سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q4, 2017

Competition and Tariffs Unit

Table of Content

➢ Introduction

We are pleased to present Q4 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 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

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Major Market ObservationsQ4, 2017

- The penetration rates are calculated based on the latest published population as of the mid - year 2017: (4,559,963).
- The total number of estiatmed households by NCSI for year 2017 is : 584,762.

The penetration of different services stood at the following levels at end of the fourth quarter of 2017:
- Fixed line: 87.17% of households.
- Mobile subscriptions: 152.28% of inhabitants
- Fixed internet: 60.08% of households.

The Active Mobile Broadband Subscriptions reached to 95.4% of inhabitants by Q4/2017 with the total active subscriptions of 4,351,583 .

The Blackberry Subscriptions represent 0.12% of the total Mobile Subscriptions base at the end of Q4/2017.

During Q4/2017, the TRA received and approved:
- 30 new and revised Tariff Plans.
- 35 promotional tariff offers.

The TRA type approved 606 telecom equipments, and issued 34 authorizations for importing equipments. In addition, TRA Issued 943 releases to customs for importing telecom equipments during Q4/2017.

The TRA carried out 108 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q4, 2017

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscriptions	509,756	351,335	6,943,910
Penetration rate[1]	87.17%	60.08%	152.28%
Revenue (Mln.RO)	27.491	29.609	146.293
International Outgoing Voice Minutes (mln),	6.231	-	181.938
ARPU[2] (RO)			
Service Providers	Omantel, Ooredoo, Teo, Connect Arabia International	Omantel, Ooredoo, Awasr	Oman Mobile, Ooredoo, Friendi, Renna, Teo

[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 NCSI latest estimation by end of 2017).

[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).

	Q4/2017	Q3/2017	% Change
Population	4,559,963	4,614,713	-1.2%
Households[3]	584,762	575,000	1.7%

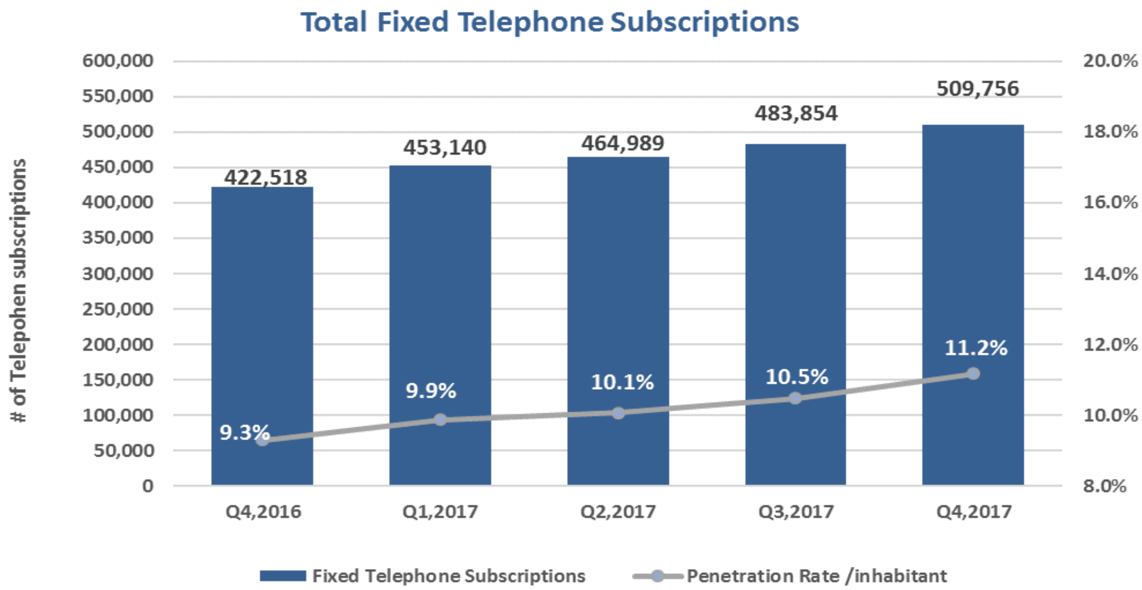
Fixed Telephone Service

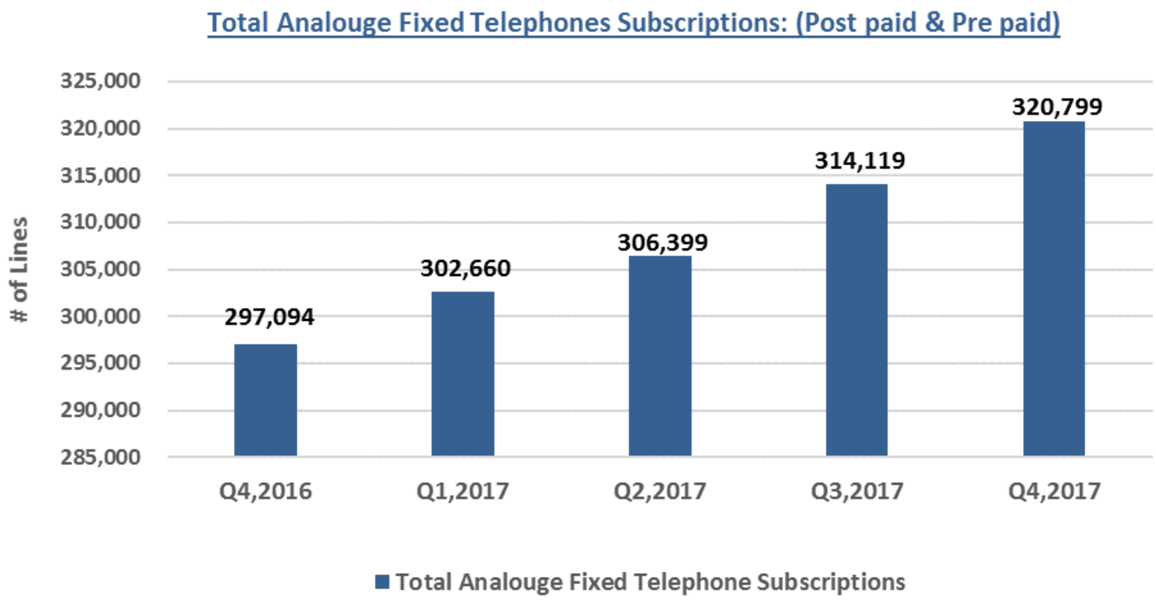
Type of Service	Q4/2017	Q3/2017	% Change
Fixed Telephone Subscriptions:			
1.1Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	320,799	314,119	2.1%
1.2 VoIP Subscription	134,989	116,226	16.1%
1.3 WLL Connections	1,676	1,665	0.7%
1.4 ISDN Channels (Equivalent DELs)*	45,491	45,043	1.0%
1.5 Public Telephone – Payphones	6,801	6,801	0.0%
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**509,756**	**483,854**	**5.4%**
Fixed Line Penetration per 100 Inhabitant	**11.18%**	***10.49%***	**0.7%**
Fixed Line Penetration Per 100 Household	**87.17%**	***84.15%***	***3.02%***

- **Note: The Q4/2017 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.**

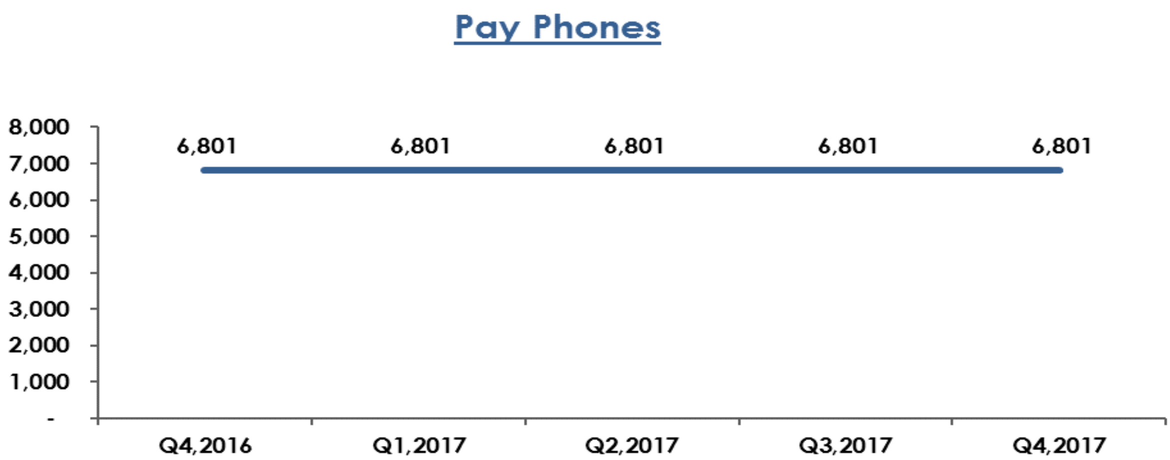
➢ During Q4/2017, the Fixed Telephone subscriptions were reported as 509,756 showing 5.4% growth. This increase due to the inclusive of Omantel VoIP subscriptions connected by OBC.

➢ The penetration rate per inhabitant of the fixed telephone subscriptions slightly increased by 0.7% compared to the last quarter. The penetration rate per household increased by 3.02%.

