سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q4, 2018

Competition and Tariffs Unit

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Introduction

The TRA is pleased to present Q4 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 Q4, 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 the mid-year 2017: (i.e, 584,762).

The penetration of different services stood at the following levels at end of the Q4/2018:

- Fixed line: 12.27%% of inhabitants

- Mobile subscriptions: 141.25% of inhabitants

- Fixed internet: 72.43% of households.

The Active Mobile Broadband Subscriptions was 90.2%of inhabitants by Q4/2018 with the total active subscriptions of 4,113,348.

During Q4/2018, the TRA received and approved:

- 29 new and revised Tariff Plans.

- 36 promotional tariff offers.

The TRA type approved 1,022 telecom equipments, and issued 56 authorizations for importing equipments. In addition, TRA Issued 1295 releases to customs for importing telecom equipments during Q4/2018.

The TRA carried out 250 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q4, 2018

Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscriptions	559,555	423,567	6,440,889
Penetration rate[1]	95.69% (per Household)	72.43% (per Household)	141.25% (per Inhabitant)
Revenue (Mn.RO)	25.387	34.812	135.239
International Outgoing Voice Minutes (Mn),	5.103	-	138.347
ARPU[2] (R.O)	3.54	27.40	7.00
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 on mid-year of 2017: (584,762).

[2] ARPU (the average revenue per user/subscription per month). The Fixed ARPU is based on revenue for the fixed telephone lines.

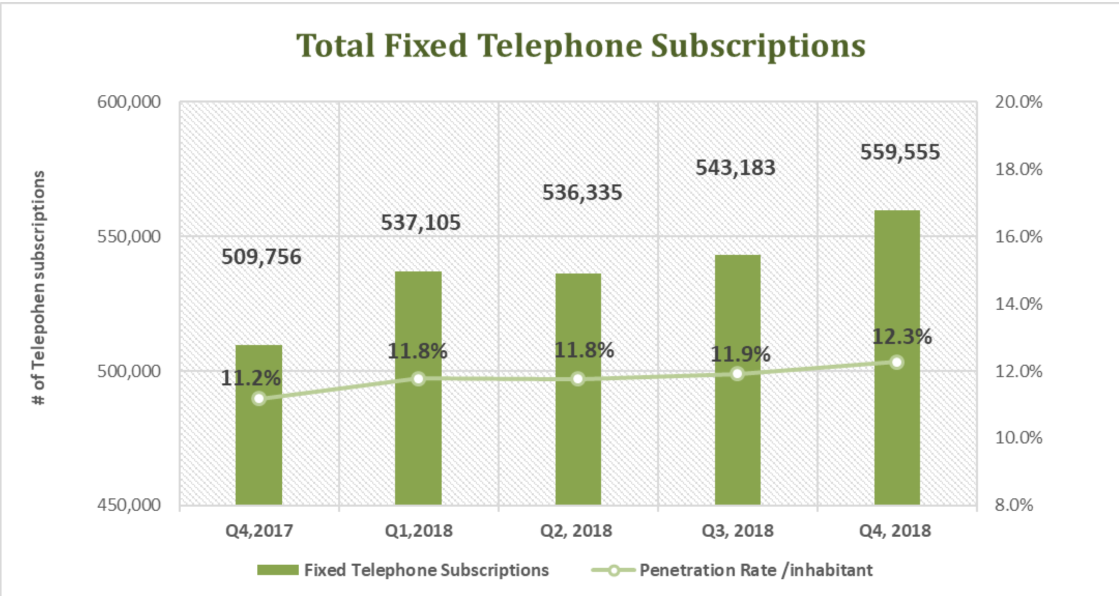
Fixed Telephone Service

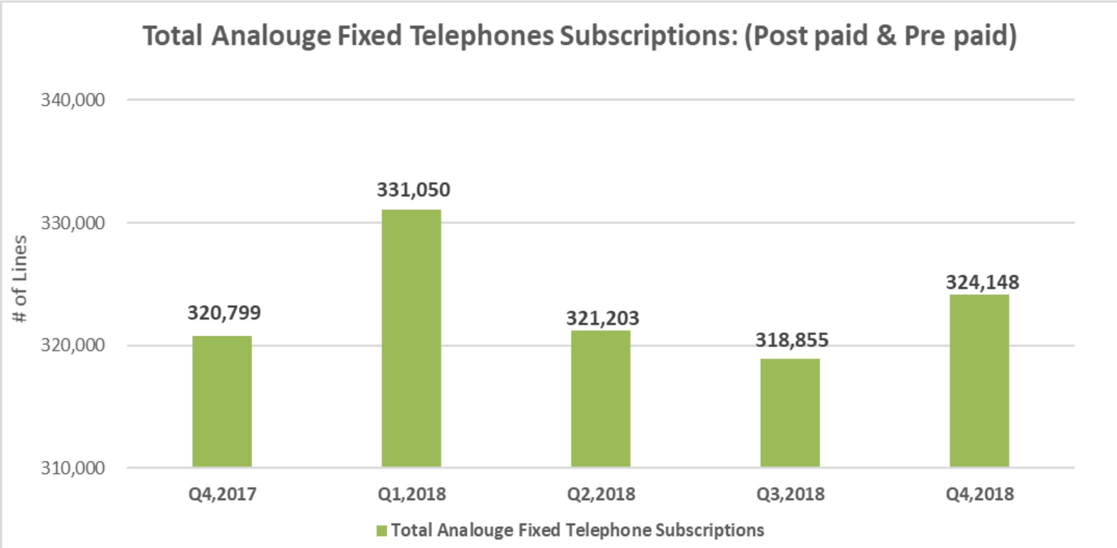
Type of Service	Q4/2018	Q3/2018	% Change
Fixed Telephone Subscriptions:			
1.1Analouge Fixed Telephone Lines:(Postpaid+ Prepaid)	324,148	318,855	1.66%
1.2 VoIP Subscription	179,476	168,623	6.44%
1.3 WLL Connections	1,652	1,601	3.19%
1.4 ISDN Channels (Equivalent DELs)*	47,478	47,303	0.37%
1.5 Public Telephone – Payphones	6,801	6,801	0.0%
1.Total Fixed Telephone Lines in Operation (1.1-1.5)	**559,555**	**543,183**	**3.01%**
Fixed Line Penetration per 100 Inhabitant	**12.27%**	**11.91%**	***0.36%***
Fixed Line Penetration Per 100 Household	***95.69%***	***92.89%***	***2.80%***

- **Note: The penetration rates are calculated based on the NCSI latest approved/published population at the mid - year 2017: (4,559,963).**
- **Households: 584,762 (as per the latest NCSI estimation as on mid-year of 2017).**
- **ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.**

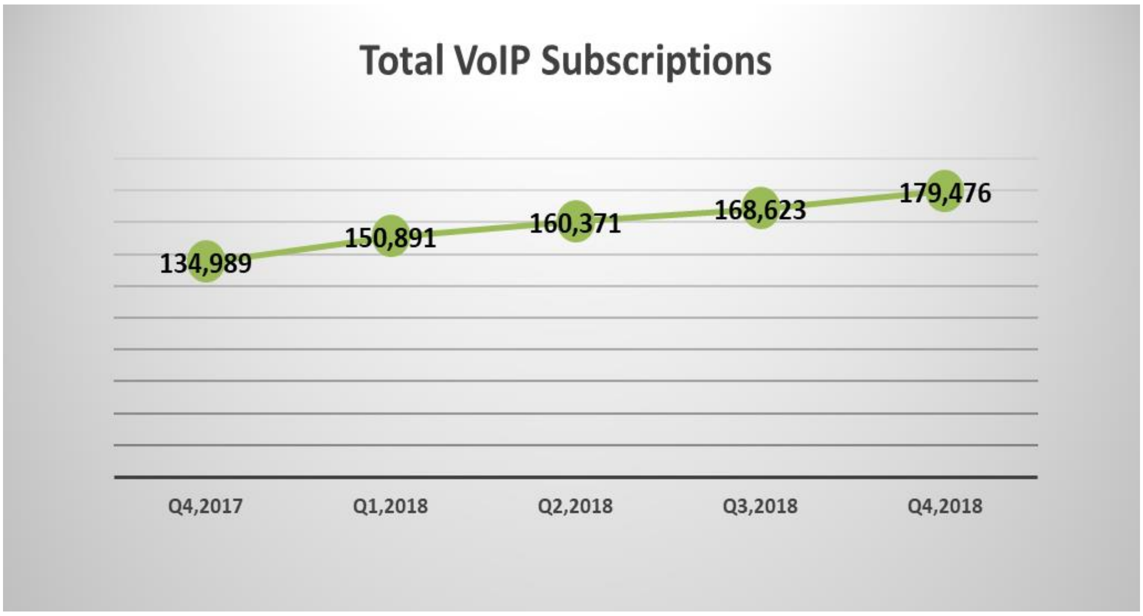
➢ During Q4/2018, the Fixed Telephone subscriptions were reported as 559,555 subscriptions showing a growth of 3.01% over the previous quarter.

➢ Both penetration rates per inhabitant and per household of the fixed telephone subscriptions increased in the 4th quarter of 2018.

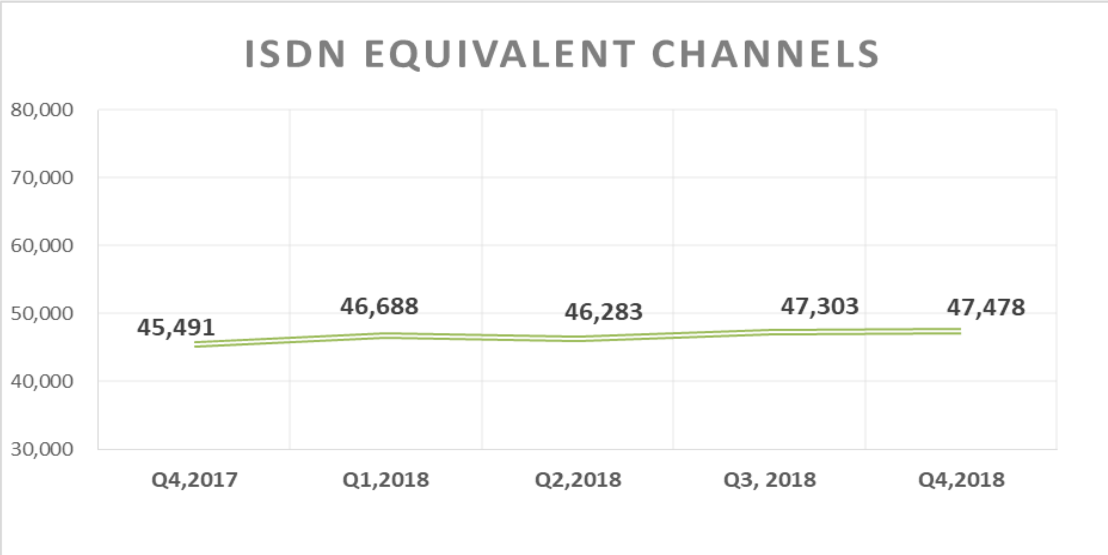




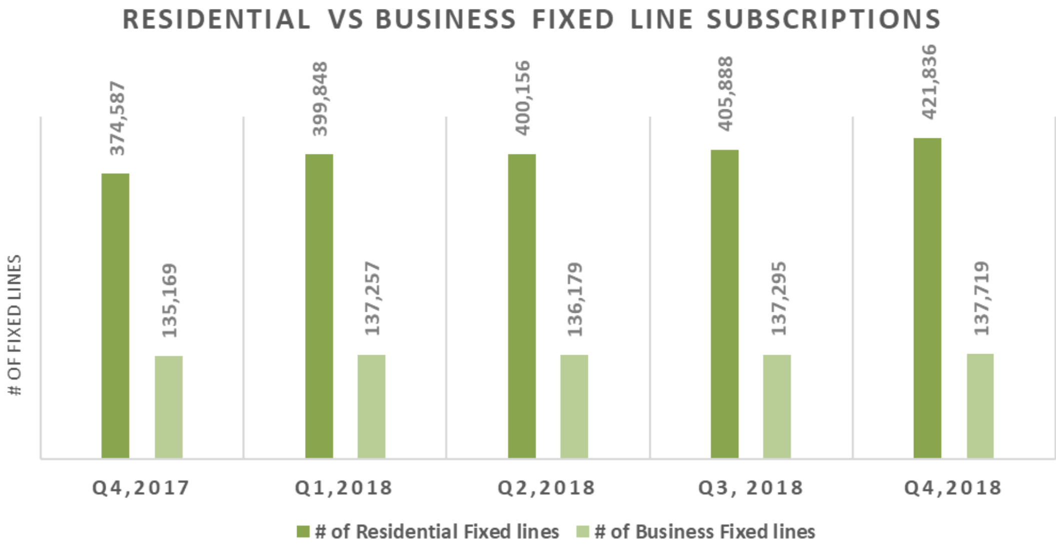
- Total analogue postpaid and prepaid fixed telephone subscriptions increased by 1.66 % during Q4/2018.



