سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Telecom Market Indicators

Report: Q1, 2012

(January 2012 – March 2012)

Market Research & Planning

Economic Affairs Unit

Table of Contents

Introduction

This is the 1st Quarter 2012 report, which provides a brief update on the major telecom services in the Sultanate of Oman. The report briefly covers the performance of fixed, mobile and internet services.

This report has been compiled based on the data received from:

- Telecom operators (Omantel, Oman Mobile & Nawras)
- Mobile resellers (Friendi Mobile, Renna, Injaz & Samatel)

This quarterly report is also published on the TRA website (www.tra.gov.om).

Disclaimer

The TRA tries its best to ensure accuracy of the information provided in this report. However, TRA shall not be liable for any loss, damage, cost or expense whether direct, indirect, or consequential, incurred by, or arising by reasons of, any person using or relying on this information and whether caused by reason of any inaccuracy, error, omission or misinterpretation or otherwise. The users of this information are advised to perform their own due-diligence to access to assess accuracy of the information and use at their own responsibility.

Executive Summary

Market Observations

- The Sultanate of Oman witnessed growth in the Telecom Sector during Q1, as on March 2012 compared to Q4, as on December 2011 status.
- By the end of Q1 2012, The Fixed subscribers increased by 2.5%, (from 287,323 to 294,440) , Mobile Subscribers also increased by 2.44% (from 4,809,248 to 4,926,405)and Fixed Internet subscribers also increased by 9.39% (from 89,063 to 97,426)
- Penetration Rates /100 Inhabitant also increased during Q1, 2012 to 10.62% for Fixed, 177.63% for Mobile and 24.22% for Internet services per 100 Households. Further, ACTIVE Mobile Broadband Penetration rate increased from 38.8% to 44.2%.
- By the end of Q1, 2012, Blackberry Subscribers represented 3.3% of the total Mobile Subscribers base as against 2.9%, an increase of 13.79% over the previous quarter.
- The number of Fixed broadband subscribers increased by 12.72% (from 78,217 subscribers in Q4 to 88,164 in Q1, 2012).
- International Internet bandwidth capacity increased by 11% from 22,543Mbps to 25,023 Mbps, over the previous quarter.
- International calls: Total International Outgoing Voice Traffic decreased marginally by 0.02% in the Q1 (from 133.324 Million minutes to 133.297 Million Minutes). Also, Total International Incoming traffic decreased by 5.53% (from 126.116 Million minutes to 119.147 Million minutes) compared to previous quarter.

Tariff Plans & Promotions

- A total of 24 (Previous quarter: 14) Promotional offers were approved (Omantel=2, OmanMobile =5, Nawras =11, Renna =2 & Friendi =4).
- Tariffs for 12 (Previous quarter: 10) New Services were approved (Omantel=1, OmanMobile=2, Nawras=6, Renna=2 & Friendi =1).
- Another 11 (Previous quarter: 10) Tariff Revisions were approved during the quarter (Omantel/OmanMobile=1, Omantel=2, OmanMobile =2, Nawras =5 & Friendi =1)

Type Approval

- During the 1st quarter 2012, TRA approved a total number of 282 Telecom Equipments, Renewed 88 registrations of Telecom Dealers and registered 127 new dealers, Issued 282 Releases to Customs for Imported Telecom equipments and 136 inspected Violations.