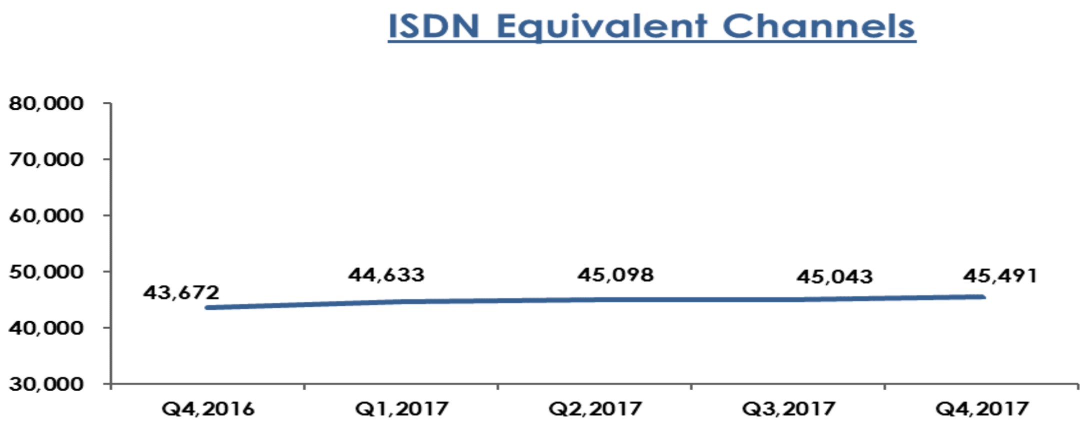




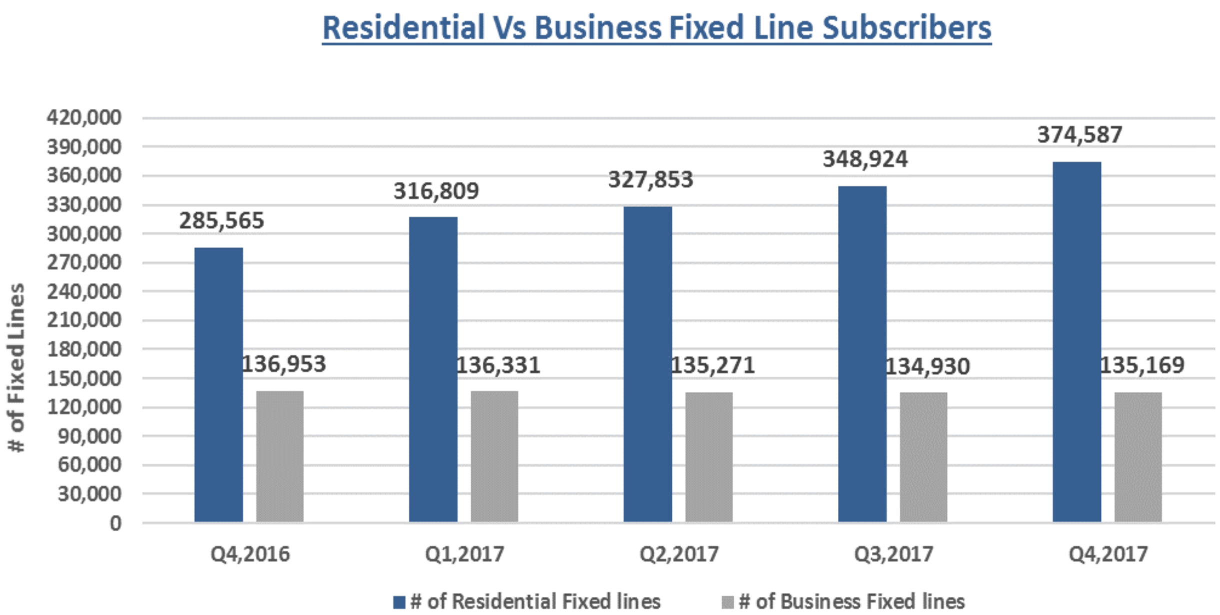
- Total analogue postpaid and prepaid fixed telephone subscriptions increased by 2.1% during Q4/2017.



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



- The ISDN (Integrated services digital network) equivalent channels during Q4/2017 increased slightly by 0.1% reaching 45,491 channels.



- During the Q4/2017, both subscriptions of the Business Fixed line and residential fixed line improved by 0.2% and 7.4% respectively as compared to the previous quarter.
- The split between fixed residential and business lines stood at 73% and 27% respectively in Q4/2017.

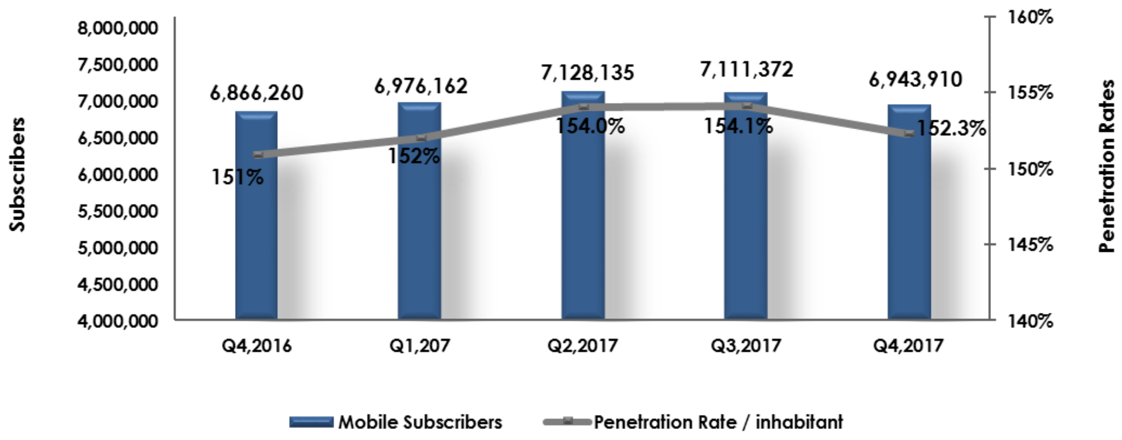
Mobile Service

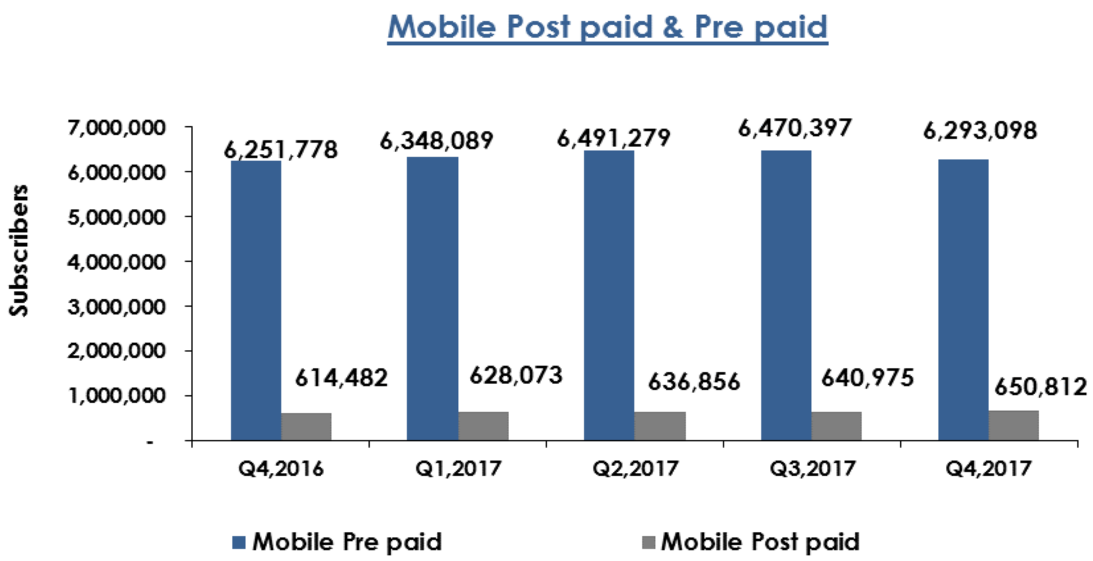
Mobile Subscriptions	Q4/2017	Q3/2017	% change
1 Post Paid			
1.1 Operators	***650,812***	***640,975***	**1.53%**
Total Postpaid Subscriptions	**650,812**	**640,975**	**1.53%**
Prepaid			
2.1 Operators	5,234,586	5,302,169	**-1.27%**
1.2 Resellers	1,058,512	1,168,228	**-9.39%**
Total Prepaid Subscriptions	**6,293,098**	**6,470,397**	**-2.74%**
Total Mobile Subscriptions: (1+2)	**6,943,910**	**7,111,372**	**-2.35%**
Mobile Penetration/100 Inhabitant	**152.28%**	**154.10%**	**-1.82%**
BlackBerry Subscriptions			
3.1 Post Paid	2,098	2,381	**-11.89%**
3.2 Pre-Paid	6,199	8,442	**-26.57%**
Total BlackBerry Subscriptions (3.1+3.2)	***8,297***	***10,823***	**-23.34%**
% of BlackBerry Mobile Subscriptions of total Base in Oman	***0.12%***	**0.15%**	**0.03%**

- **Note: The Q4/2017 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 2.35% during the Q4/2017 reaching a total of 6,943,910 subscribers. The mobile penetration decreased by 1.8% in Q4/2017.

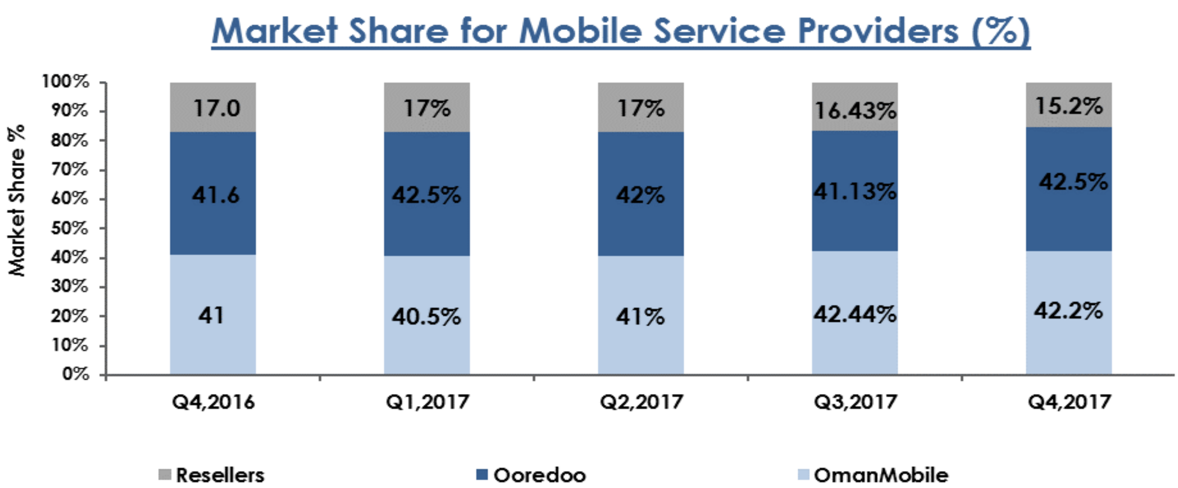
Mobile Subscriptions





- Post-paid mobile subscriptions reached to the figure of 650,812 with 1.5% growth over the previous quarter.

- Prepaid mobile subscriptions dropped slightly by 2.7% in Q4/2017 reaching to 6,293,098 subscriptions.



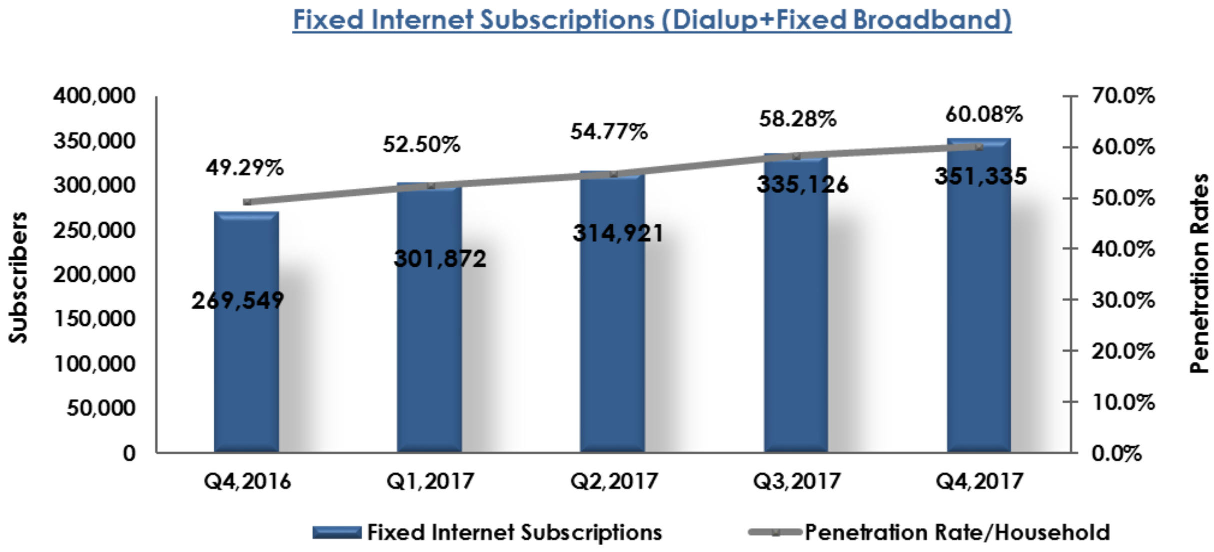
- The Mobile Resellers shares dropped from 16.43% to 15.2% during Q4, 2017.