- 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 fourth quarter of 2018 by 6.44% reaching 179,476 subscriptions by end of Q4/2018.



- The ISDN (Integrated services digital network) equivalent channels increased slightly by 0.37% reaching 47,478 channels during Q4/2018.



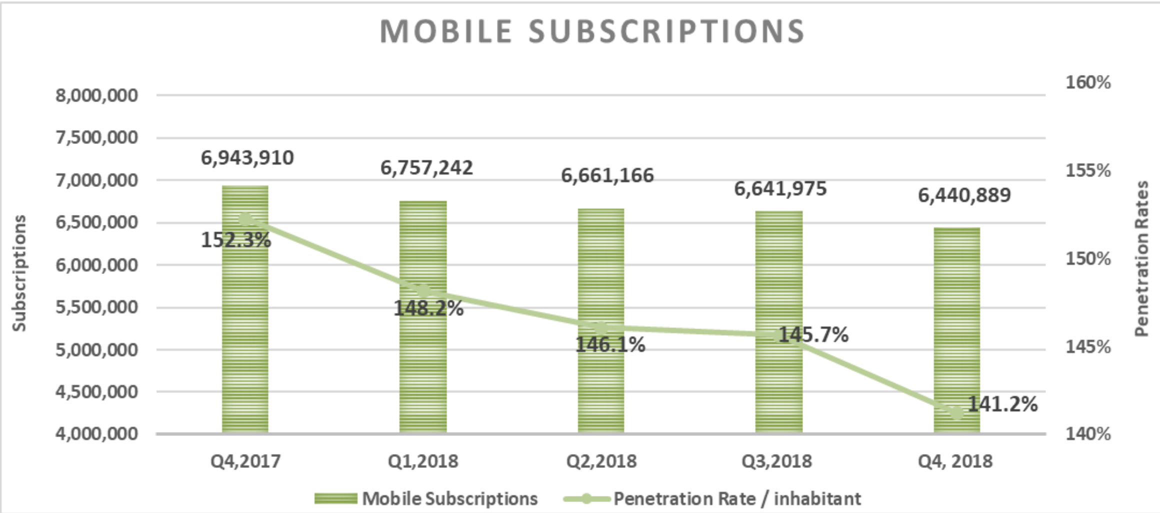
- During Q4/2018, the Business Fixed Line and Residential Fixed Line subscriptions increased by 0.3% & 3.9% respectively compared to the previous quarter.
- The split between Fixed Business and Residential lines stood at 24.6% and 75.4% respectively at the end of Q4/2018.

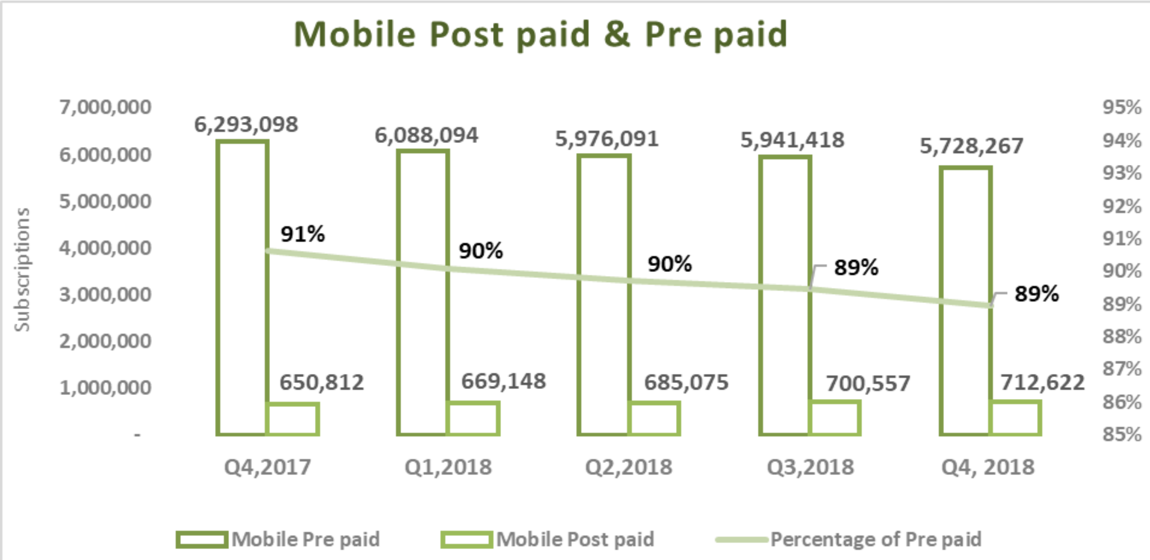
Mobile Service

Mobile Subscriptions	Q4,2018	Q3,2018	% Change
1. Post Paid			
1.1 Operators	712,622	700,557	1.72%
Total Postpaid Subscriptions	**712,622**	**700,557**	**1.72%**
2. Pre paid			
2.1 Operators	4,971,468	4,947,666	0.48%
2.2 Resellers	756,799	993,752	-23.84%
Total Prepaid Subscriptions	**5,728,267**	**5,941,418**	**-3.59%**
Total Mobile Subscriptions: (1+2)	**6,440,889**	**6,641,975**	**-3.03%**
Mobile Penetration/100 Inhabitant	**141.25%**	**145.66%**	**-4.41%**

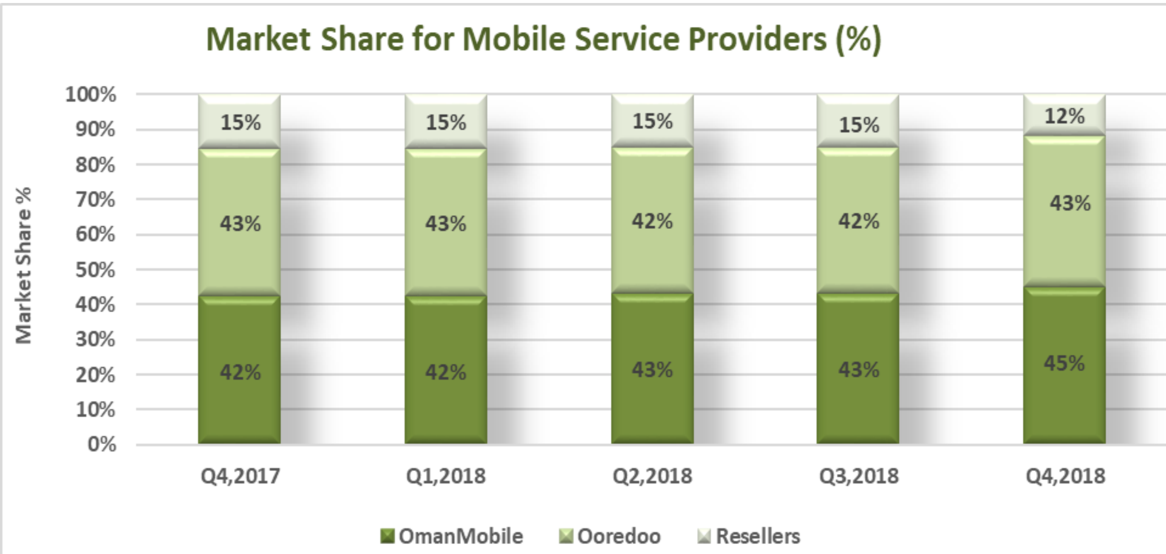
- **Note: The penetration rate is calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).**

- The total mobile subscriptions and penetration dropped by 3.03% and 4.41% respectively during the Q4/2018 reaching 6,440,889 subscriptions and 141.25% penetration/ 100 inhabitant.

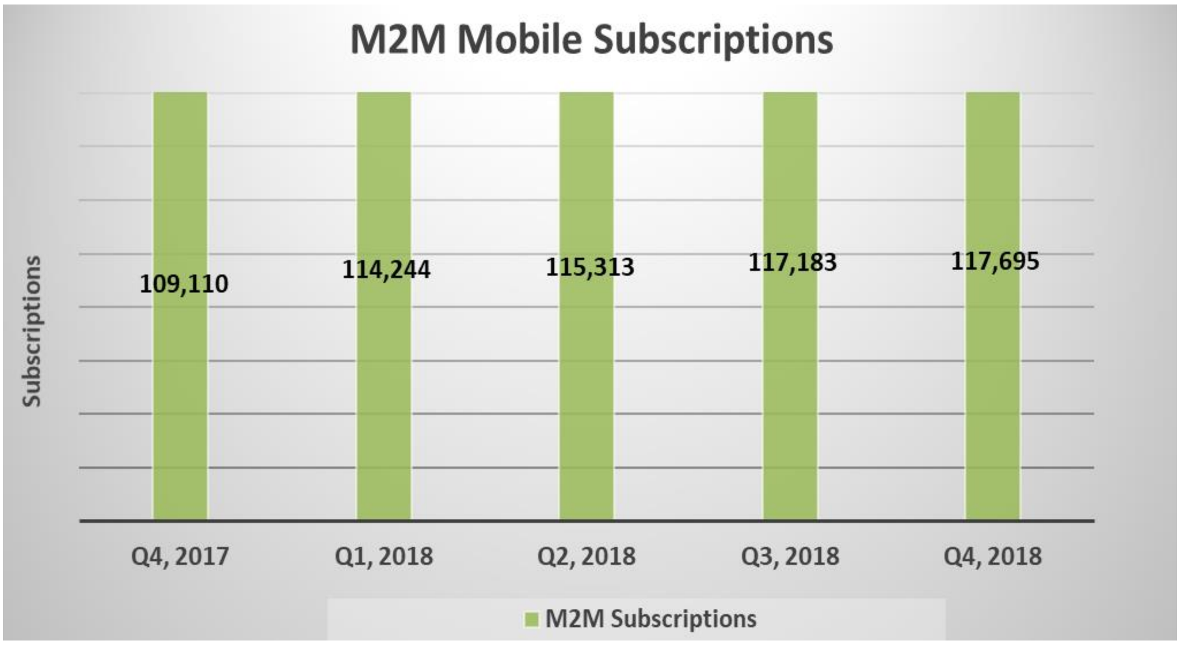




- Post-paid mobile subscriptions reached the level of 712,622 with 1.72% growth over the previous quarter.
- Prepaid mobile subscriptions dropped by 3.59% in Q4/2018 reaching 5,728,267 total subscriptions.
- At the end of Q4, 2018, the mobile prepaid subscriptions represented 89% of the total mobile subscriptions.



- For Q4/2018, the market share based on mobile subscriptions for Omantel was 45%, while Ooredoo and Resellers' shares were 43%, 12% respectively.



- Machine to Machine (M2M)[1] Mobile Subscriptions reached 117,695 subscriptions at the end of Q4,2018.

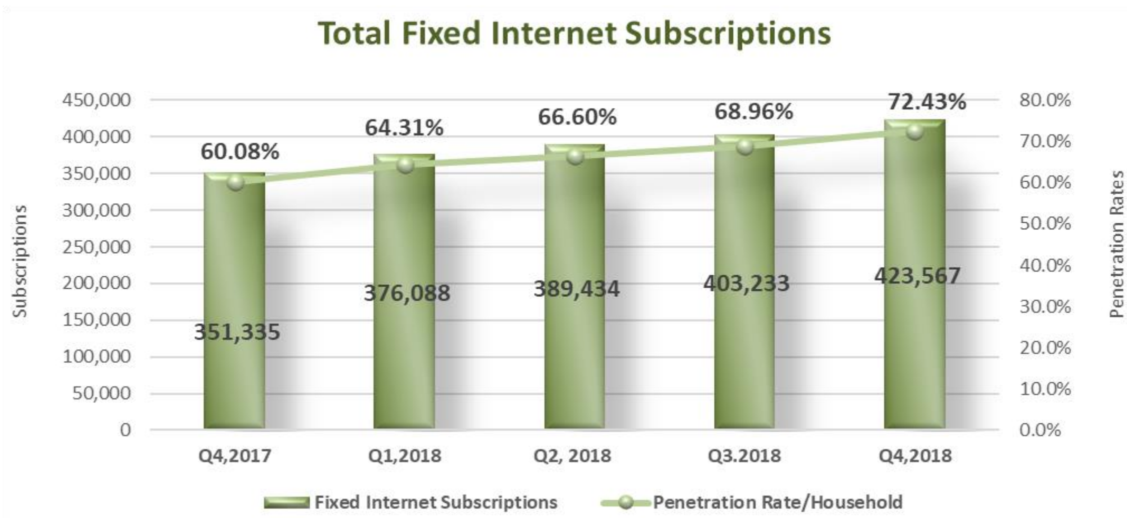
[1] **M2M mobile-network subscriptions**

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 are included. Mobile dongles and tablet subscriptions are excluded.

