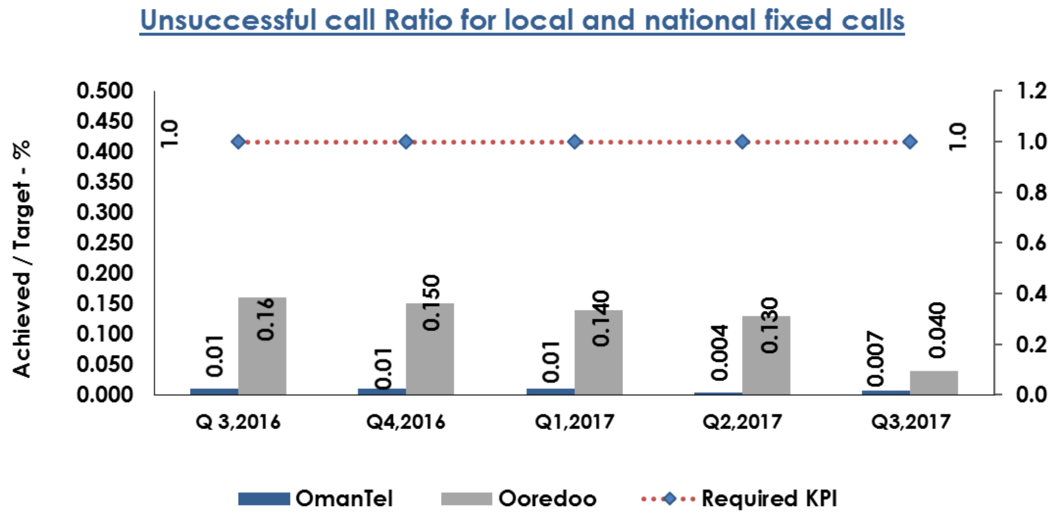
*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)

Fixed KPIs (Higher than RED bar is GOOD), Q3/2017




Faults per 100 lines
Achieved/Target - %
4.000
2.000
0.000
4
3
3
2
2
1
1
0
2.49
0.091
2.12
0.120
2.44
0.16
0.097
2.15
0.233
0.052
2.34
0.172
0.233
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
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
1.5
0.22
0.169
0.23
0.646
0.60
0.26
1.43
0.26
0.66
1.47
0.247
0.227
1.45
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Omantel
Ooredoo
Awaser
Required KPI

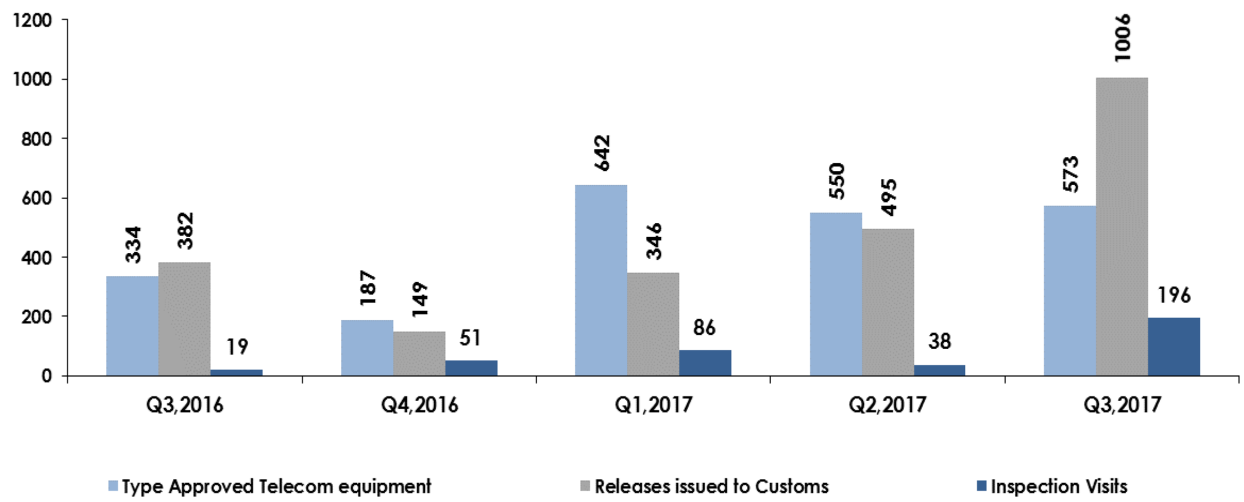

Unsuccessful call Ratio for local and national fixed calls
Achieved / Target - %
0.500
0.450
0.400
0.350
0.300
0.250
0.200
0.150
0.100
0.050
0.000
1.2
1.0
0.8
0.6
0.4
0.2
0.0
1.0
1.0
0.01
0.16
0.01
0.150
0.01
0.140
0.004
0.130
0.007
0.040
Q 3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
OmanTel
Ooredoo
Required KPI