Internet Services

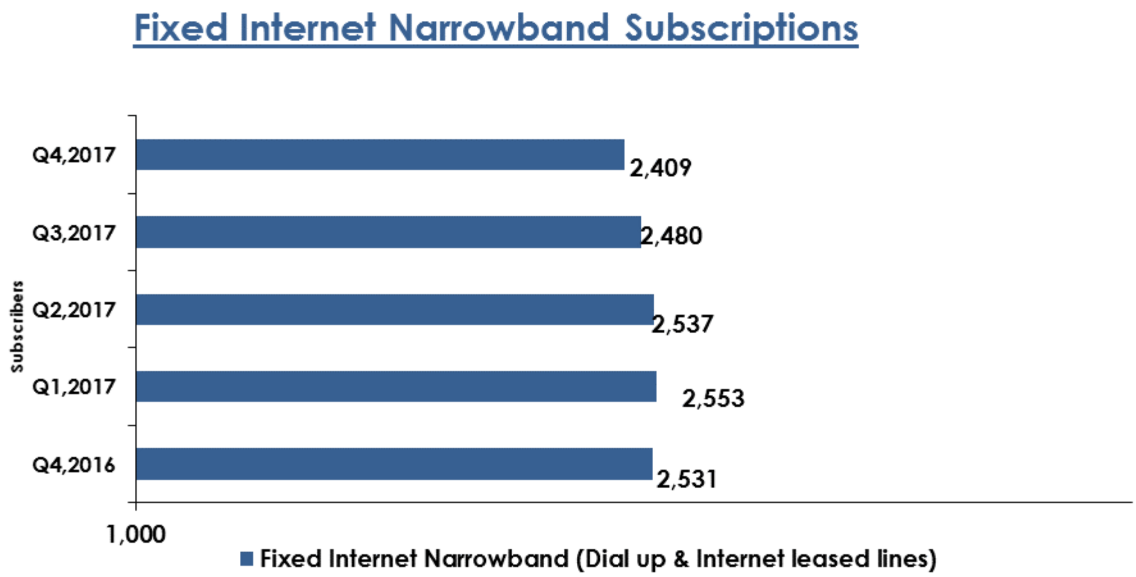
Type of Service	Q4/2017	Q3/2017	% change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscriptions	2,379	2,450	**-2.9%**
1.2 Internet Leased Lines(Narrowband)	30	30	**0.0%**
1. **Total fixed Narrowband Subscriptions : (1.1+1.2)**	**2,409**	**2,480**	-2.9%
Fixed Broadband Subscriptions			
2. Total Fixed Broadband Subscriptions	**348,926**	**332,646**	**4.89%**
Total Fixed Internet Subscriptions (1+2)	**351,335**	**335,126**	**4.84%**
Fixed Internet Penetration /100 Household	**60.08%**	**58.28%**	**1.8%**
Fixed Broadband Subscriptions Penetration/100 Household	**59.67%**	**57.85%**	**1.8%**
Active Mobile Broadband Subscriptions			
3.1 Dedicated mobile-broadband Subscriptions*	721,448	696,715	**3.55%**
3.2 Standard mobile-broadband Subscriptions*	3,630,135	3,728,969	**-2.65%**
Total Active Mobile Broadband Subscriptions (3.1+3.2)	**4,351,583**	**4,425,684**	**-1.67%**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**95.4%**	**96%**	**-0.6%**

- **Note: The Q4/2017 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).**

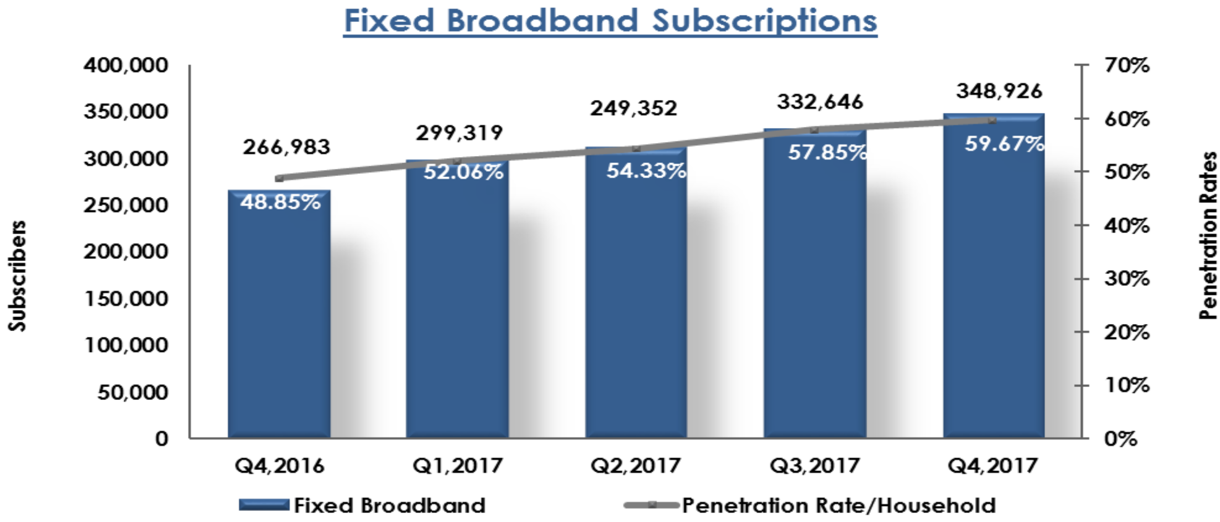
*** The Dedicated Mobile Broadband Subscribers refer to data subscriptions** purchased separately from voice services, either as a standalone service (e.g. using a data card such as a USB modem/dongle) or as an add-on data package to voice services that requires an additional subscription. **The Standard Mobile Broadband Subscribers refer** mobile subscriptions that use mobile-broadband services on a pay-per-use basis. It excludes mobile subscriptions with a separate monthly data plan for mobile-broadband access.



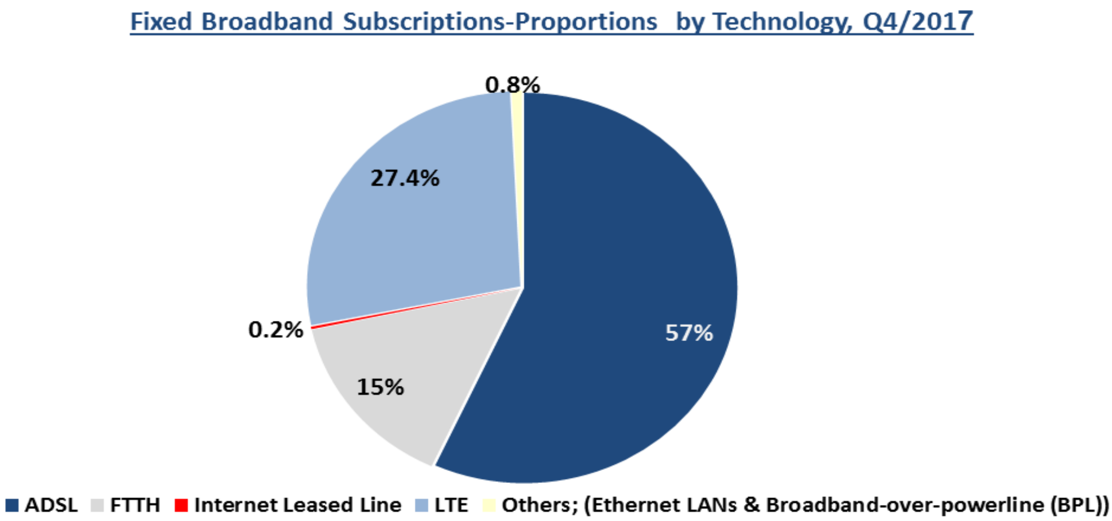
- The total fixed internet subscriptions increased by 4.84% during the fourth quarter 2017 reaching 351,335 subscriptions.
- During the reported quarter, the fixed internet penetration rate per household reached 60.08%, which is 1.8% higher than the previous quarter.



- During Q4/2017, fixed internet narrowband subscriptions decreased by 3% to 2,409 subscriptions.

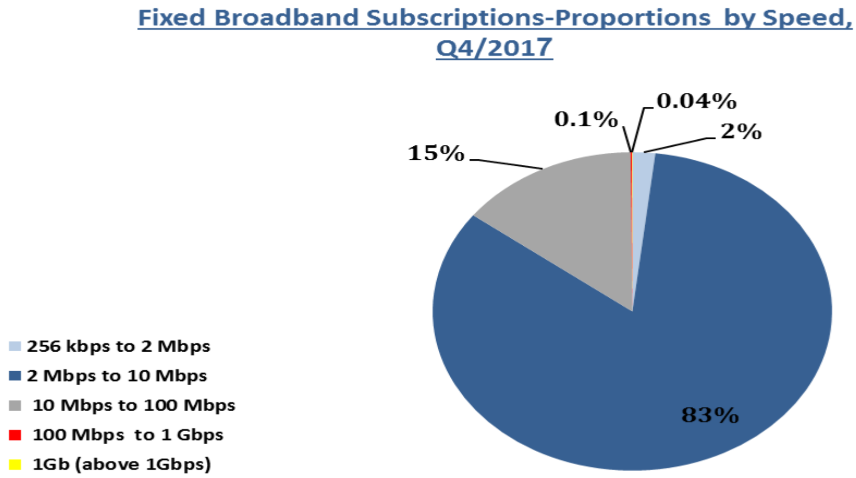


- During Q4/2017, Fixed Broadband subscriptions has experienced 4.89% growth over the previous quarter. Fixed Broadband subscription reached to 348,926 subscriptions with penetration rate of 59.67% per household.