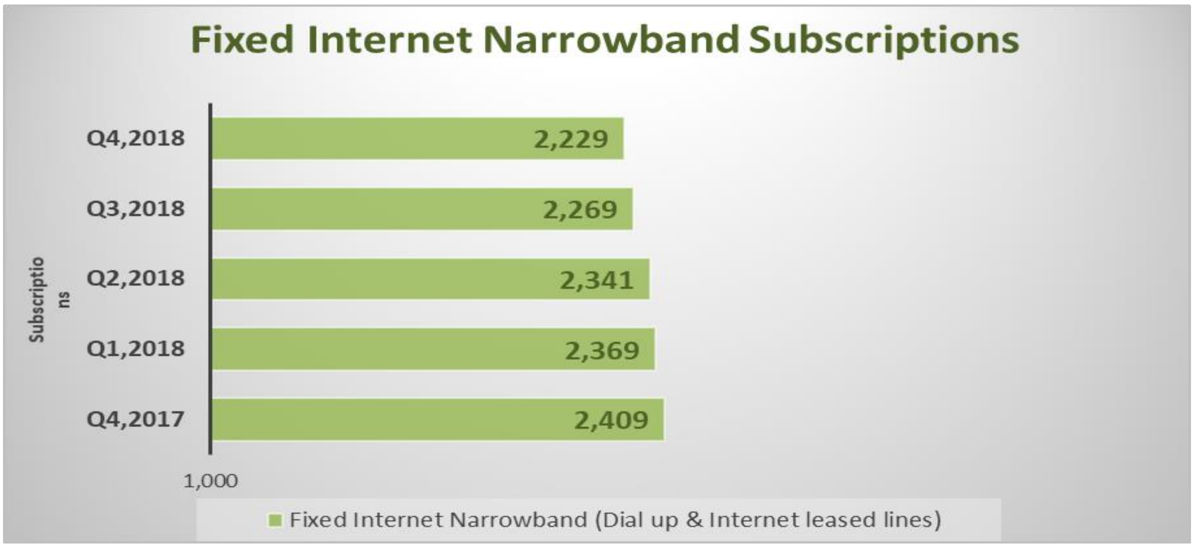
Internet Services

Type of Service	Q4,2018	Q3,2018	% Change
Fixed Narrowband			
1.1Dial-up Fixed Internet Subscriptions	2,203	2,243	-1.78%
1.2 Internet Leased Lines(Narrowband)	26	26	0.00%
1. Total Fixed Narrowband Subscriptions : (1.1+1.2)	**2,229**	**2,269**	**-1.76%**
Fixed Broadband Subscriptions			
2. Total Fixed Broadband Subscriptions	**421,338**	**400,964**	**5.08%**
Total Fixed Internet Subscriptions (1+2)	**423,567**	**403,233**	**5.04%**
Fixed Internet Penetration /100 Household	**72.43%**	**68.96%**	**3.47%**
Fixed Broadband Subscriptions Penetration/100 Household	**72.05%**	**68.57%**	**3.48%**
Active Mobile Broadband Subscriptions			
3.1 Dedicated mobile-broadband Subscriptions*	669,791	703,078	**-4.73%**
3.2 Standard mobile-broadband Subscriptions*	3,443,557	3,518,344	**-2.13%**
3. Total Active Mobile Broadband Subscriptions (3.1+3.2)	**4,113,348**	**4,221,422**	**-2.56%**
Active Mobile Broadband Penetration Rate /100 Inhabitant	**90.2%**	**92.6%**	**-2.40%**

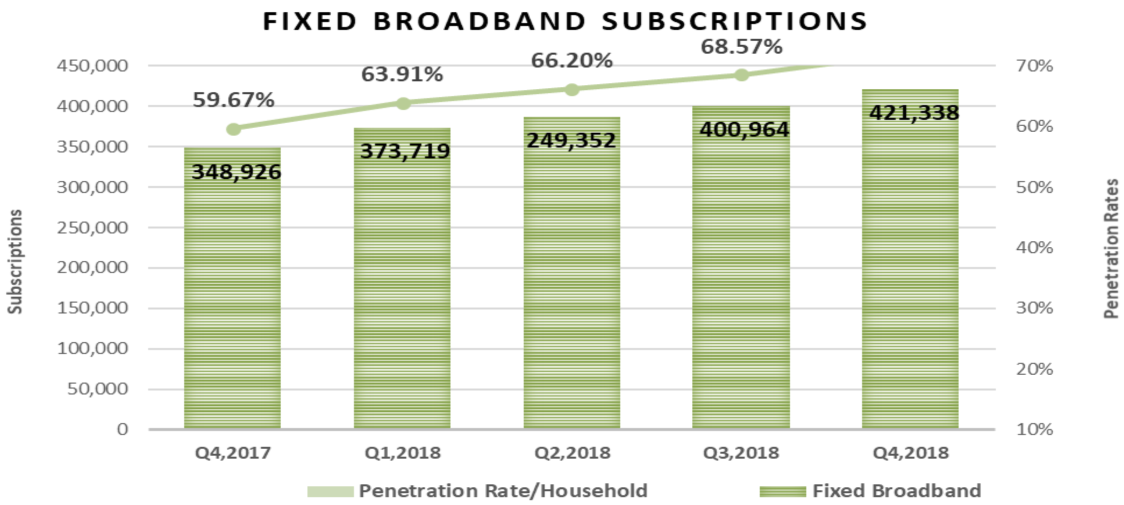
- **Note: The penetration rates are calculated based on the NCSI latest approved population to be used for the calculations, which is, the mid - year 2017: (4,559,963).**
- **Households: 584,762 (as per the latest NCSI estimation as on mid-year of 2017).**

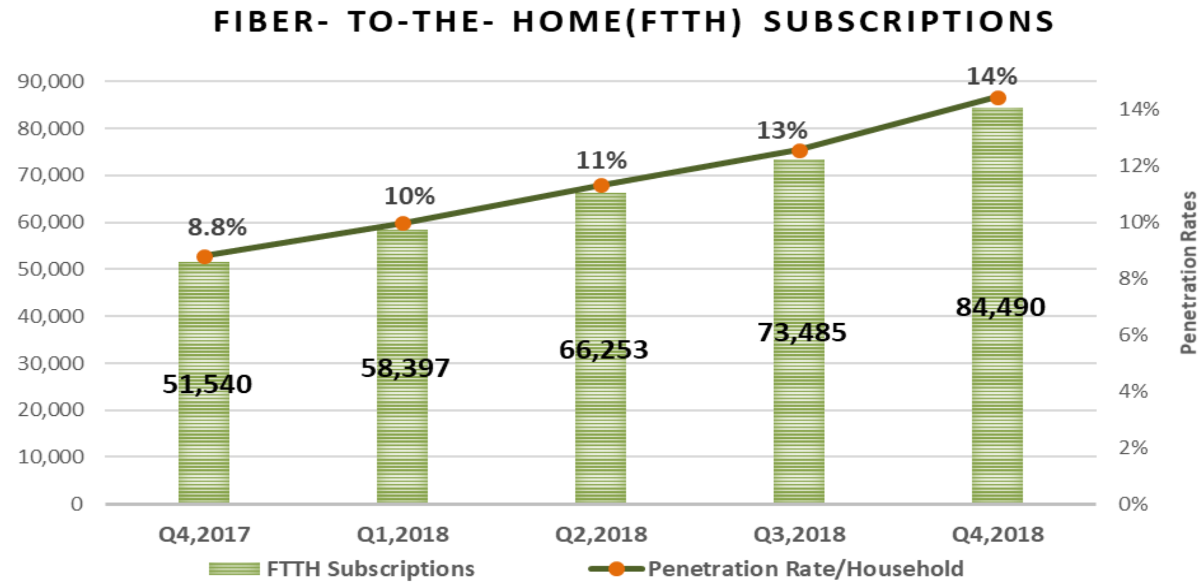


- The total fixed internet subscriptions increased by 5.04% at the end of Q4/2018 reaching 423,567 subscriptions.
- During the reported quarter, fixed internet penetration rate per household reached 72.43%%, which is 3.47% higher than the previous quarter.

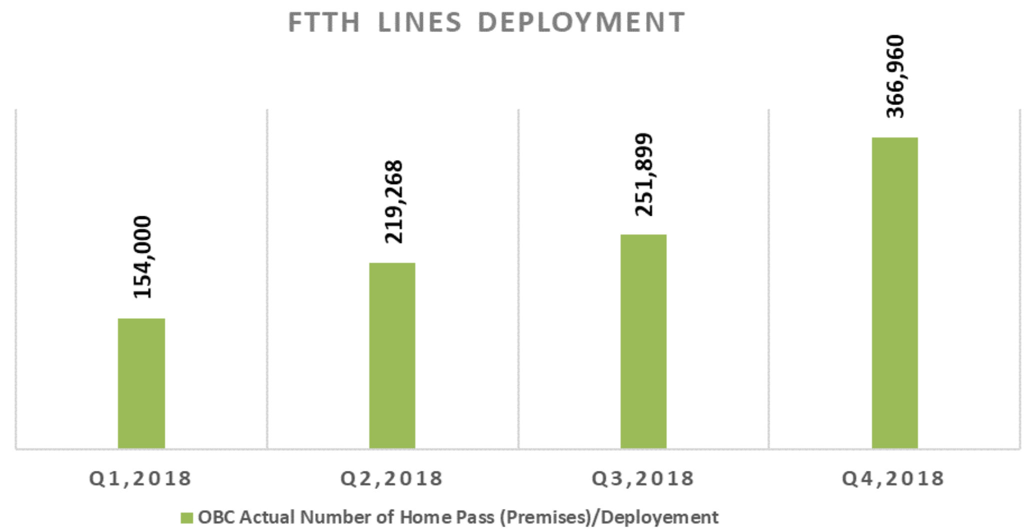


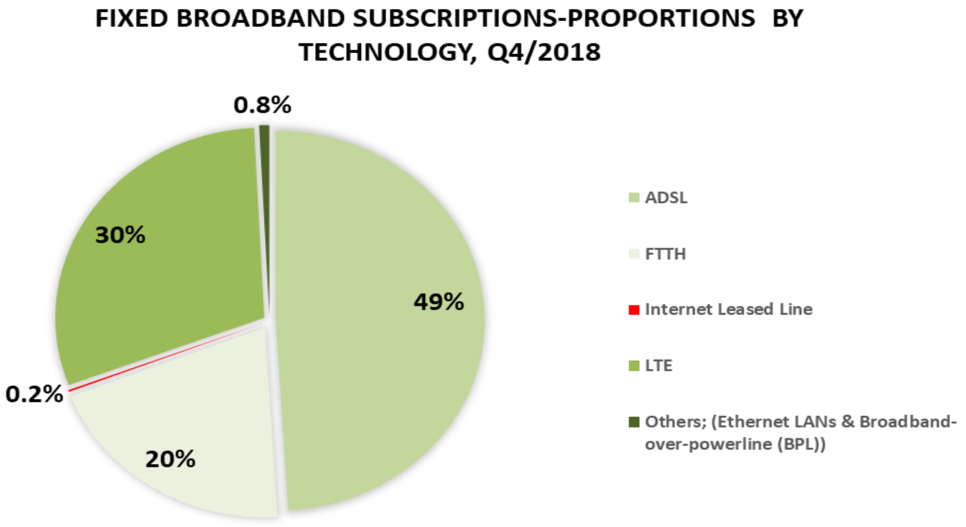
- During Q4/2018, fixed internet narrowband subscriptions decreased by 1.76% to 2,229 subscriptions compared to the results of the previous quarter.
- While the Fixed Broadband subscriptions has experienced 5.08% growth over the same period of the report. Fixed Broadband subscription reached 421,338 subscriptions with penetration rate of 72.05% per household.