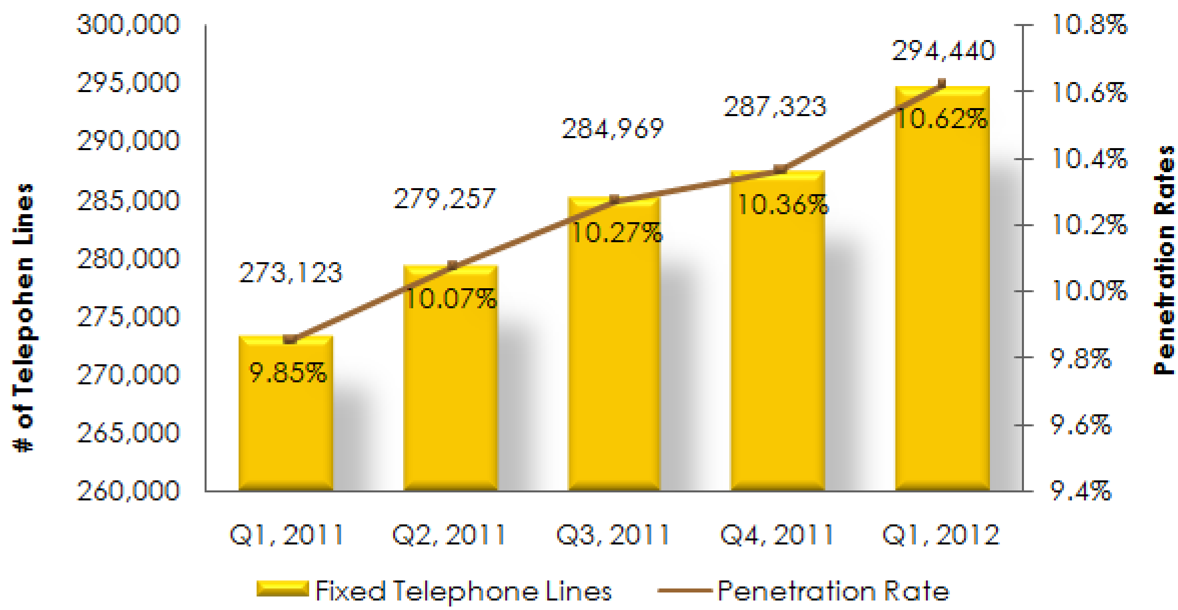
Fixed & Mobile Sector

Type of Service	As of Mar 2012	As of Dec 2011	% Change
1. Main Fixed Telephone Lines:			
1.1 Post Paid	219,200	215,193	1.86%
1.2 Pre-Paid	25,764	26,345	-2.21%
1.3 Public Telephone – Payphone	6,801	6,801	0.00%
1.4 ISDN Equivalent Channels	40,812	37,082	10.06%
1.5 WLL Connections	1,863	1,902	-2.05%
Total Fixed Telephone Lines in Operation (1.1-1.5)	**294,440**	**287,323**	**2.50%**
Fixed Line Penetration /100 Inhabitant	**10.62%**	**10.36%**	**2.50%**
2. Mobile Subscribers:			
2.1 Post Paid			
2.1.1 Operators	438,581	432,093	1.50%
2.1.2 Resellers	-	-	-
Total Postpaid Subscribers	**438,581**	**432,093**	**1.50%**
2.2 Pre Paid			
2.2.1 Operators	3,882,727	3,778,449	2.76%
2.2.2 Resellers	605,097	598,706	1.07%
Total Prepaid Subscribers	**4,487,824**	**4,377,155**	**2.53%**
Total Mobile Subscribers: (2.1+2.2)	**4,926,405**	**4,809,248**	**2.44%**
Mobile Penetration /100 Inhabitant	**177.63%**	**173.38%**	**2.44%**
3. BlackBerry Subscribers:			
3.1 Post Paid	17,237	17,244	-0.04%
3.2 Pre-Paid	145,166	122,709	18.30%
Total BlackBerry Subscribers (3.1+3.2)	**162,403**	**139,953**	**16.04%**
% To Total Mobile Subscribers Base in Oman	**3.3%**	**2.9%**	**13.79%**

NOTE: Penetration rates are based on the latest published figures by MoNE Census 2010 (Final Population: 2,773,479 & Estimated Household: 402,286).

Fixed Telephone Service

Total Fixed Telephone Lines

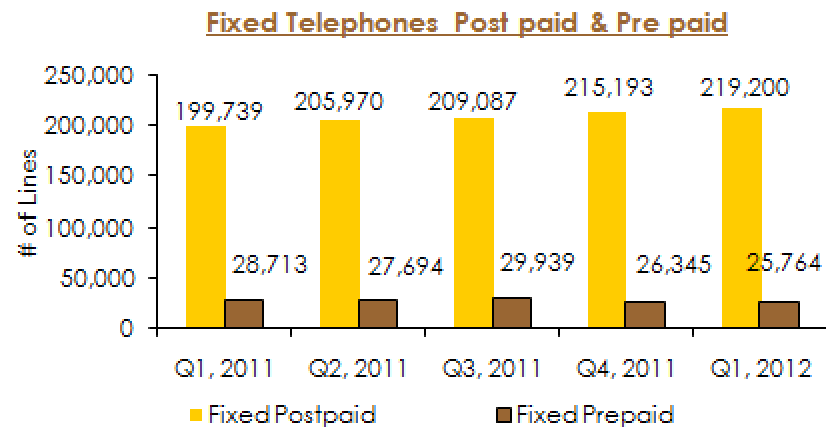


- Q1, 2012 ended with 294,440 fixed lines compared to 287,323 lines, an increase of 7,117 (2.50%) compared to previous quarter.
- Fixed line penetration rate was 10.62% as of Q1, 2012 with 2.50% increased over Q4, 2011.