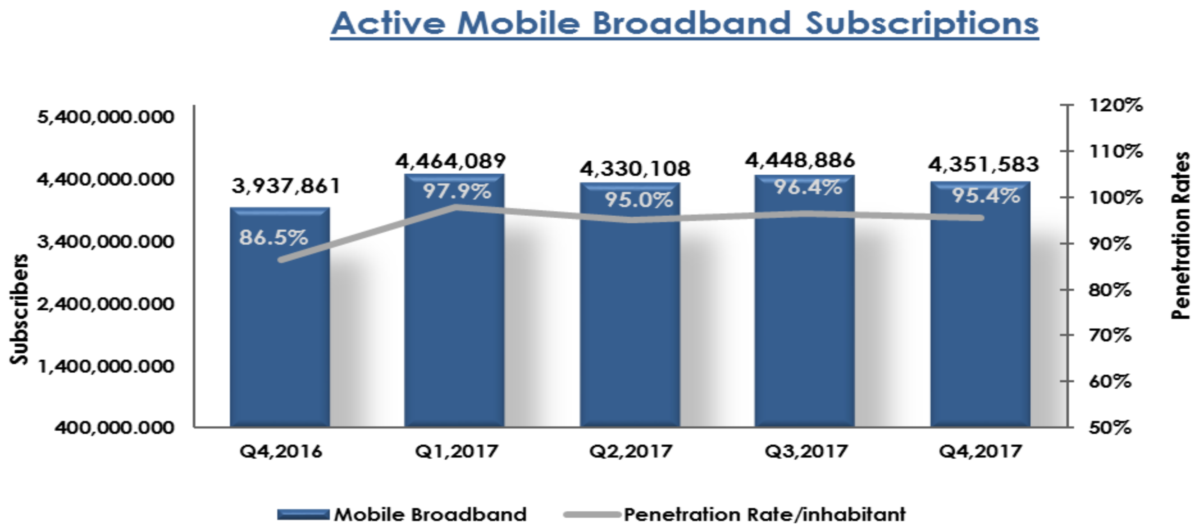
❖ **During Q4/2017,**

- ADSL subscriptions account for 57% of total fixed Broadband subscriptions.
- LTE subscriptions has a share of 27.4% of total fixed Broadband subscriptions.
- FTTH subscriptions has shares of 15% of total fixed Broadband subscriptions.
- Internet Leased Line subscriptions represent 0.2% of total fixed Broadband subscriptions.
- Other subscriptions represent 0.8% of total fixed Broadband subscriptions.

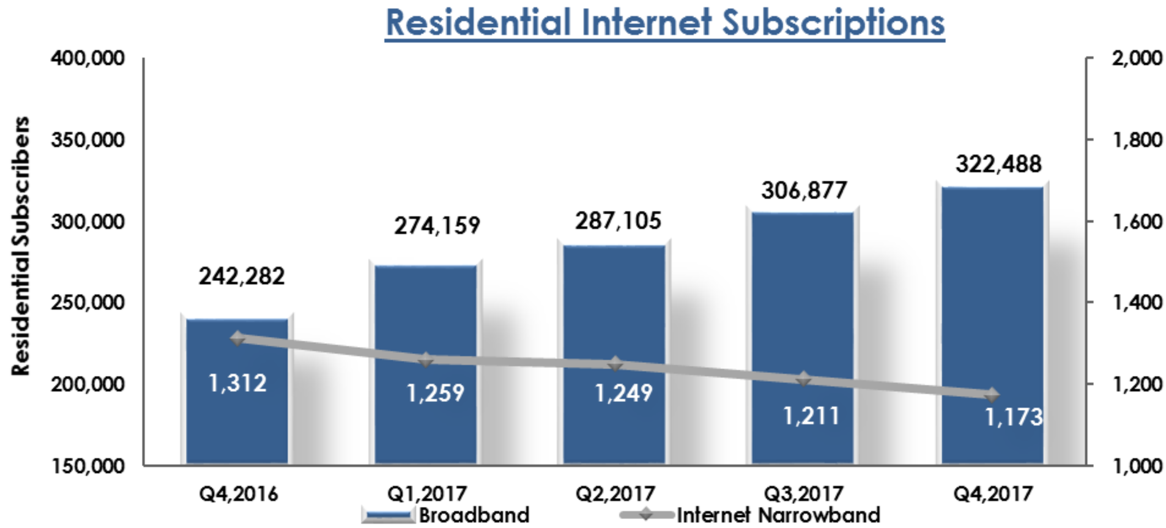


❖ **During Q4/2017,**

- 2% of fixed Broadband subscriptions had access speed of 256 Kbps to 2 Mbps.
- 83% of fixed Broadband subscriptions had access speed of 2 Mbps to 10 Mbps.
- 15% of fixed Broadband subscriptions had access speed of 10 Mbps to 100 Mbps.
- 0.1% of fixed Broadband subscriptions had access speed of 100 Mbps to 1 Gbps.
- 0.04% of fixed Broadband subscriptions had access speed of more than 1Gbps.

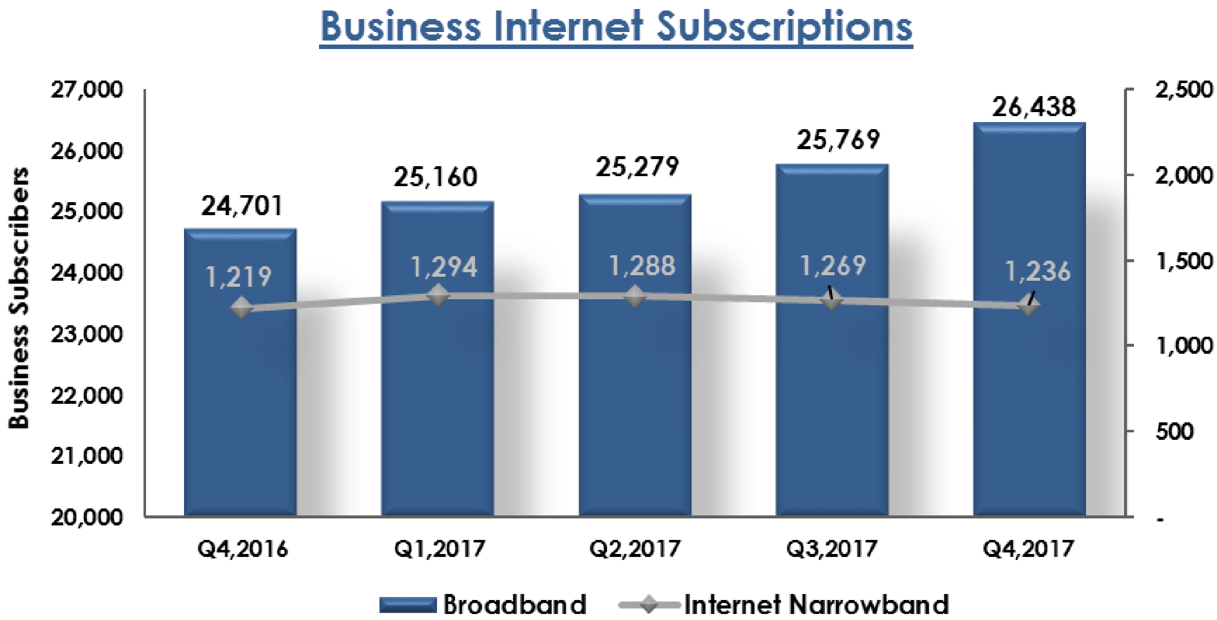


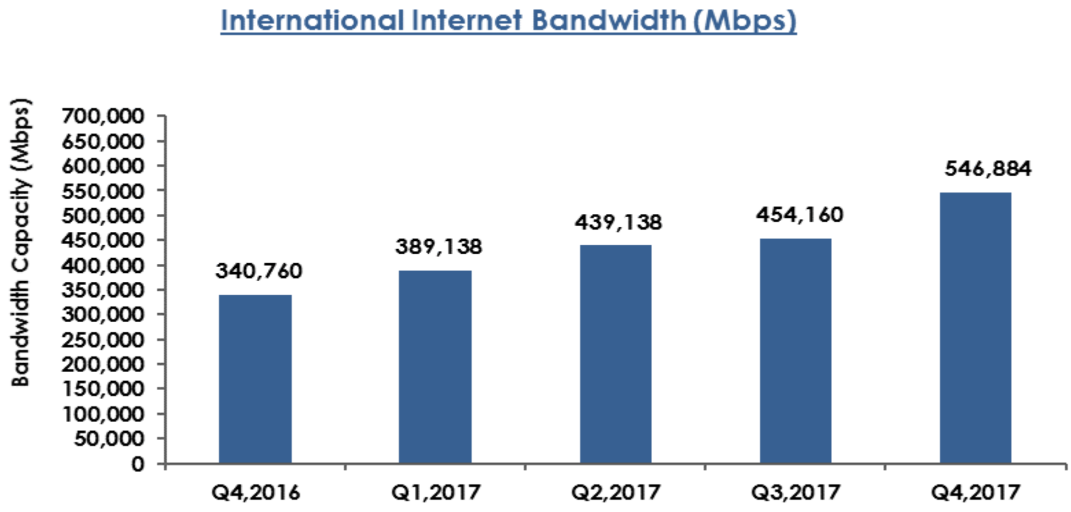
- During the fourth quarter 2017, total active mobile broadband subscriptions dropped by 2.21% reaching to 4,351,583 from 4,448,886. Also, the penetration rate declined by 1% from 96.4% to 95.4% per inhabitant.



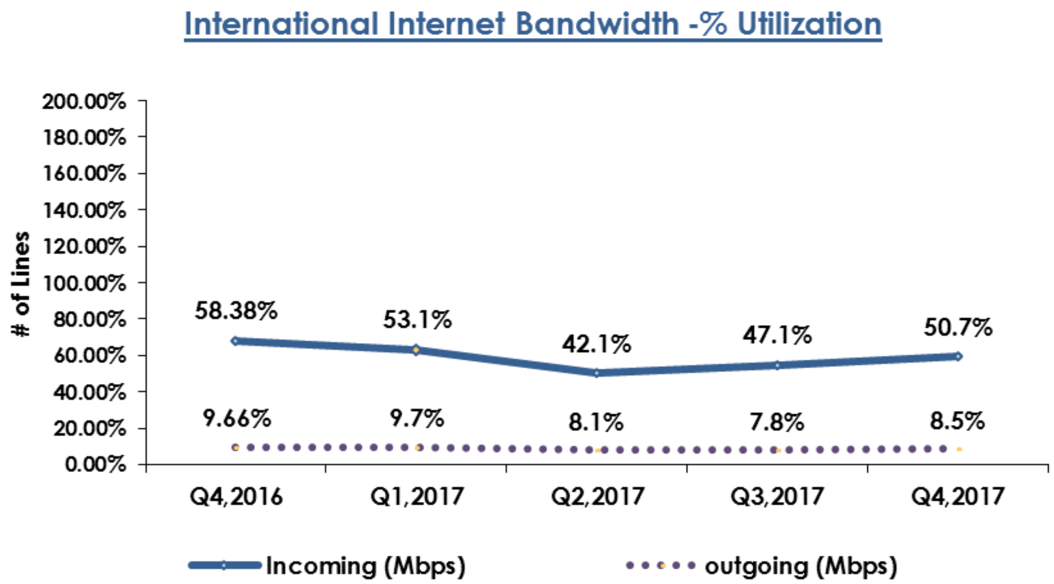
- The residential broadband subscriptions in the above chart show an increase of 5% during Q4/2017. On the other hand, the residential dial up subscriptions declined by 3% over the same period.