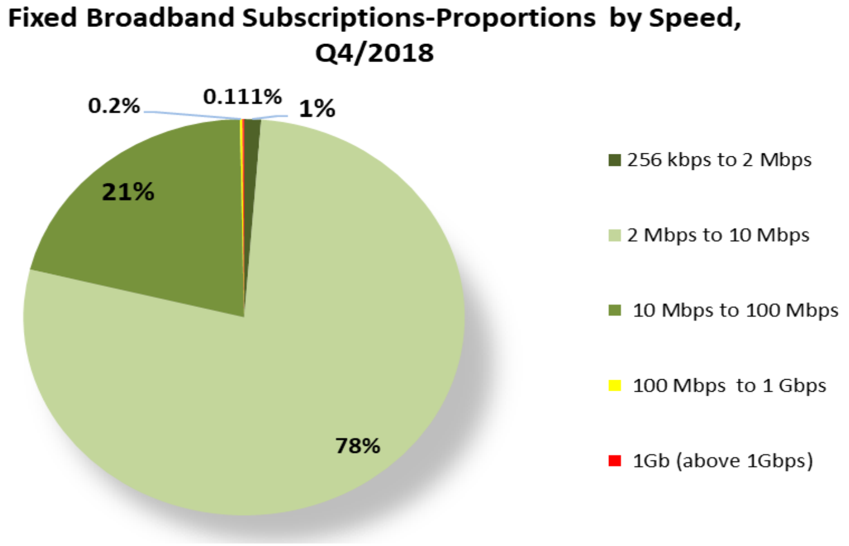


- Fiber – to – the – home (FTTH) subscriptions grew by 15% during Q4, 2018 reaching 84,490 subscriptions as compared to the 73,485 subscriptions at the end of Q3/2018. Similarly, the FTTH penetration per 100 household improved to 14% by end of Q4, 2018.
- It may be noted that the total FTTH subscription as shown above includes fiber laid down by OBC as well as operators own infrastructure. By end of Q4, 2018, total Oman Broadband Company (OBC) deployment was 366,960 FTTH lines showing 46% growth as compared to 251,899 deployed connections of the previous quarter.

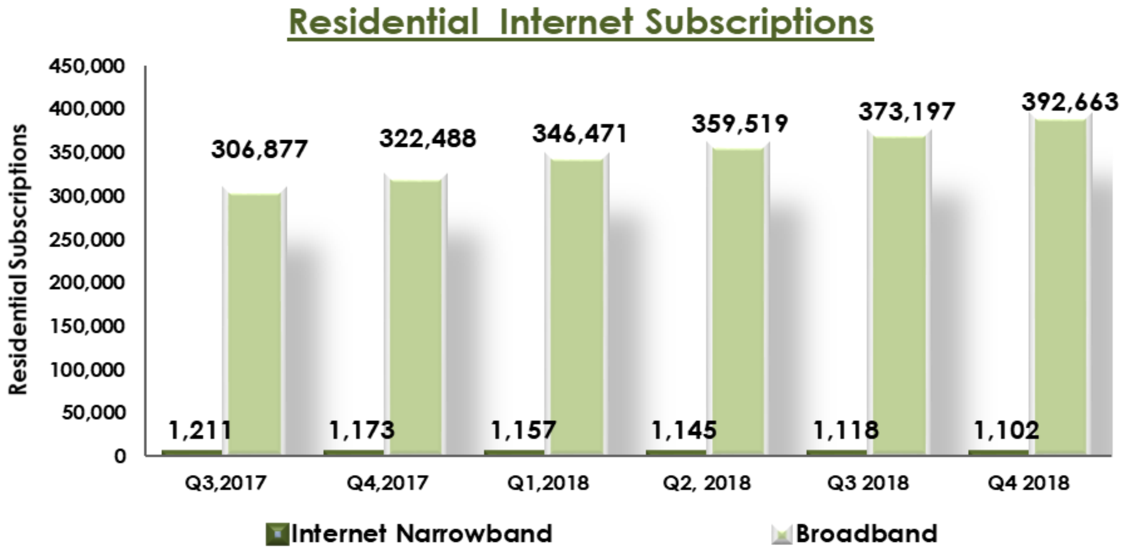




- 49% for ADSL subscriptions.
- 30% for LTE subscriptions.
- 20% for FTTH subscriptions.
- 0.2% for Internet Leased Line subscriptions.
- 0.8% for others subscriptions.

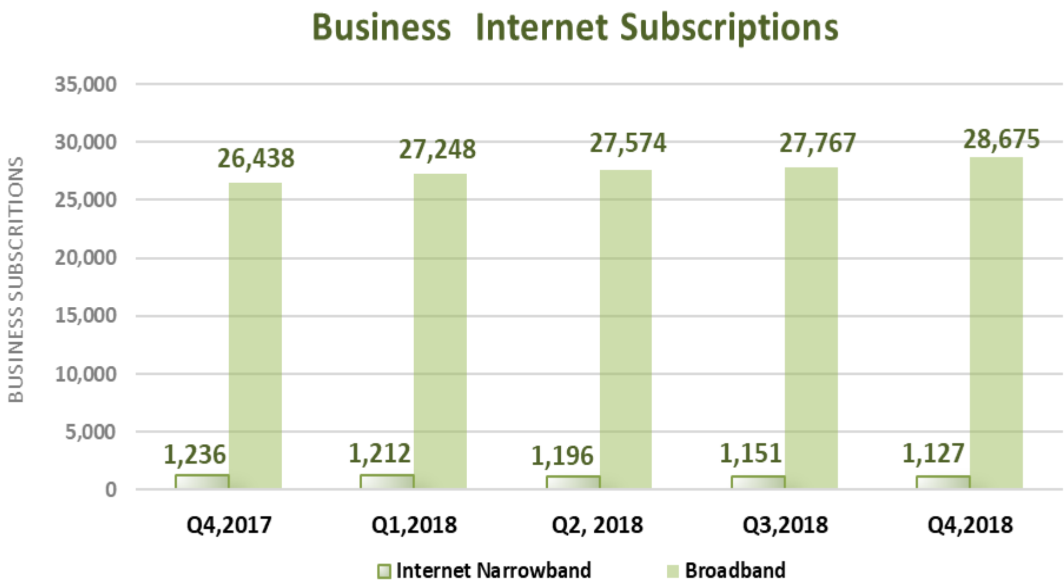


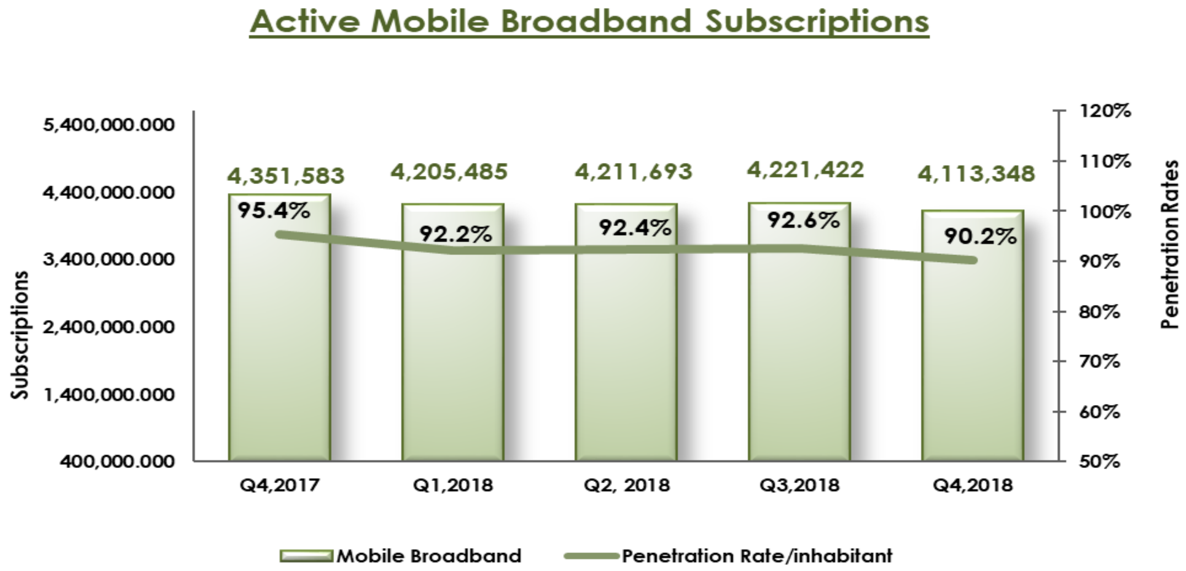
- 1% had access speed of 256 Kbps to 2 Mbps.
- 78% had access speed of 2Mbps to 10 Mbps.
- 21% had access speed of 10 Mbps to 100 Mbps.
- 0.2% had access speed of 100 Mbps to 1 Gbps.
- 0.11% had access speed of more than 1Gbps.



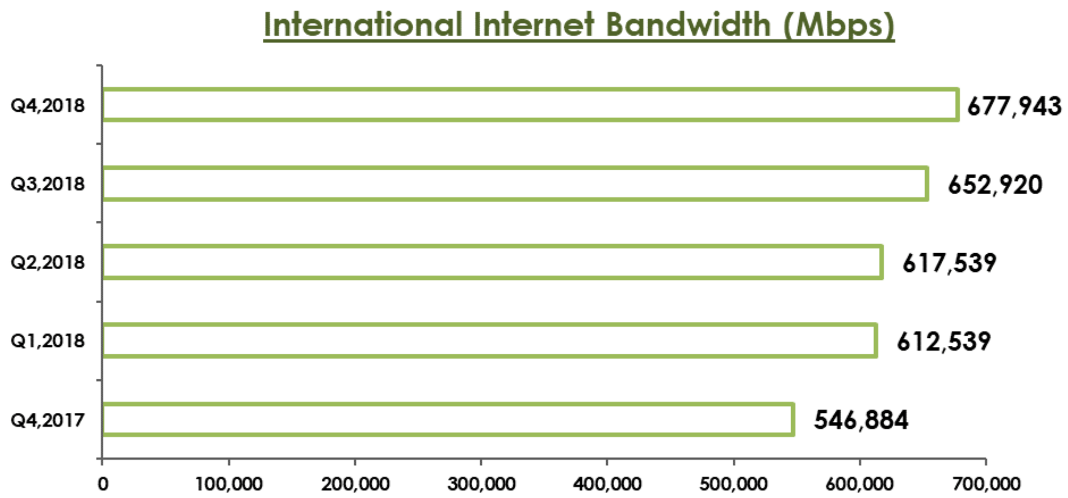
➢ The residential fixed broadband subscriptions in the above chart show an increase of 5.2% during Q4/2018. On the other hand, the residential narrowband subscriptions declined by 1.4% over the same period.

➢ The below chart shows the growth in business fixed broadband subscriptions, which is 3%, while the business narrowband subscriptions declined by 0.01% during the same period.