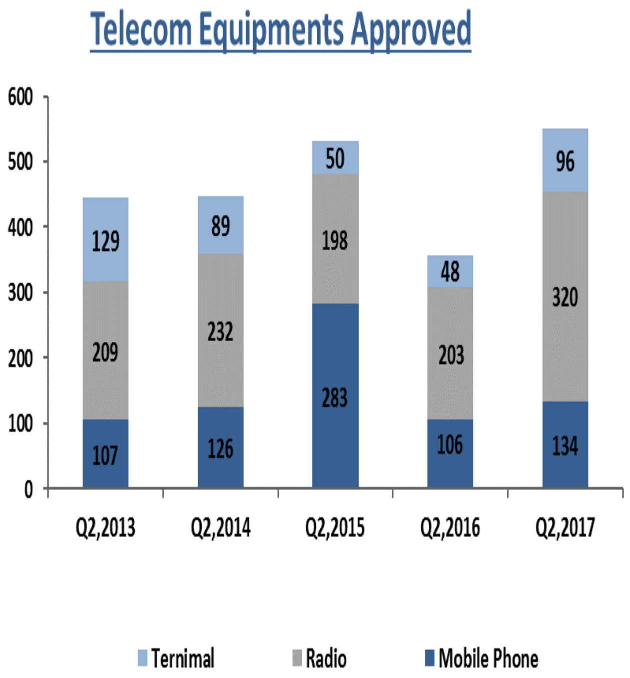
Type Approval

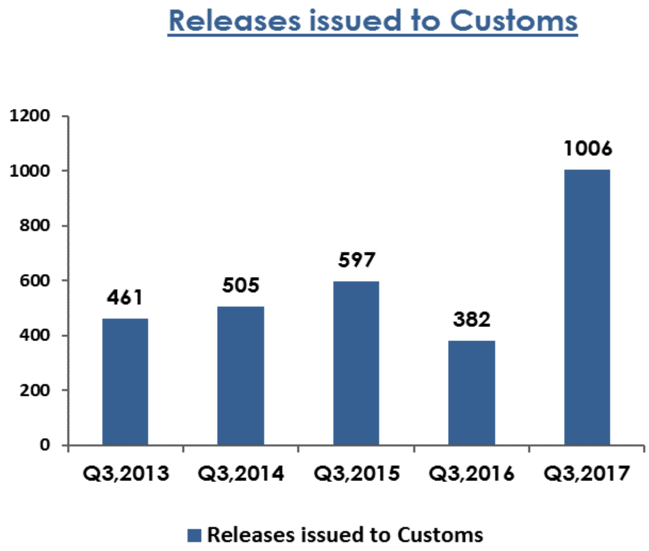
During Q3/2017, TRA:

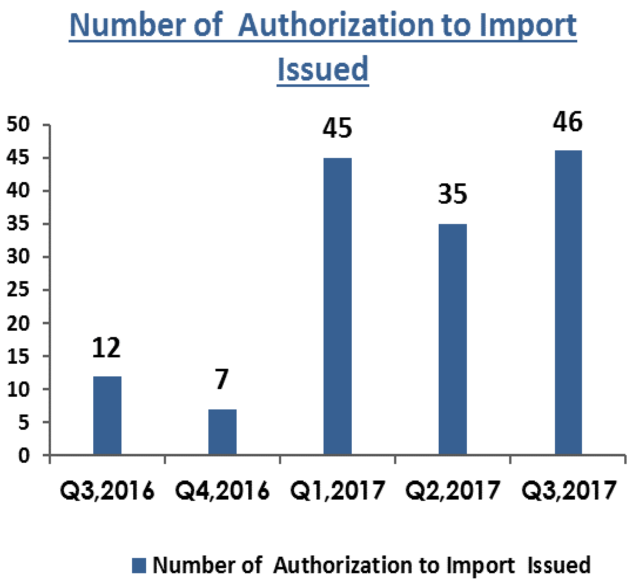
- Approved a total number of 573(Previous Quarter 550) Telecom Equipment.
- Issued 1006 (Previous Quarter: 495) Releases to Customs for Import of Telecom equipment.
- Inspected 196 (Previous Quarter: 38) dealerships.

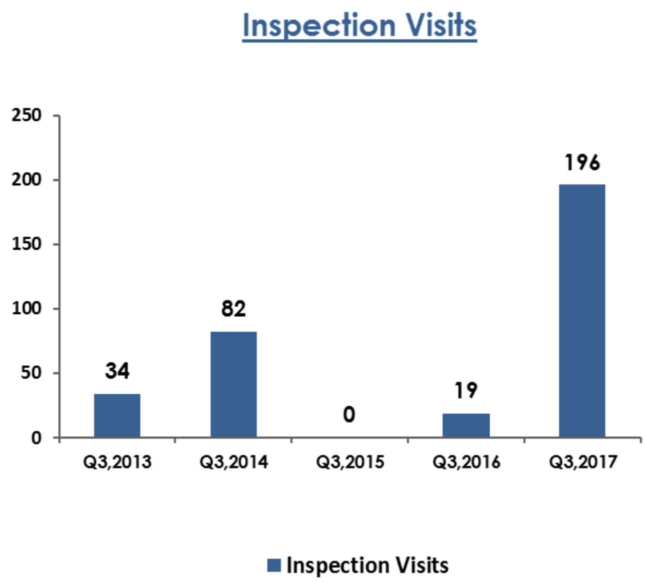
Type Approval




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
1200
1000
800
600
400
200
0
461
505
597
382
1006
Q3,2013
Q3,2014
Q3,2015
Q3,2016
Q3,2017
Releases issued to Customs