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



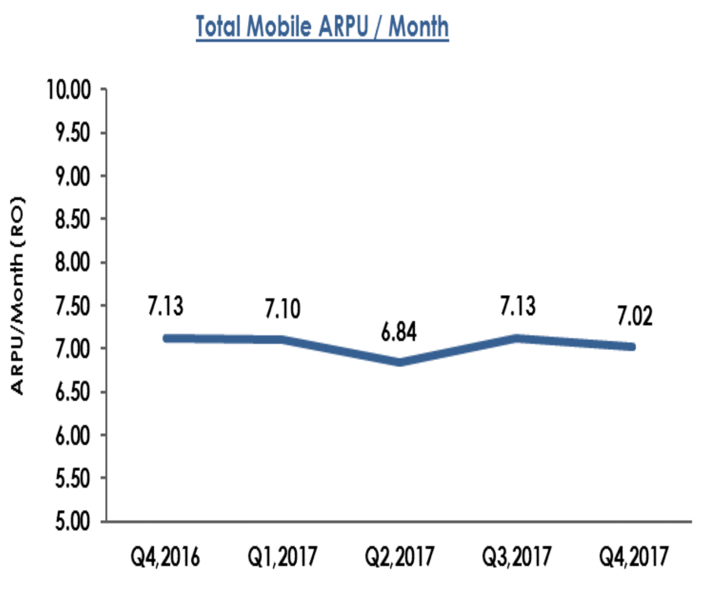


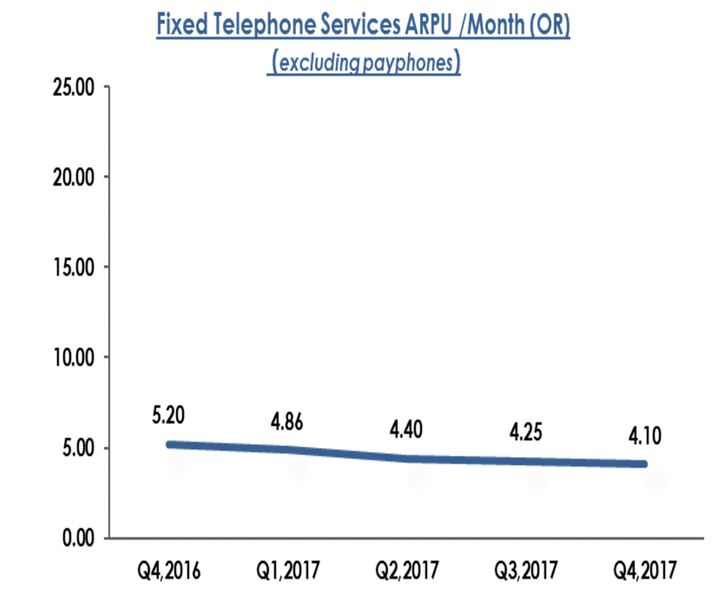
- During the Q4/2017, the operators had 546,884 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 454,160 Mbps.

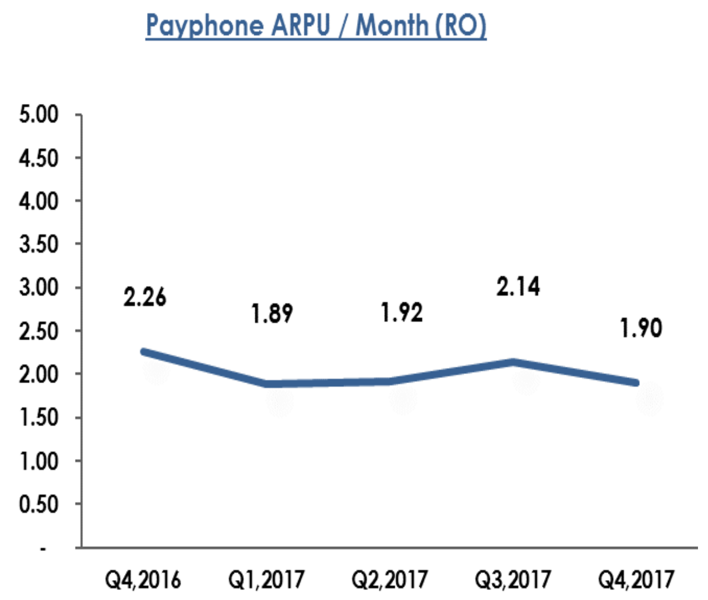


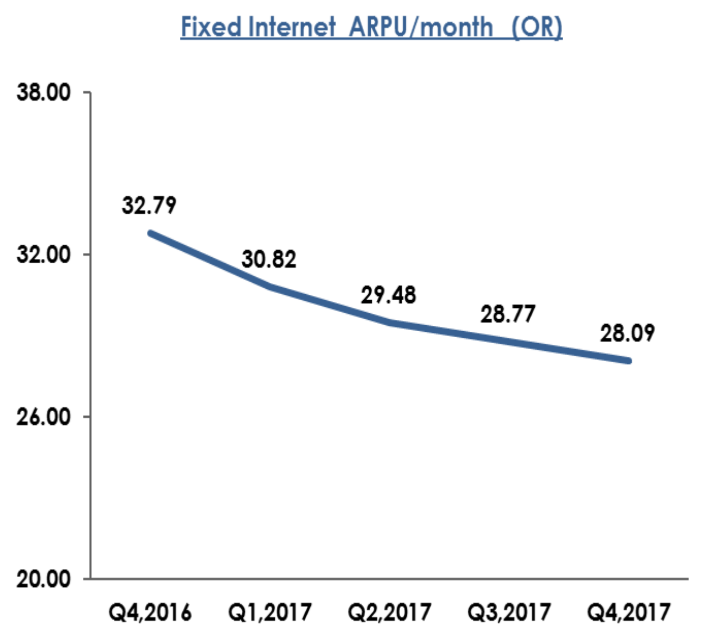
- Out of 546,884 Mbps capacity, on average 8.5% was utilized for the outgoing and 50.7% for the incoming traffic.

ARPUs



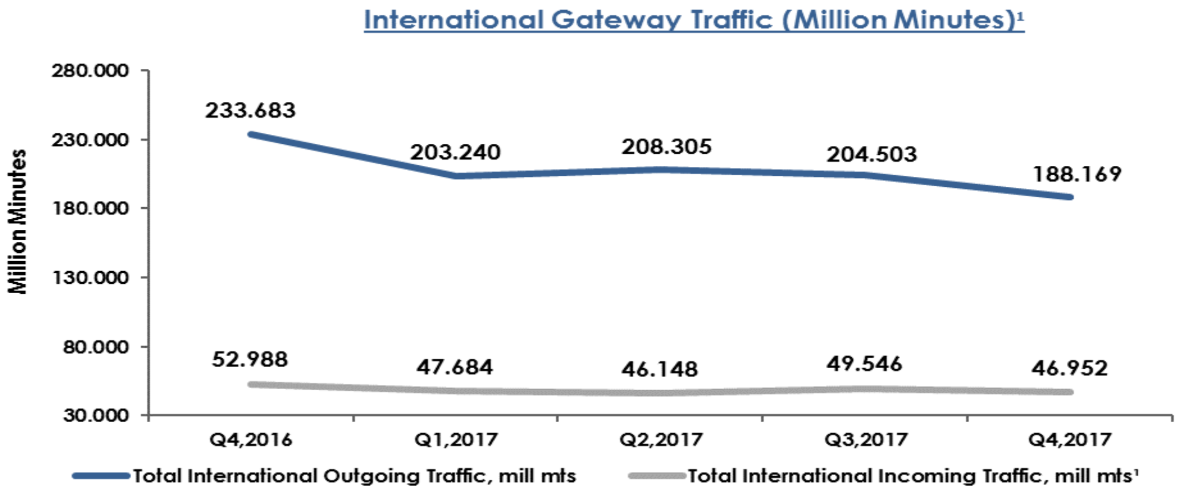




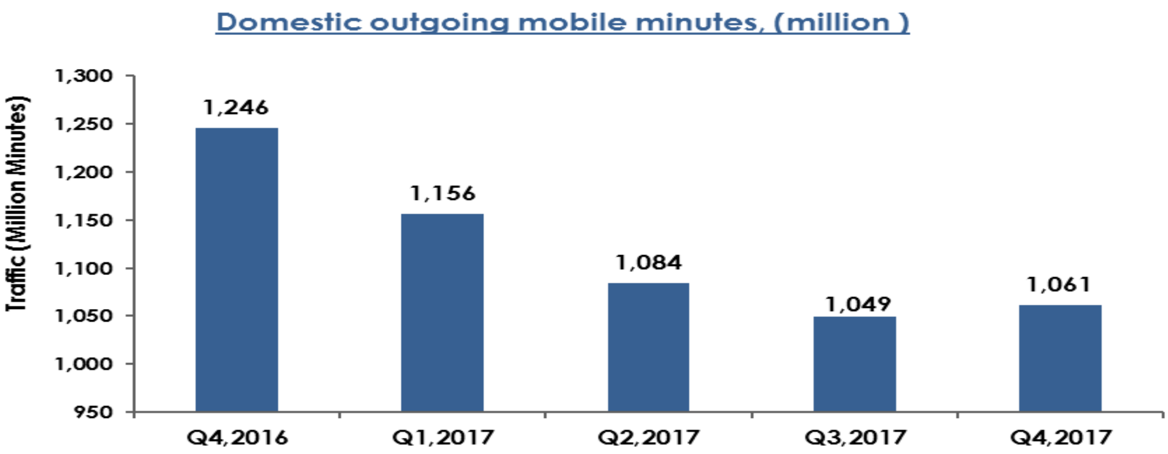


[1]ARPU (the average revenue per user)

Traffic

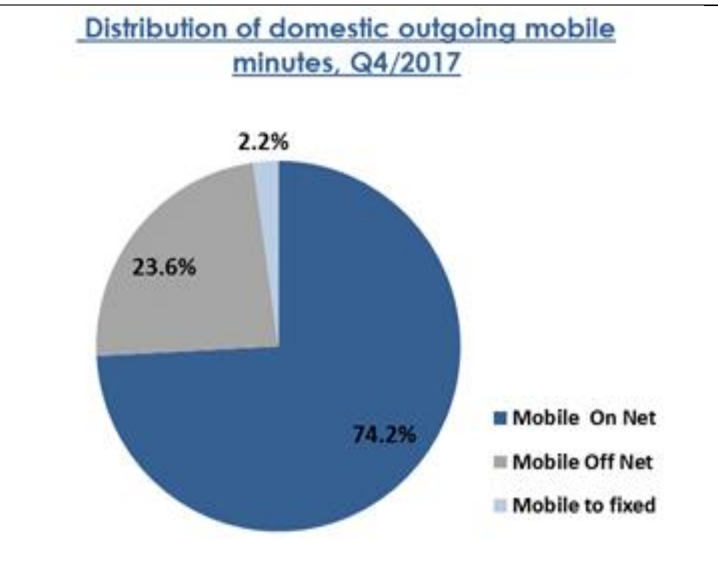


- The International Gateways Outgoing minutes continue to decline for the last three quarters by 8% reaching 188.169 million minutes. Similarly, the Incoming minutes of the international gateways dropped by 5.5% during the same period.