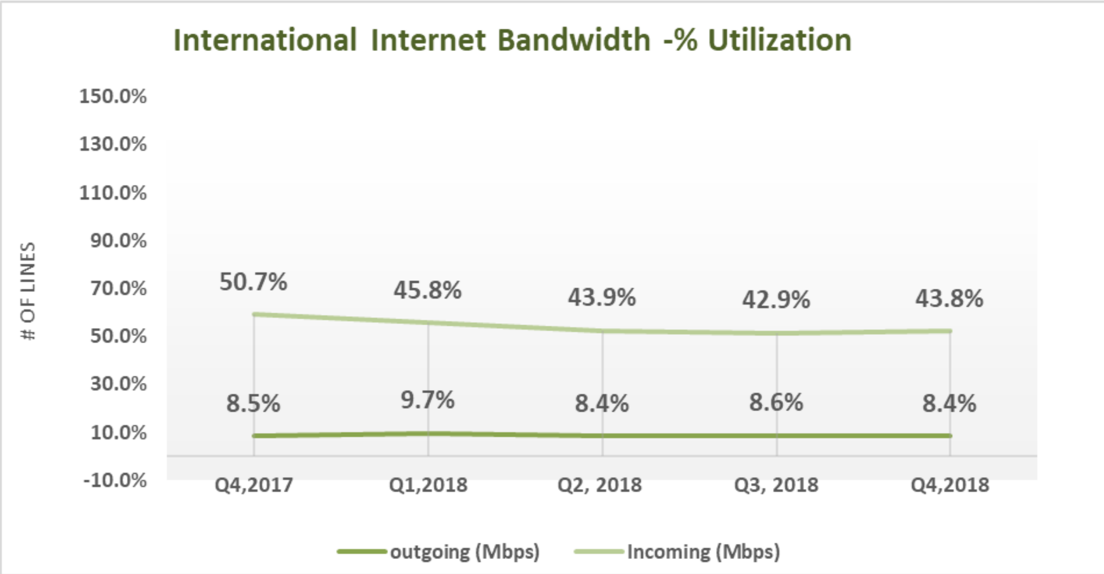




- During Q4/2018, total active mobile broadband subscriptions decreased by 2.56% reaching 4,113,348 from 4,221,422 resulting in a decrease in the per inhabitant penetration rate by 2.4% from 92.6% to 90.2%.

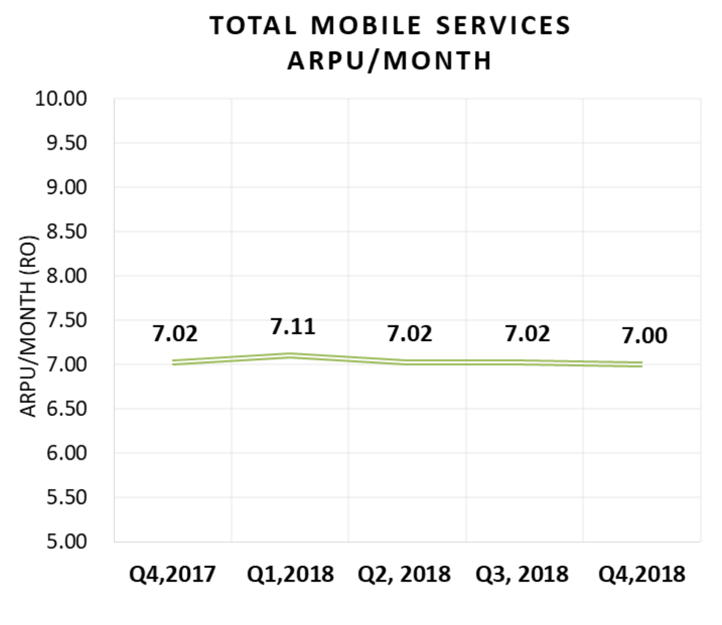


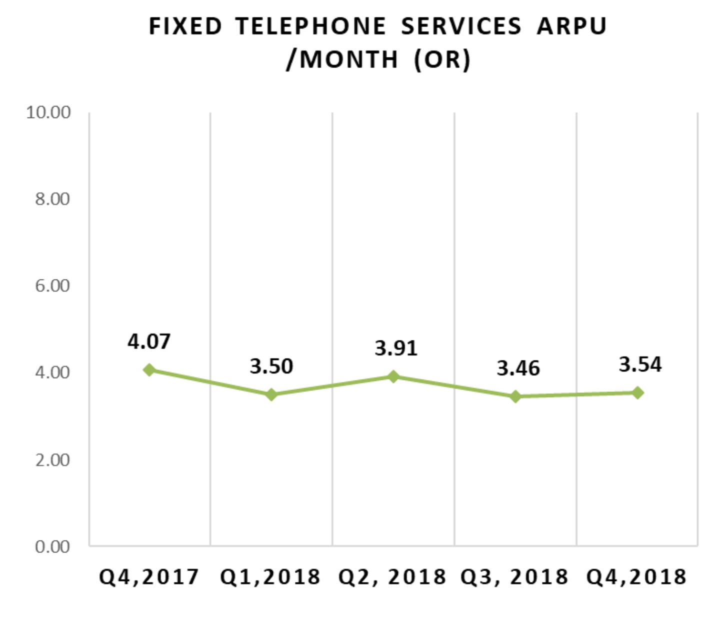
- During Q4/2018, the operators had 677,943 Mbps capacity for international internet bandwidth as compared to the previous quarter where it was 652,920 Mbps.

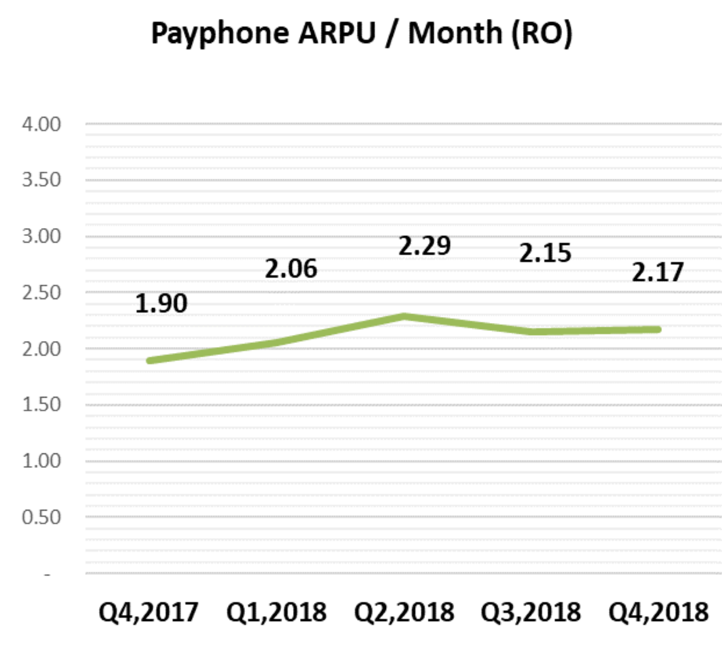


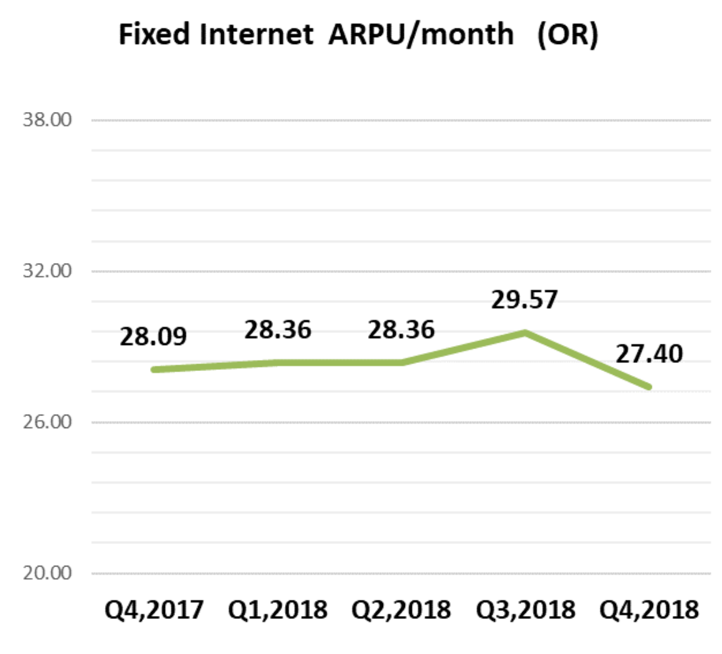
- Out of 677,943 Mbps capacity, 8.4% capacity was utilized for International Outgoing traffic while 43.8% for International Incoming traffic.

ARPUs



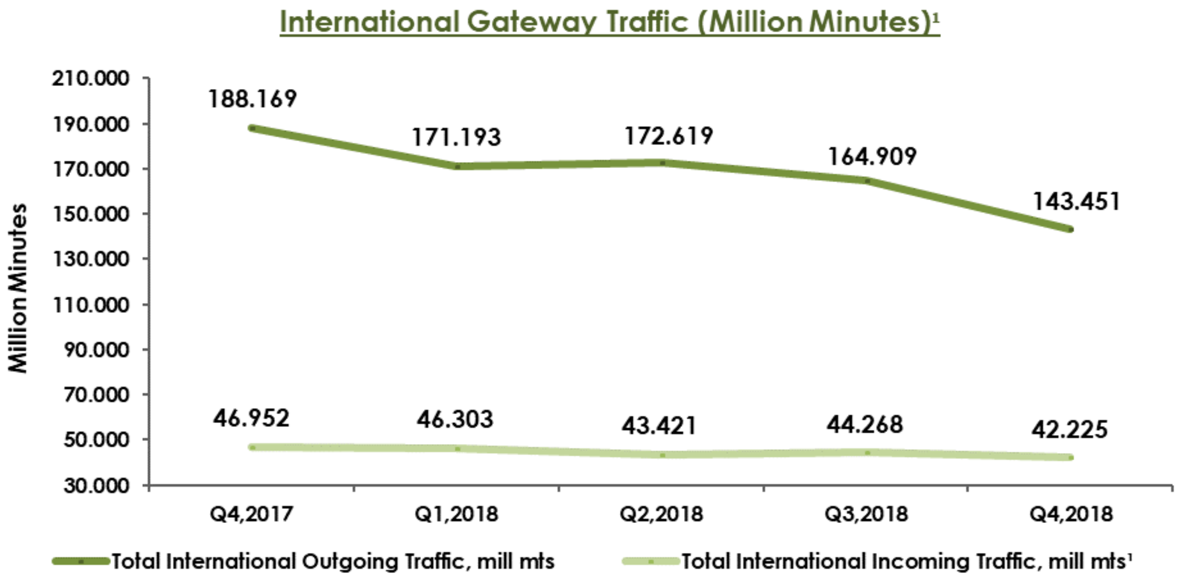




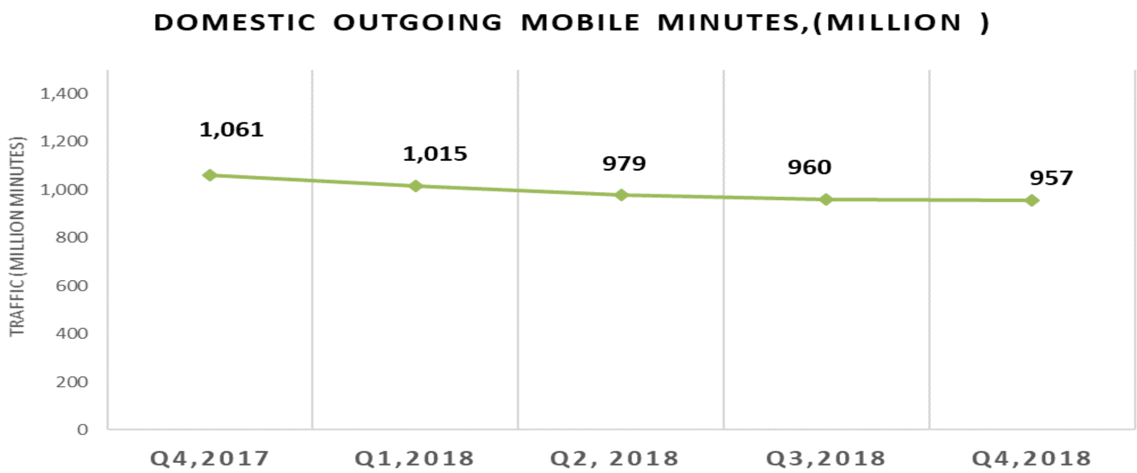


[1] ARPU (average revenue per user (subscription))

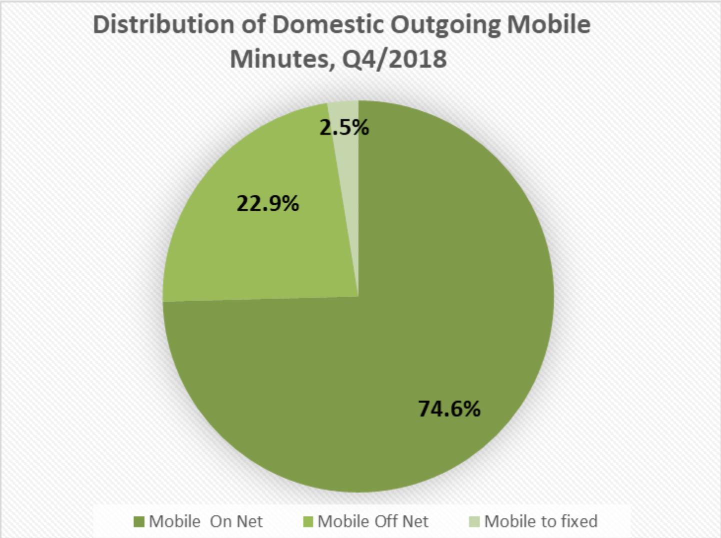
Traffic

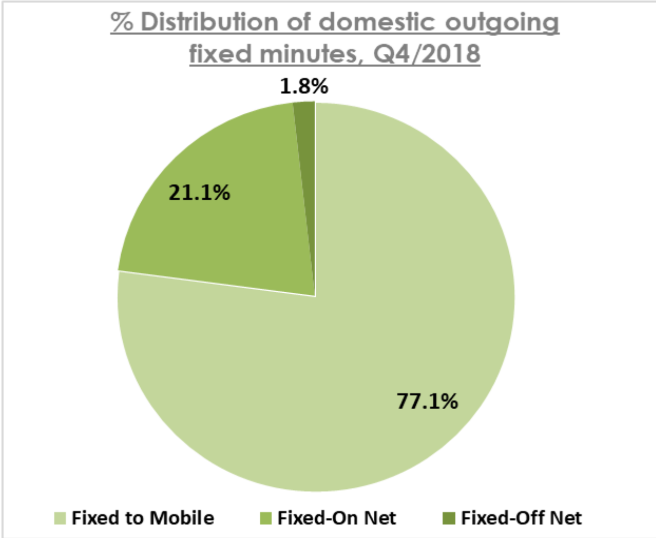


- The fourth quarter 2018 total outgoing minutes was 143.451 million, which dropped by 13% against the third quarter 2018. Similarly, the incoming minutes of international gateways dropped by 5% during the same period with total of 42.225 million minutes by end of the reported quarter.