Number of Authorization to Import Issued
50
45
40
35
30
25
20
15
10
5
0
12
7
45
35
46
Q3,2016
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Number of Authorization to Import Issued


Inspection Visits
250
200
150
100
50
0
34
82
0
19
196
Q3,2013
Q3,2014
Q3,2015
Q3,2016
Q3,2017
Inspection Visits

Tariffs & Promotions

Number of promotions/ new services and revisions segment wise

Number of Promotional offers for Q3/2017										
Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
National Voice	Mobile							0	0%
	Fixed							0	0%
InternationalVoice			1		1	1		3	14%
Data	MBB	3	1		2			6	27%
	FBB				1		1	2	9%
Welcome Pack / New Connections	Mobile				1			1	5%
	Fixed							0	0%
International Mobile Roaming		1				1		2	9%
Vaue Added Services		1			1	1		3	14% 0%
Top-Up and Bundled services		2				1		3	14%
Leased line/MPLS								0	0%
Miscellanious						2		2	9%
Total		7	2	0	6	6	1	22	100%
%		32%	9%	0%	27%	27%	5%	100%	

Number of new services, Tariffs and Revision approved

Number of Standard Tariff Proposals Approved or Filed (New Services and Tariff Revisions) Q3, 2017									
Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
Voice	Mobile							0	0%
	Fixed							0	0%
International Voice		2	1					3	23%
Data	Mobile	2			2			4	31%
	Fixed							0	0%
Welcome Pack / New Connections	Mobile					1		1	8%
	Fixed							0	0%
International Mobile Roaming								0	0%
Vaue Added Services					1	1		2	15% 0%
Top-Up and Bundled services					1	1		2	15%
Leased line/MPLS								0	0%
Miscellanious					1			1	8%
Total		4	1	0	5	3	0	13	100%
%		31%	8%	0%	38%	23%	0%	100%	

Segment-wise Tariff Proposals (Promotions/New Services and Revisions) Q3_2017

	Mobile	Fixed	Mobile & Fixed	Total
NO of Promotions	20	2	0	22
%		**9%**	**0%**	**100%**
NO of new services and revisions	12		1	13
%	**92%**	**0%**	**8%**	**100%**

	Prepaid	Postpaid	Pre & Postpaid	Total
NO of Promotions	15	4	3	22
%		**18%**	**14%**	**100%**
NO of new services and revisions	8	4	1	13
%	**62%**	**31%**	**8%**	**100%**

	Residential	Corporate	Residential & Corporate	Total
NO of Promotions	18	1	3	22
%		**5%**	**14%**	**100%**
NO of new services and revisions	10	2	1	13
%	**77%**	**15%**	**8%**	**100%**

No and % of Approvals and Filings of Tariff Proposal (Promotions/New Services and Revisions) Q3, 2017

Licensee	No of Promotions			New and Revisions		Total
	Approved	Filed		Approved	Filed	
Renna		7	7		4	4
Friendi		2	2		1	1
Teo			0			0
Omantel	5	1	6	4	1	5
Ooredoo	6		6	2	1	3
Awasr		1	1			0
Total	**11**	**11**	**22**	**6**	**7**	**13**
%	**50%**	**50%**	**100%**	**46%**	**54%**	**100%**

Summary of the tariff activity in Q3 2017:

1. The Promotional offers made during Q3/2017 were lesser by 48% comparing with Q3 2016 from 42 to 22.
2. Highest number of Promotions approved and filed were for Mobile Broadband (27%).
3. Most of the new tariffs and revisions approved and filed were also dominated by MBB 31%.

4. Out of total, 45% promotions were introduced by Mobile Resellers.
5. Number of promotions filed by Mobile Resellers accounted for 50 % of the total promotions.

Most remarkable aspects of promotions for the subject quarter:

1. This period witnessed launching number of promotions on the occasion of Hajj.
2. Omantel launched One Month trial for Vectoring Solution for HBB Customers as a Pilot project in Al-Ansab area of Muscat.
3. Ooredoo launched their offer: Deal of the Day including 14 offers in one for prepaid and Shababiah customers.

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

1. Omantel launched BAQATI with one year & two years contract on a permanent basis. New or existing customers can have the option to get double data if customer signs a 12-month contract, and 4 times data for 24 months contract.

2. Ooredoo launched the following offers on permanent basis:

   - ✓ Superfast Fiber Home Broadband for residential with two options: No Contract and 1 Year Contract with discounted rates.

   - ✓ Nojoom Program for Shababiah customers.

   - ✓ Ooredoo revamped their internet leased line service for corporate marketed as Ooredoo Internet Enterprise.