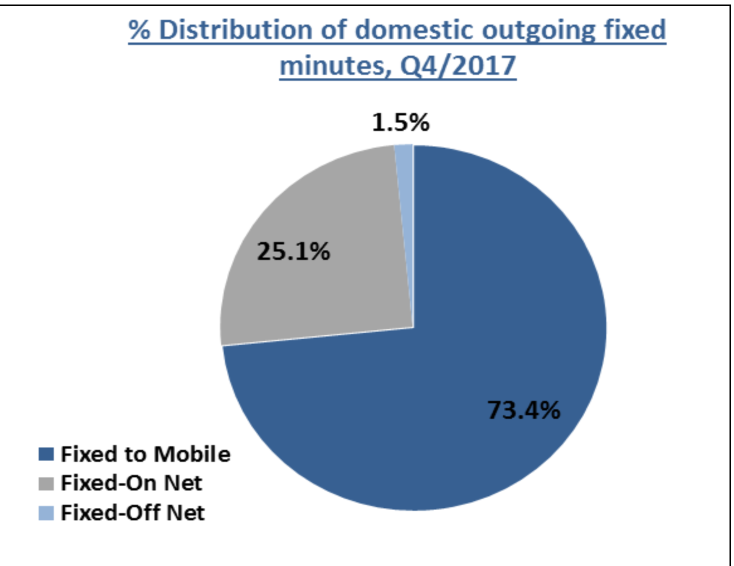


- During the four quarter 2017, the number of domestic outgoing mobile minutes added up by 1.2% to 1,061 million minutes from the previous quarter traffic of 1,049 million minutes.

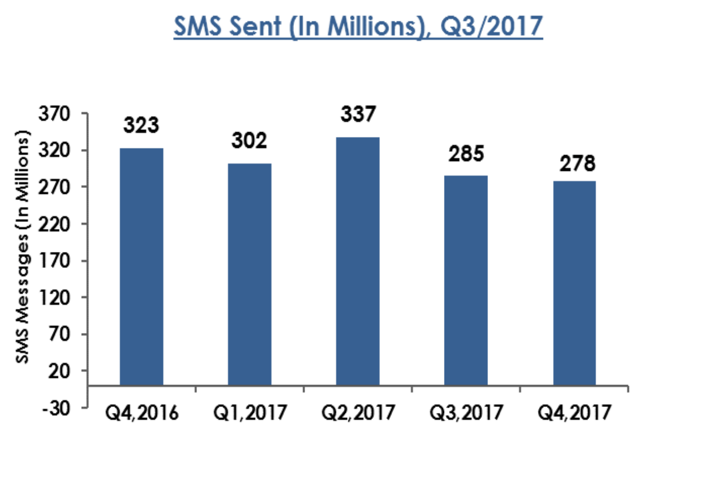
- [1]***Note***: The IGW Incoming traffic figures pertaining to Q1&Q2 &Q3& Q4/2017 are provisional because Ooredoo updated its estimated inputs of the previous quarters and is still upgrading its data warehouse, as some issues remain un-resolved.



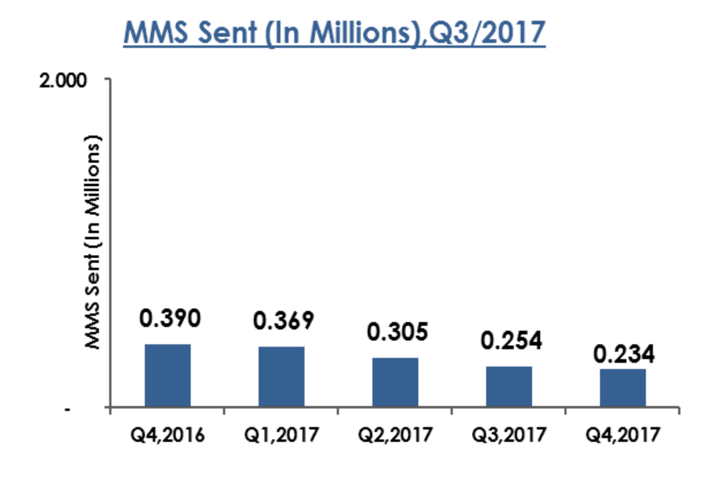
During Q4/2017, the mobile-to-mobile (On net) traffic had the major share of 74.2% out of the total domestic outgoing traffic, while the Off net mobile domestic traffic has 23.6% share. The Mobile to fixed Traffic represents only 2.2% of the total mobile domestic traffic.



During Q4/2017, the domestic outgoing fixed traffic carries 73.4% for fixed to mobile, 25.1% 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 278 million messages by the Q4/2017 from 285 million messages in the previous quarter.



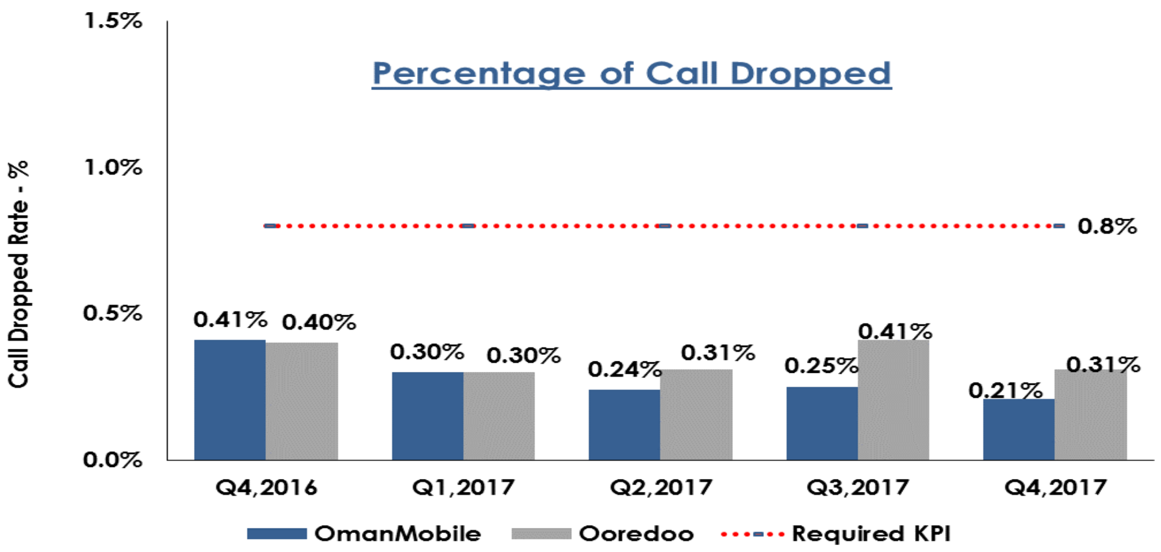
The number of outgoing MMS (multimedia massages) has been gradually decreasing since the last year reaching 0.234 million MMS by the end of Q4/2017.

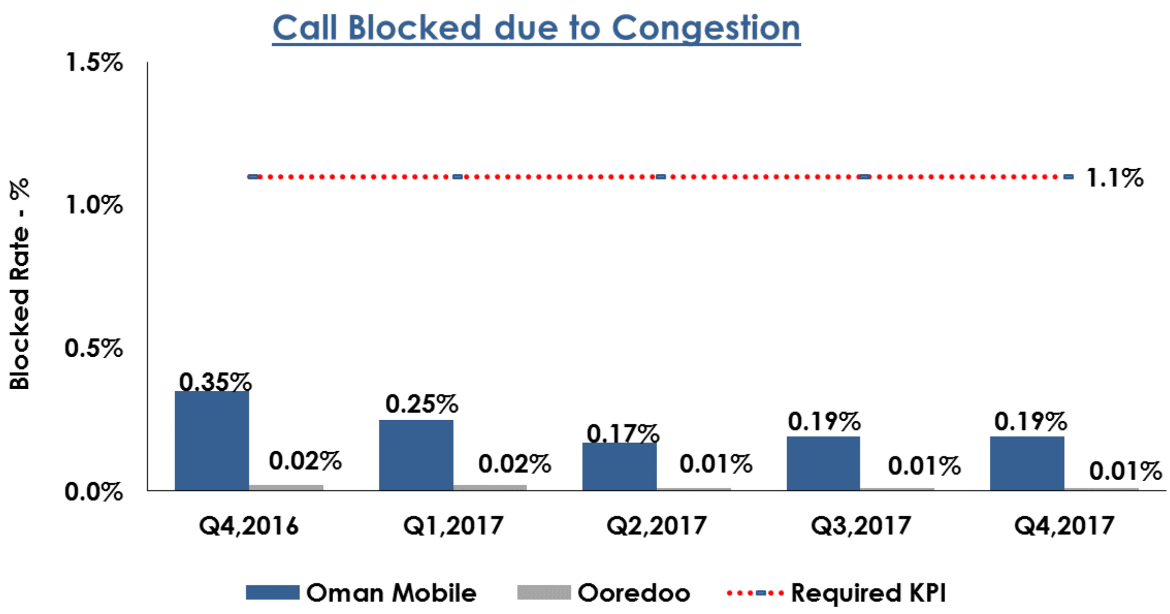
Quality of Service

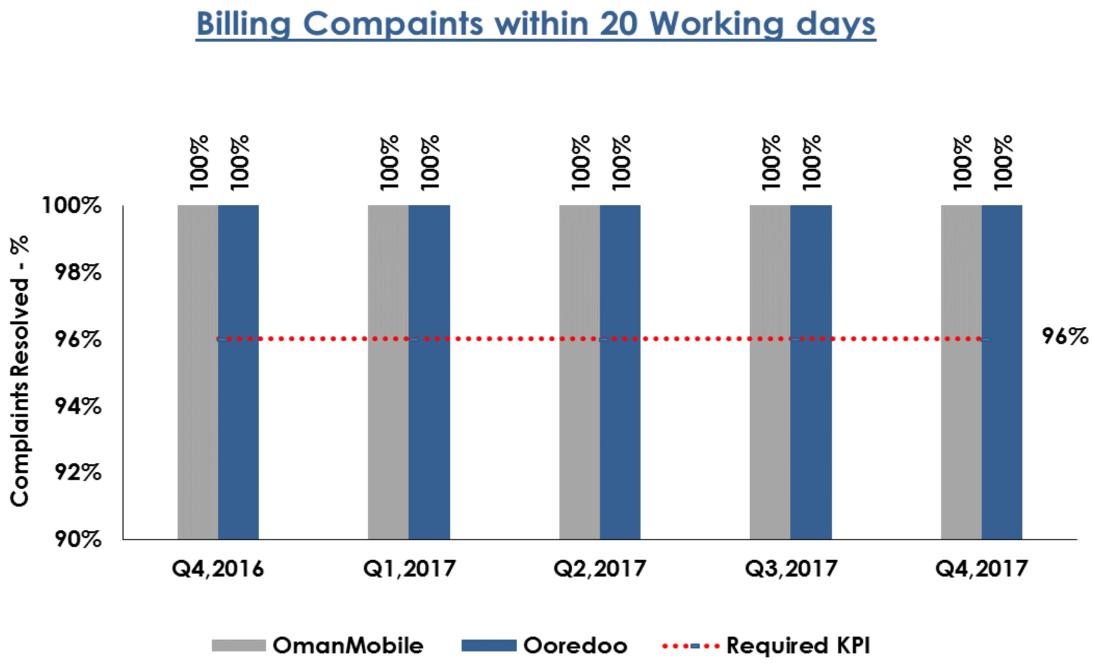
QoS indicators are as measured and reported by the operators-unaudited)