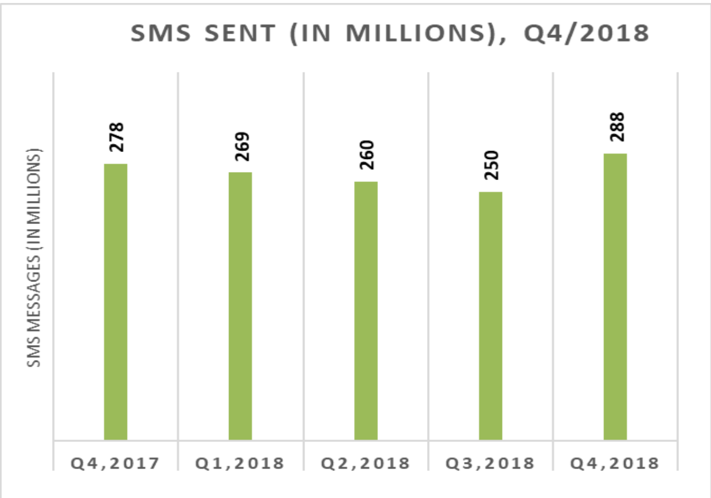
- The number of domestic outgoing mobile minutes continued to drop. In Q4/2018, the decline was 0.3% reaching the volume of 957 million minutes as compared to the previous quarter traffic of 960 million minutes.

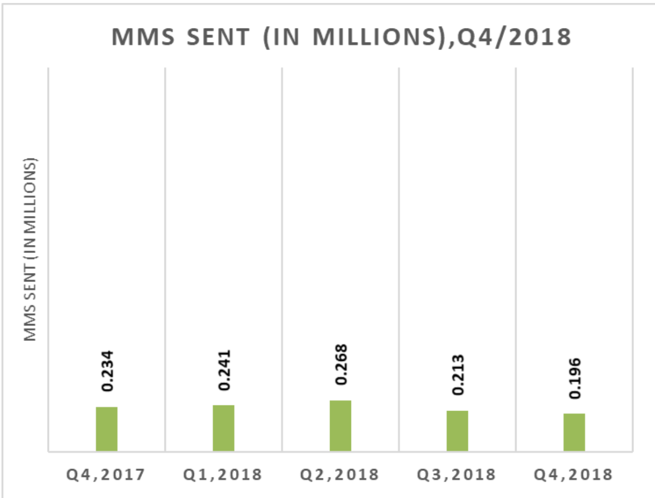




During Q4/2018, Mobile-to-Mobile (On Net) Traffic had the major share of 74.6% out of total Domestic Outgoing Traffic, while the Off Net Mobile Domestic Traffic has 22.9% share. The Mobile-to-Fixed Traffic represents only 2.5% of total Mobile Domestic Traffic.

During Q4/2018, the Domestic Outgoing Fixed Traffic carries 77.1% for Fixed to Mobile, 21.1% for Fixed-to-Fixed (On Net), and 1.8% for Fixed-to-Fixed (Off-Net) traffic share.





Total outgoing SMS (short messages) Traffic increased this quarter reaching 288 million messages from 250 million messages in the previous quarter.

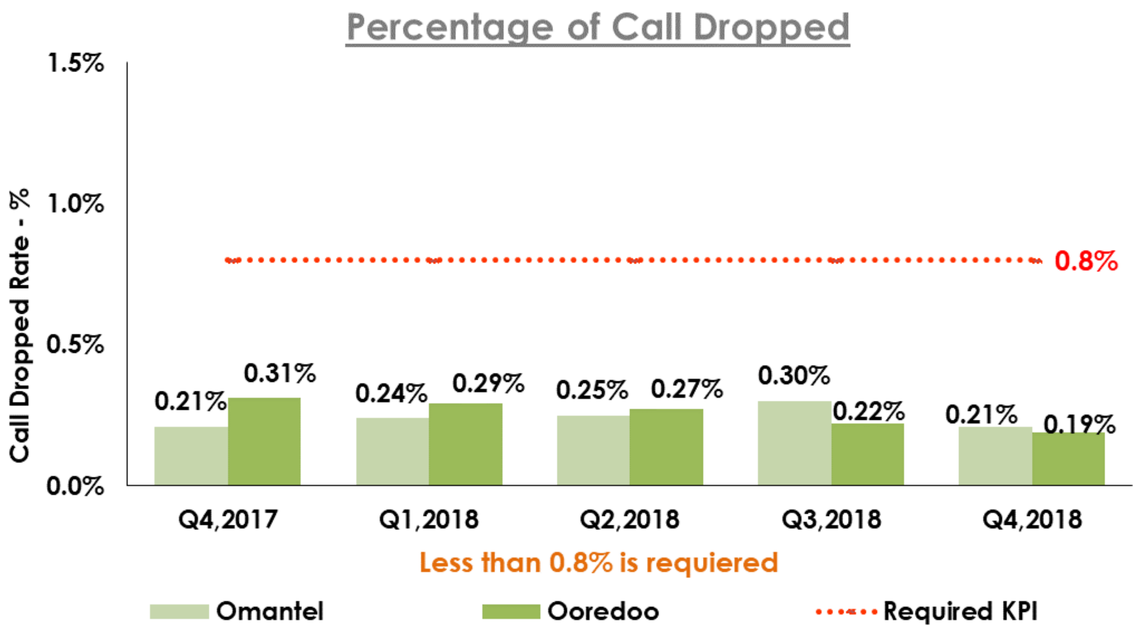
The number of outgoing MMS (multimedia messages) showed a decrease in Q4/2018 to 0.196 million messages.

Quality of Service

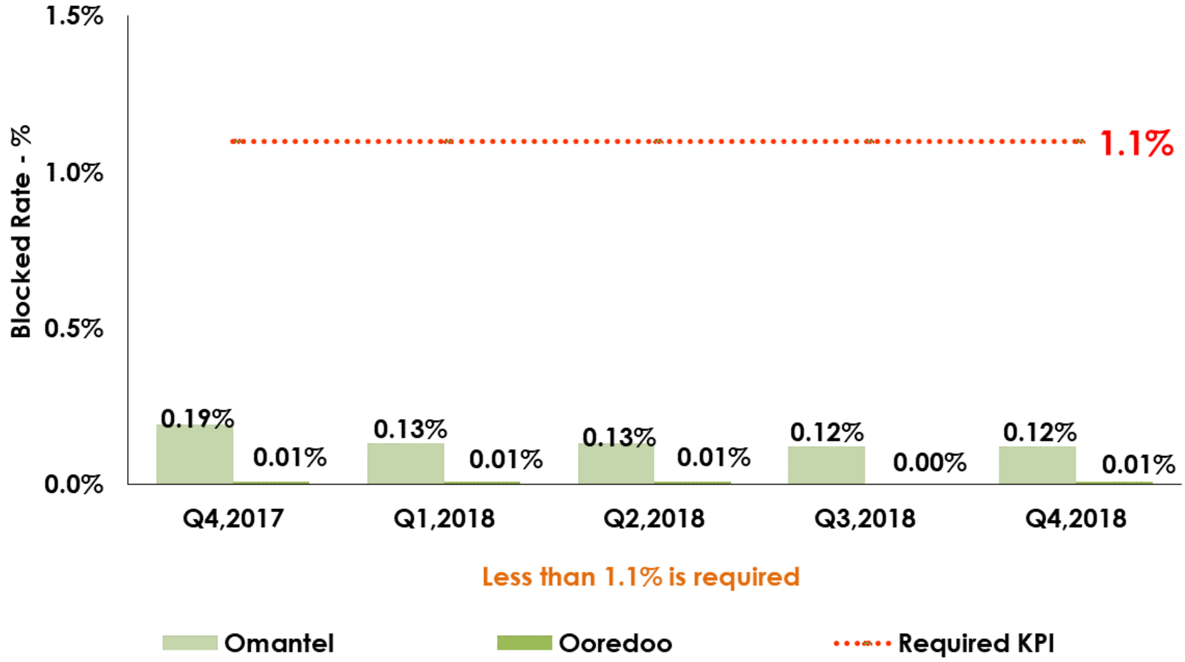
(QoS indicators are as measured and reported by the operators-unaudited)

Mobile Services KPIs

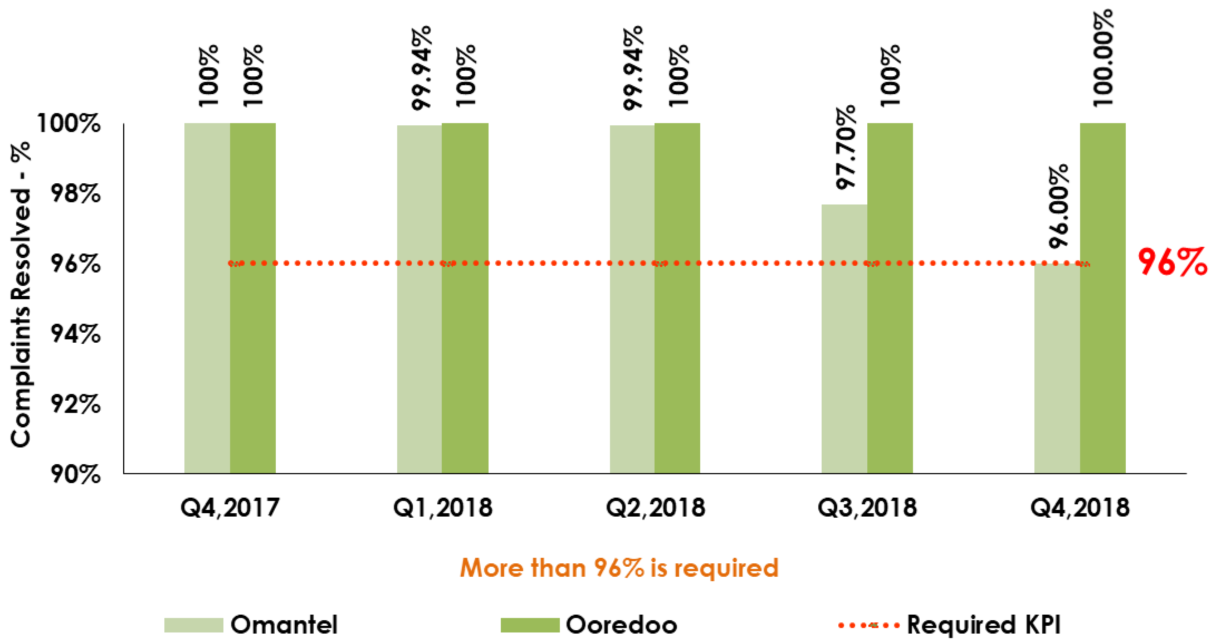
Mobile Services KPIs	Required KPI (Quarterly)	Q4/2018		Q3/2018	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.21	0.19	0.30	0.22
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.12	0.01	0.12	0.00
3. Percentage of billing complaints resolved within 20 working days	More than 96%	96	100	97.70	100



Call Blocked due to Congestion



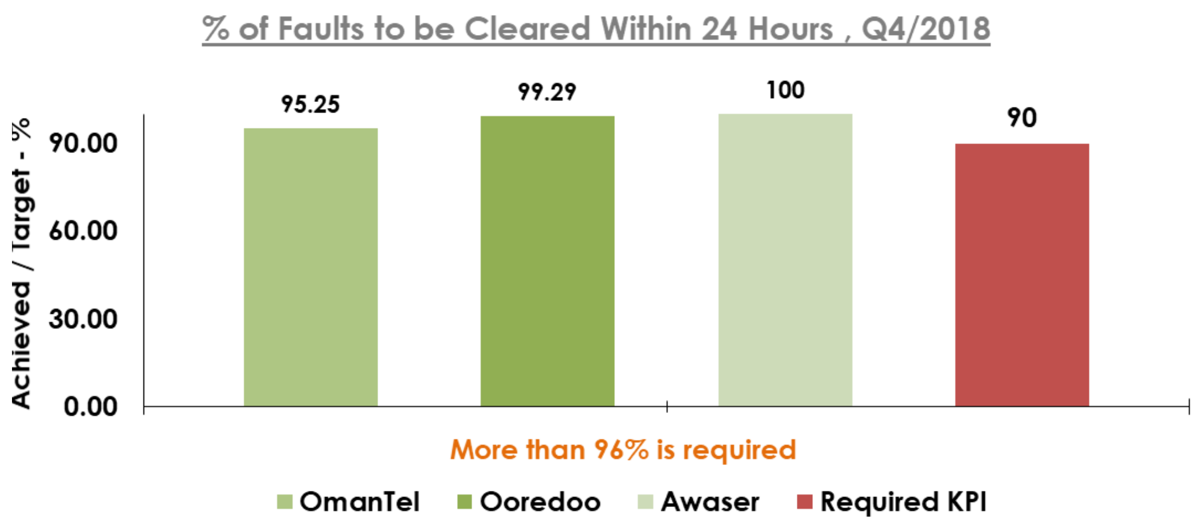
Billing Compaints within 20 Working days

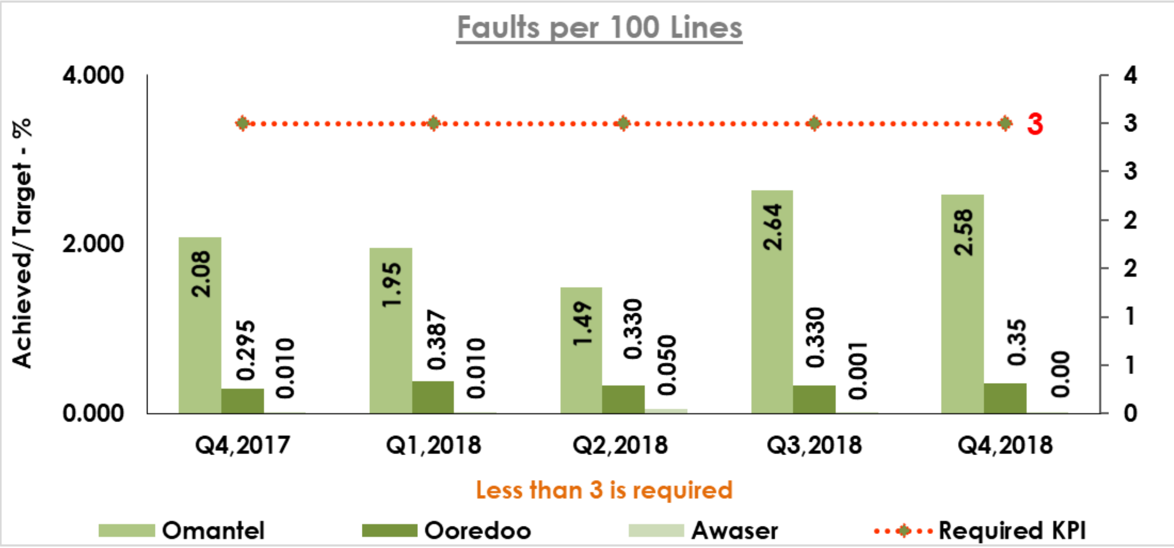


Fixed Services KPIs

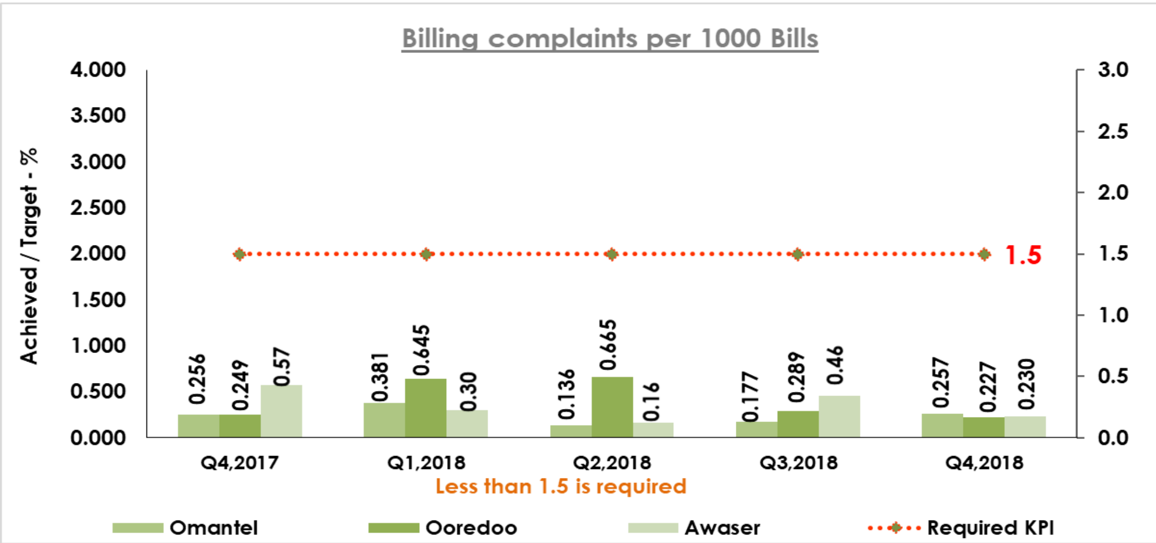
Fixed Services KPIs	Required KPI (Quarterly)	Q4,2018			Q3,2018		
		Omantel %	Ooredoo %	Awasr %	Omantel %	Ooredoo %	Awasr %
1. Faults per 100 lines per quarter	Less than 3	2.58	0.35	0	2.64	0.330	0.001
2. % of faults to be cleared within 24 hours	More than 90%	95.25	99.29	100	91.58	100	100
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.241	0.060	-	0.256	0.100	-
4. Billing complaints per 1000 Bills	Less than 1.5	0.257	0.227	0.230	0.177	0.289	0.46
5. Percentage of billing complaints resolved within 20 working days	More than 96%	96	100	100	96.01	100	100

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

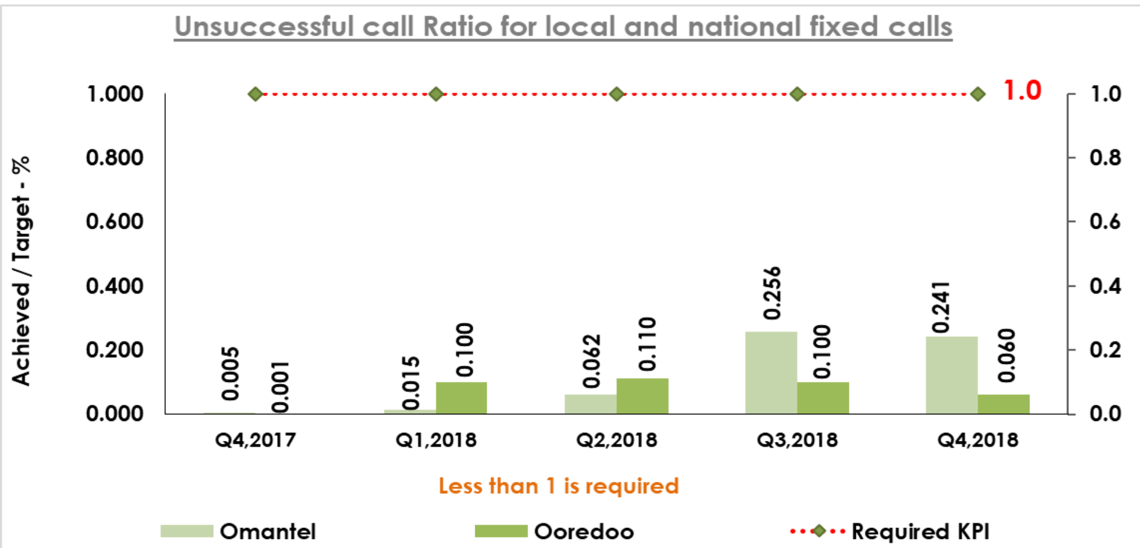




Faults per 100 Lines
Achieved/Target - %
4.000
2.000
0.000
4
3
3
2
2
1
1
0
2.08
0.295
0.010
1.95
0.387
0.010
1.49
0.330
0.050
2.64
0.330
0.001
2.58
0.35
0.00
3
Q4,2017
Q1,2018
Q2,2018
Q3,2018
Q4,2018
Less than 3 is required
Omantel
Ooredoo
Awaser
Required KPI



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
0.256
0.249
0.57
0.381
0.645
0.30
0.136
0.665
0.16
0.177
0.289
0.46
0.257
0.227
0.230
1.5
Q4,2017
Q1,2018
Q2,2018
Q3,2018
Q4,2018
Less than 1.5 is required
Omantel
Ooredoo
Awaser
Required KPI