Mobile Services KPIs

Mobile Services KPIs	Required KPI (Quarterly)	Q4,2017		Q3,2017	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.21%	0.31%	0.25%	0.41%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.19%	0.01%	0.19%	0.01%
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%
0.35%
0.02%
0.25%
0.02%
0.17%
0.01%
0.19%
0.01%
0.19%
0.01%
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Oman Mobile
Ooredoo
Required KPI

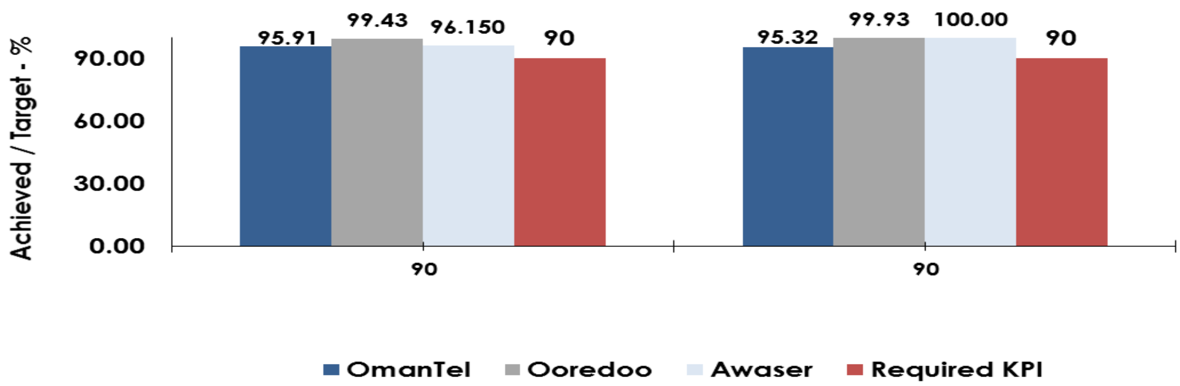

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
96%
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Q4,2017
OmanMobile
Ooredoo
Required KPI

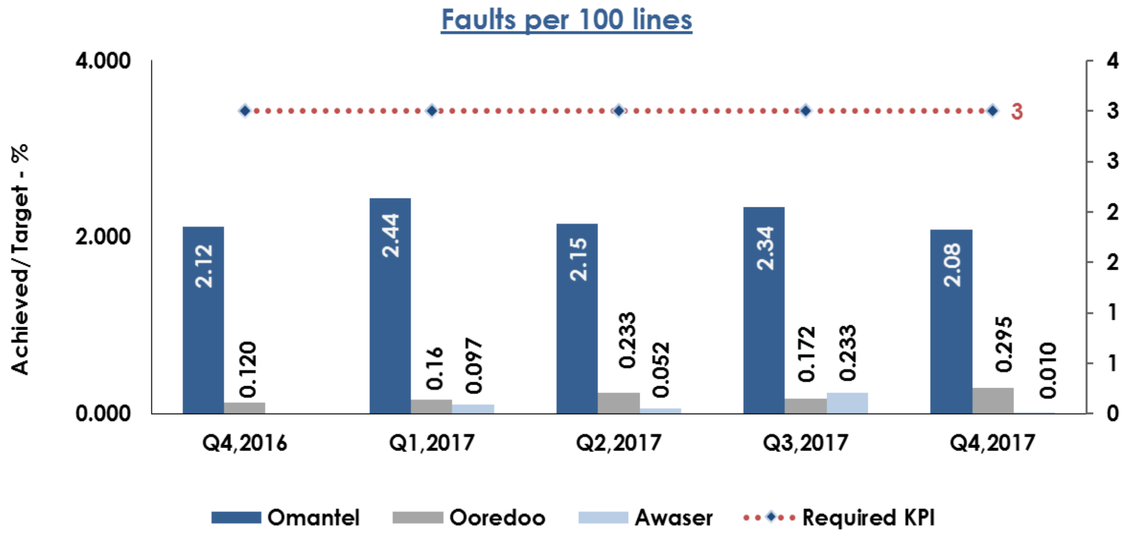
Fixed Services KPIs*

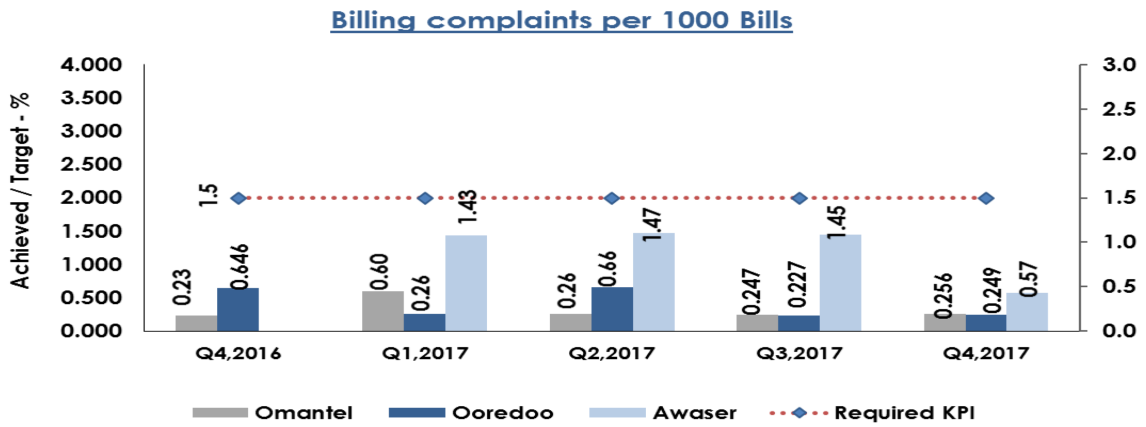
Fixed Services KPIs	Required KPI (Quarterly)				Q3/2017		
		Omantel %	Ooredoo %	Awasr %	Omantel %	Ooredoo %	Awasr %
1. Faults per 100 lines per quarter	Less than 3	2.08	0.295	0.010	2.34	0.172	0.233
2. % of faults to be cleared within 24 hours	More than 90%	95.91	99.43	96.15	97.34	99.43	95.56
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.005	0.001	-	0.007	0.040	-
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	95.32	99.93	100	95.85	99.8	99.67
5. Billing complaints per 1000 Bills	Less than 1.5	0.256	0.249	0.57	0.247	0.227	1.450
6. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100	100	100

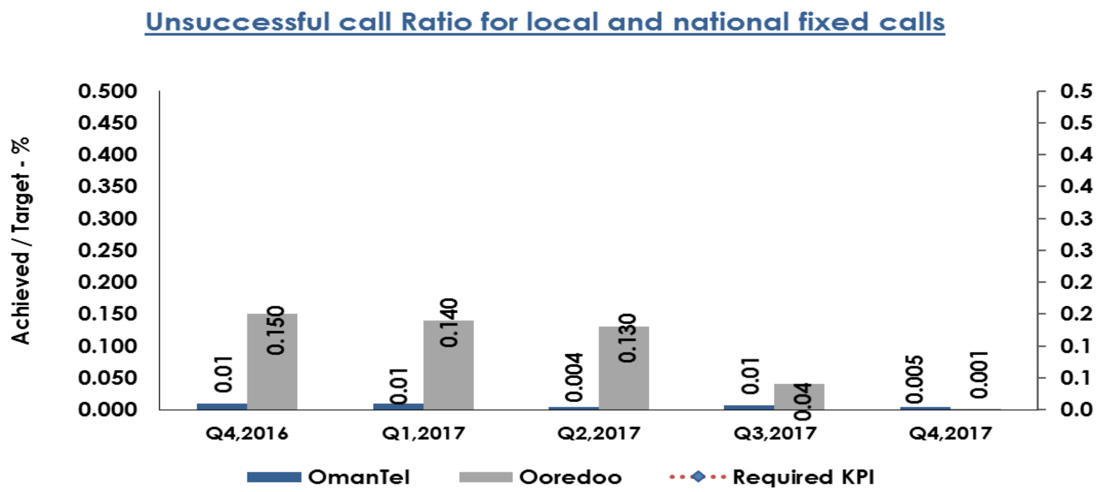
*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)

Fixed KPIs (Higher than RED bar is GOOD), Q4/2017




Faults per 100 lines
Achieved/Target - %
4.000
2.000
0.000
4
3
3
2
2
1
1
0
3
2.12
0.120
2.44
0.16
0.097
2.15
0.233
0.052
2.34
0.172
0.233
2.08
0.295
0.010
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Omantel
Ooredoo
Awaser
Required KPI