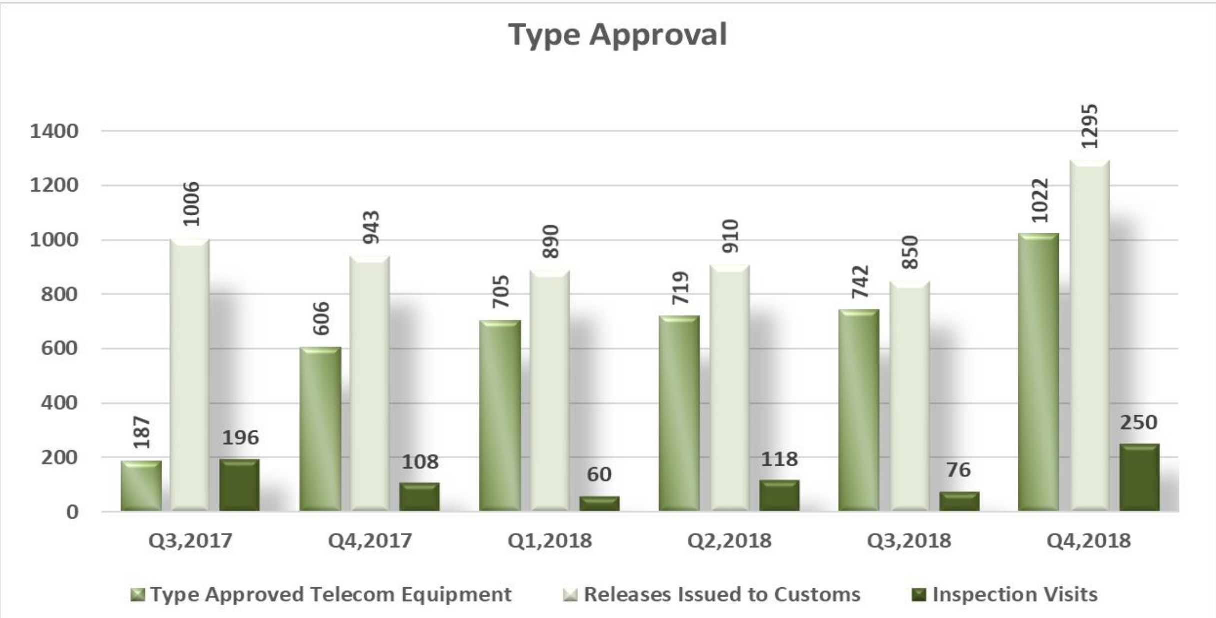


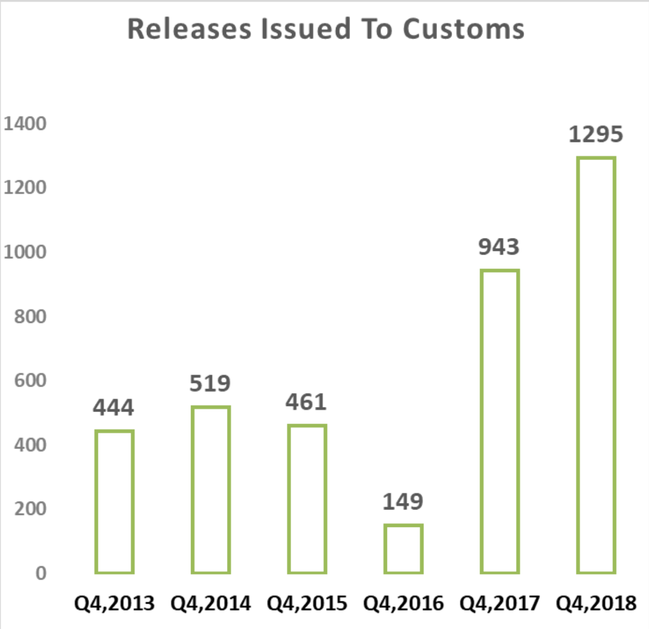
Unsuccessful call Ratio for local and national fixed calls
Achieved / Target - %
1.000
0.800
0.600
0.400
0.200
0.000
1.0
0.8
0.6
0.4
0.2
0.0
0.005
0.001
0.015
0.100
0.062
0.110
0.256
0.100
0.241
0.060
1.0
Q4,2017
Q1,2018
Q2,2018
Q3,2018
Q4,2018
Less than 1 is required
Omantel
Ooredoo
Required KPI

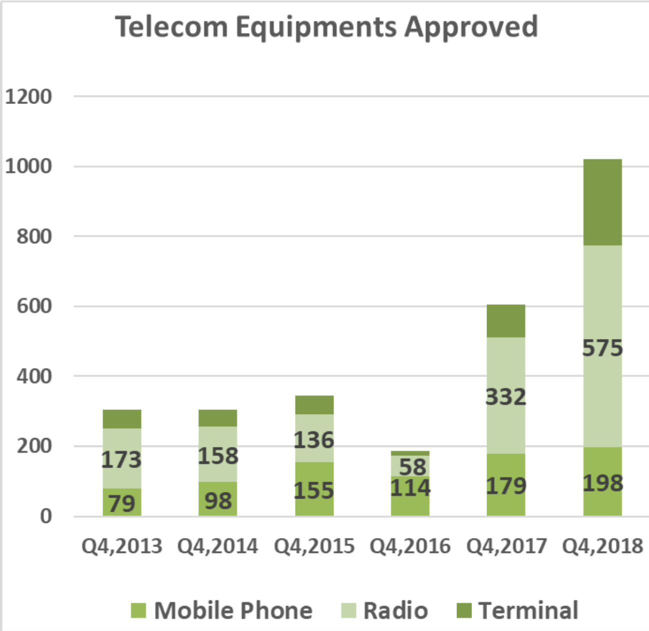
Type Approval

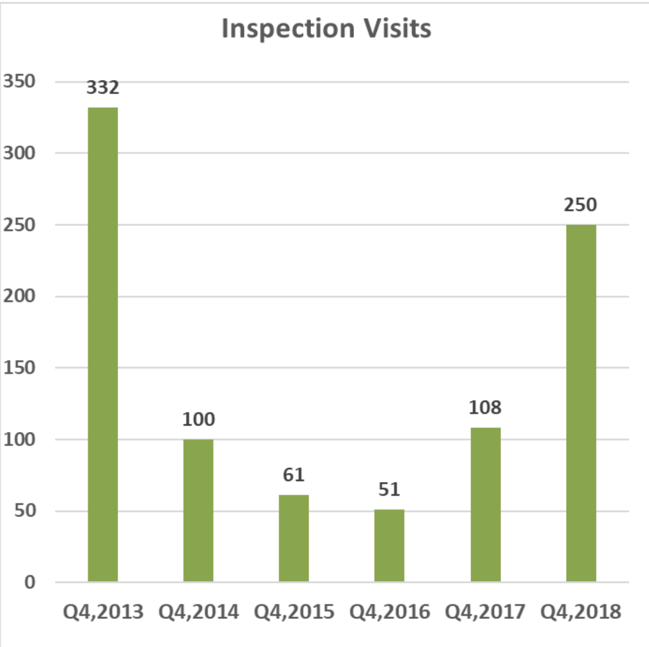
During Q4/2018, TRA:

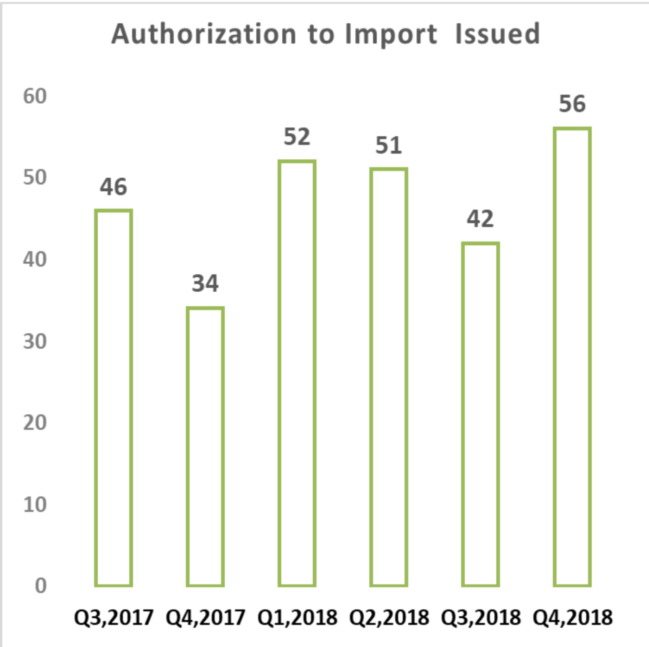
- Approved a total number of 1,022 (Previous Quarter 742) Telecom Equipment.
- Issued 1,295 (Previous Quarter: 850) Releases to Customs for Import of Telecom Equipment.
- Inspected 250 (Previous Quarter: 76) Dealerships.




Releases Issued To Customs
1400
1200
1000
800
600
400
200
0
444
519
461
149
943
1295
Q4,2013
Q4,2014
Q4,2015
Q4,2016
Q4,2017
Q4,2018


Telecom Equipments Approved
1200
1000
800
600
400
200
0
173
79
158
98
136
155
58
114
332
179
575
198
Q4,2013
Q4,2014
Q4,2015
Q4,2016
Q4,2017
Q4,2018
Mobile Phone
Radio
Terminal


Inspection Visits
350
300
250
200
150
100
50
0
332
100
61
51
108
250
Q4,2013
Q4,2014
Q4,2015
Q4,2016
Q4,2017
Q4,2018


Authorization to Import Issued
60
50
40
30
20
10
0
46
34
52
51
42
56
Q3,2017
Q4,2017
Q1,2018
Q2,2018
Q3,2018
Q4,2018

Tariffs & Promotions

Number of new and revised Promotions approved during Q4/2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
National Voice	Mobile							0	0%
	Fixed							0	0%
InternationalVoice		1						1	3%
Data	MBB		1		3	4		8	22%
	FBB					2	2	4	11%
Welcome Pack / New Connections	Mobile	3						3	8%
	Fixed							0	0%
International Mobile Roaming						3		3	8%
Vaue Added Services					2			2	6%
Top-Up and Bundled services		2	1		6	4		13	36%
Leased line/MPLS								0	0%
Miscellanious					1	1		2	6%
Total		6	2	0	12	14	2	36	100%
%		17%	6%	0%	33%	39%	6%	100%	

Number of new and revised Tariffs approved or filed during the Q4/2018

Services		Renna	Friendi	Teo	Omantel	Ooredoo	Awasr	Total	%
Voice	Mobile							0	0%
	Fixed							0	0%
International Voice					1			1	3%
Data	Mobile				1	4		5	17%
	Fixed				1	3		4	14%
Welcome Pack / New Connections	Mobile					1		1	3%
	Fixed							0	0%
International Mobile Roaming			1					1	3%
Vaue Added Services			1		4			5	17%
Top-Up and Bundled services					7	4		11	38%
Leased line/MPLS								0	0%
Miscellanious					1			1	3%
Total		0	2	0	15	12	0	29	100%
%		0%	7%	0%	52%	41%	0%	100%	

No. of Approvals and Filings of Tariff Proposal (Promotions/New Services and Revisions) Q4, 2018

Licensee	No of Promotions		Total	New and Revisions		Total
	Approved	Filed		Approved	Filed	
Renna		6	6			**0**
Friendi		2	2		2	**2**
Teo			0			**0**
Omantel	12		12	14	1	**15**
Ooredoo	14		14	12		**12**
Awasr		2	2			**0**
Total	26	10	**36**	26	3	**29**
%	**72%**	**28%**	**100%**	**90%**	**10%**	**100%**

Segment-wise Tariff Proposals (Promotions/New Services and Revisions) Q4, 2018

	Residential	Corporate	Residential & Corporate	Total
No. of Promotions	30	1	5	**36**
%	83%	3%	14%	**100%**
No. of new services and revisions	26	3		**29**
%	**90%**	**10%**	**0%**	**100%**

	Prepaid	Postpaid	Pre & Postpaid	Total
No. of Promotions	19	9	8	**36**
%	53%	22%	22%	**97%**
No. of new services and revisions	17	8	4	**29**
%	**59%**	**28%**	**14%**	**100%**

Summary of the tariff activity in Q4/2018:

1- Number of Promotional offers made during this Quarter are 3% higher than those of the same quarter last year.
2- Most Promotions approved and filed were for Top-Up & Bundled Service (36%), Mobile Broadband (22%) and Home Broadband (11%).
3- Most of the new tariffs and revisions approved and filed were for Mobile (38%), Broadband (17%) Value Added Services (17%).
4- Out of total, 28% of promotions were introduced by Mobile Resellers and Awasr.
5- Percentage of promotions filed accounted for 28 % of the total promotions.

Prominent aspects of Promotions:

1- Ooredoo launched Super Fibre Double Speed Promotion: it was proposed to upgrade new customers on contracts to higher speeds (next plan).
2- Omantel launched Weekend Data Offer: offering new and existing Baqati plans 2-times and 4-times more data volume for customers signing 12 & 24 months contracts respectively.
3- Awasr introduced the Plus 100 Mbps for free promotion: offering new residential customers an additional 100 Mbps on the speed subscribed at no extra cost for a period of 4 months.
4- All licensees including Resellers and Awasr launched promotions on the occasion of the National Day.

Important Tariffs, services and revisions Launched during this quarter:

1- Ooredoo made the following launches and enhancements to their products:
   - Ooredoo revamped Shahry data Add-ons with further lower effective prices.
   - Ooredoo's Fixed Wireless LTE (Fast Home Broadband) enhanced with 50% additional data .
   - There were reduction in the prices of Fixed-Fibre Plans (Super Fibre Contract Plans).
   - PAYG rate of data for Shababiah reduced from 50 Bz/Mb to 10 Bz/Mb.
   - Ooredoo made an enhancement of the data allowance given on More Internet recharges of OMR 2, 5 and 10.

- Ooredoo launched Shahry Weekend offer as a permanent plan, offering additional allowance of data and voice minutes during the weekend besides the basic voice and allowance.
- Ooredoo launched “Deal of the day” Offer: giving subscribers up to 100% more data, minutes and credit as well as discounts of 50% and 100% on Sawalif and Stream-on subscriptions respectively.
- In Flight Passport: Offering travelers in flight Unlimited data roaming to be used in airplanes at OMR 5.5

2- Omantel also revamped some of their products as below:
   - Omantel’s new Wireless Fixed Broadband service offering further discounted effective prices.
   - Advance Air Time Credit: it is a service that extend the airtime credit advance to the prepaid subscribers when in need up to OMR 10 at 10% service fee.