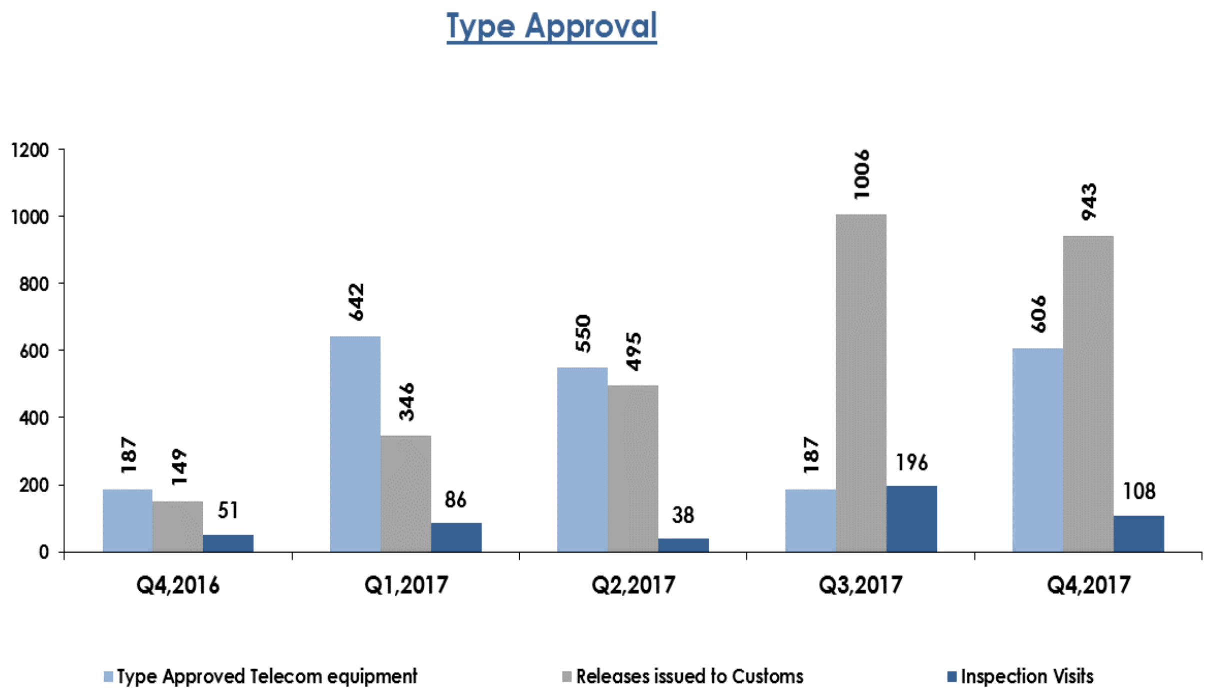

Billing complaints per 1000 Bills
Achieved / Target - %
4.000
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1.5
0.23
0.646
0.60
0.26
1.43
0.26
0.66
1.47
0.247
0.227
1.45
0.256
0.249
0.57
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Q4,2017
Omantel
Ooredoo
Awaser
Required KPI


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
0.5
0.5
0.4
0.4
0.3
0.3
0.2
0.2
0.1
0.1
0.0
0.01
0.150
0.01
0.140
0.004
0.130
0.01
0.04
0.005
0.001
Q4,2016
Q1,2017
Q2,2017
Q3,2017
Q4,2017
OmanTel
Ooredoo
Required KPI

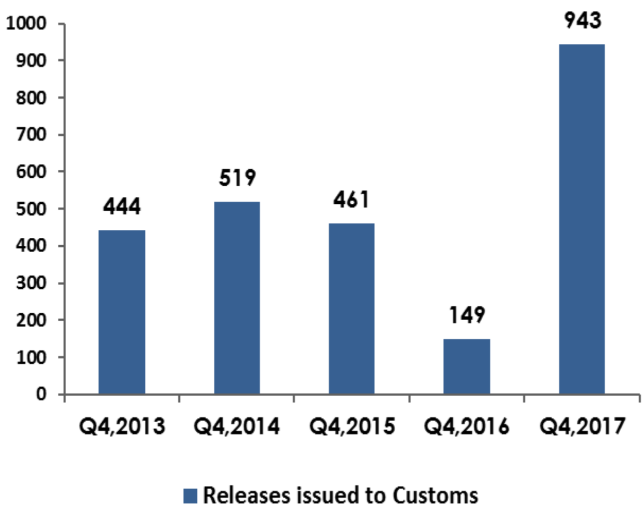
Type Approval

During Q4/2017, TRA:

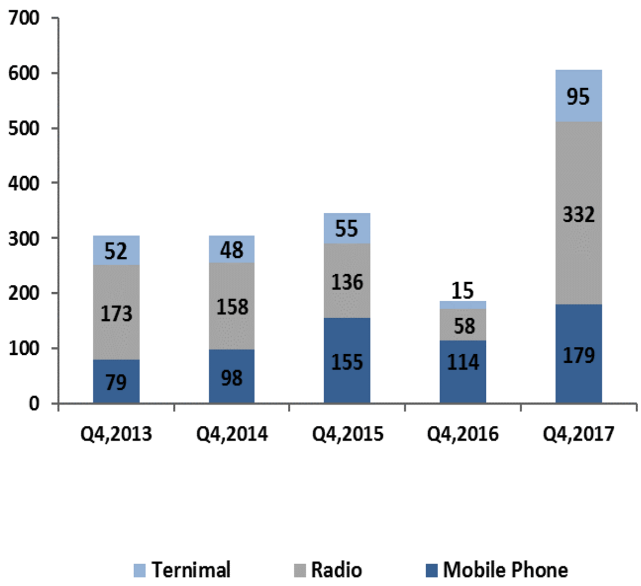
- Approved a total number of 606 (Previous Quarter 187) Telecom Equipment.
- Issued 943 (Previous Quarter: 1006) Releases to Customs for Import of Telecom equipment.
- Inspected 108 (Previous Quarter: 196) dealerships.



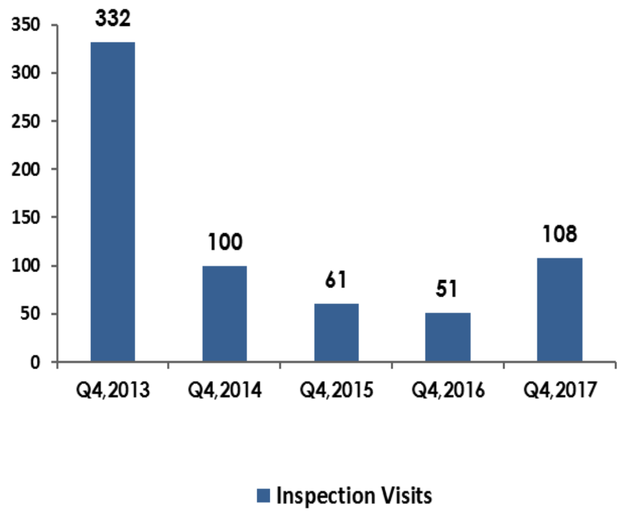
Releases issued to Customs



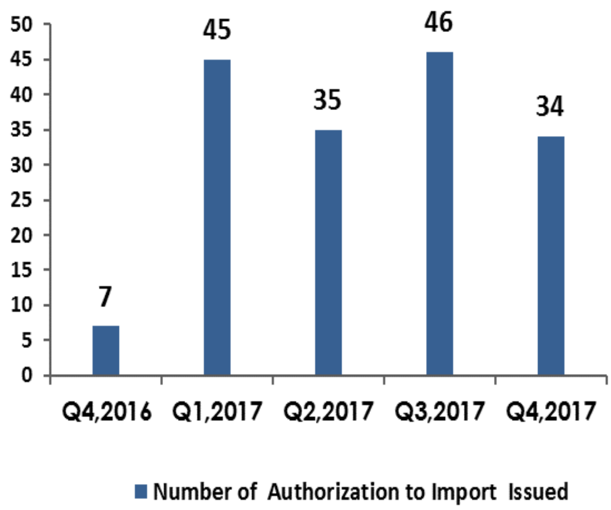
Telecom Equipments Approved



Inspection Visits



Number of Authorization to Import Issued



Tariffs & Promotions

Number of new and revised Promotions approved during the Q4,2017

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
National Voice	Mobile				1			1	3%
	Fixed							0	0%
InternationalVoice			1		1			2	6%
Data	MBB	4	2		1	2		9	26%
	FBB				1	1		2	6%
Welcome Pack / New Connections	Mobile	2	2		1			5	14%
	Fixed							0	0%
International Mobile Roaming					1			1	3%
Vaue Added Services		2			2			4	11%
Top-Up and Bundled services		2			4	4		10	29%
Leased line/MPLS								0	0%
Miscellanious					1			1	3%
Total		**10**	**5**	**0**	**13**	**7**	**0**	**35**	**100%**
%		**29%**	**14%**	**0%**	**37%**	**20%**	**0%**	**100%**	

Number of new and revised Tariffs approved during the Q4,2017

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
Voice	Mobile							0	0%
	Fixed							0	0%
International Voice		1			1	1		3	10%
Data	Mobile	2			1	2		5	17%
	Fixed				3	1	1	5	17%
Welcome Pack / New Connections	Mobile	1				1		2	7%
	Fixed							0	0%
International Mobile Roaming			1					1	3%
Vaue Added Services					7			7	23%
Top-Up and Bundled services					3	4		7	23%
Leased line/MPLS								0	0%
Miscellanious								0	0%
Total		**4**	**1**	**0**	**15**	**9**	**1**	**30**	**100%**
%		**13%**	**3%**	**0%**	**50%**	**30%**	**3%**	**100%**	

No. of Approvals and Filings of Tariff Proposal (Promotions/New Services and Revisions) Q4, 2017

Licensee	No of Promotions		Total	New and Revisions		Total
	Approved	Filed		Approved	Filed	
Renna		10	**10**		4	**4**
Friendi		5	**5**	1		**1**
Teo			**0**			**0**
Omantel	13		**13**	14	1	**15**
Ooredoo	7		**7**	8	1	**9**
Awasr			**0**		1	**1**
Total	20	15	**35**	23	7	**30**
%	**57%**	**43%**	**100%**	**77%**	**23%**	**100%**

Segment-wise Tariff Proposals (Promotions/New Services and Revisions), Q4 2017

	Mobile	Fixed	Mobile & Fixed	Total
NO of Promotions	33	2	0	**35**
%	94%	6%	0%	**100%**
NO of new services and revisions	25	5	0	**30**
%	**83%**	**17%**	**0%**	**100%**

	Prepaid	Postpaid	Pre & Postpaid	Total
NO of Promotions	22	5	8	**35**
%	63%	14%	23%	**100%**
NO of new services and revisions	10	11	9	**30**
%	**33%**	**37%**	**30%**	**100%**

Summary of the tariff activity in Q4 2017:

1- The Promotional offers made during Q4/2017 were lesser by 27% comparing with Q3 2016 from 46 to 35.
2- Highest number of Promotions approved and filed were for the Top-Up and Bundled Services (29%) and Mobile Broadband (27%).
3- Out of total, 43% promotions were introduced by Mobile Resellers.

Most prominent aspects of Promotions:

1- This period witnessed launching a number of promotions on the National Day.
2- Omantel and Ooredoo launched smartphone promotions for their customers offering discounts on the prices of the devices offered.
3- Ooredoo launched Superfast Free Speed Upgrade promotion.
4- Omantel launched Hayyak Talk Promotion offering customers' national minutes.

Important services and revisions approved during this quarter:

1- Ooredoo introduced Rollover feature for Shahry mobile customers and Ooredoo Fast Home Broadband subscribers, by which subscriber can carry the remaining unused data to the next month.
2- Omantel revamped their Fixed Broadband for the business and educational sector as well as introduced new Wi-Fi service for corporate customers.
3- Friendi introduced new revamped standard international rates.
4- Renna launched new international Voice Bundles
5- Ooredoo introduced their International Calling Bundles.
6- Omantel launched revamped MBB plans for postpaid customers.