Fixed Line: Post paid & Prepaid

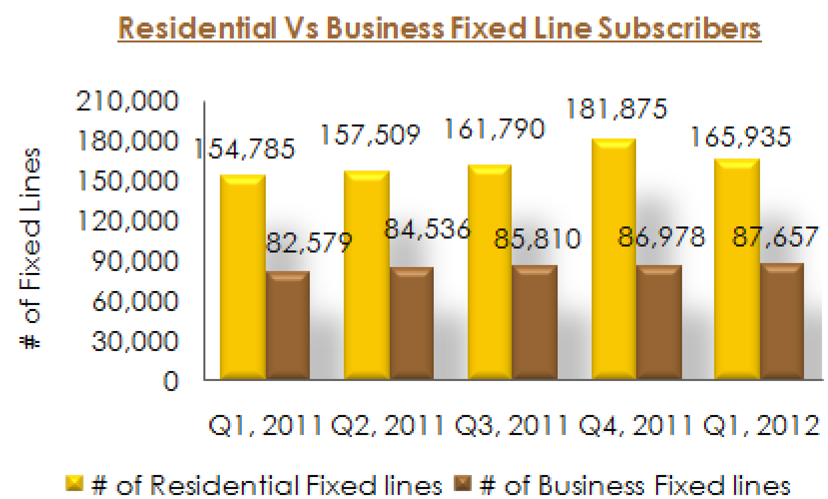
- The fixed post paid lines increased by 1.86% from the 4th quarter 2011, resulting in total of 219,200 post paid lines.

- Quarter 1, 2012 ended with 25,764 prepaid connections. This number decreased by 581 over the previous 3 months period.



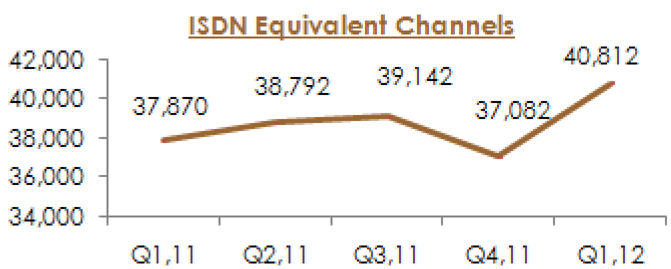
Residential Vs Business/Government Fixed Lines

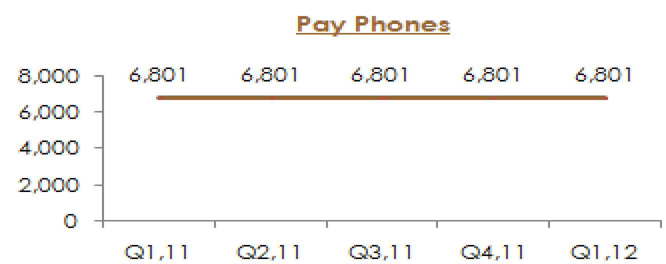
- Total residential fixed lines decreased to 165,935 from 181,875 recorded during previous quarter, a decrease of 8.76% during the current quarter.
- Total business, however showed an increase of 0.78% from 86,978 to 87,657 recorded during last quarter.
- Out of the total fixed lines, the Residential were 65.43% and Business constituted 34.57%.



Payphones / ISDN Equivalent Channels

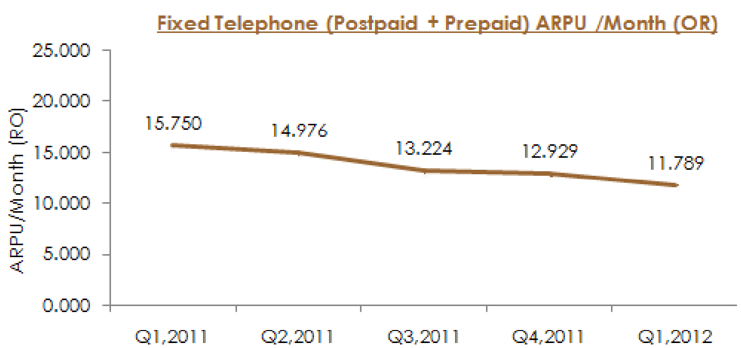
- The ISDN Equivalent Channels showed an increase of 10.06% from the Q4, 2012 resulting in total of 40,812 Subscribers.
- Public Payphones remained static for the last seven quarters with the total of 6,801 pay phones in service.
- There were a total of 1,863 WLL Connections up to 31-Mar-2012.

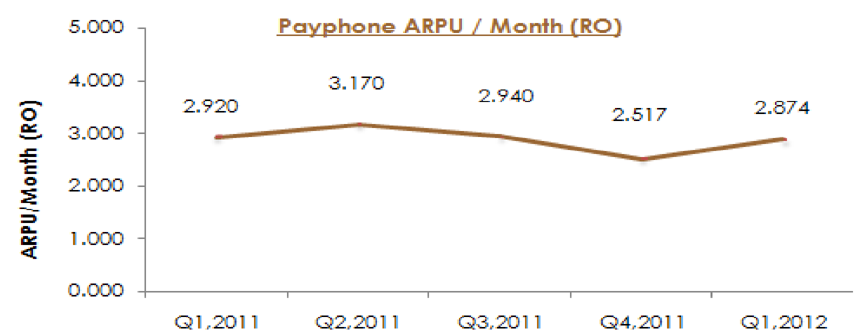




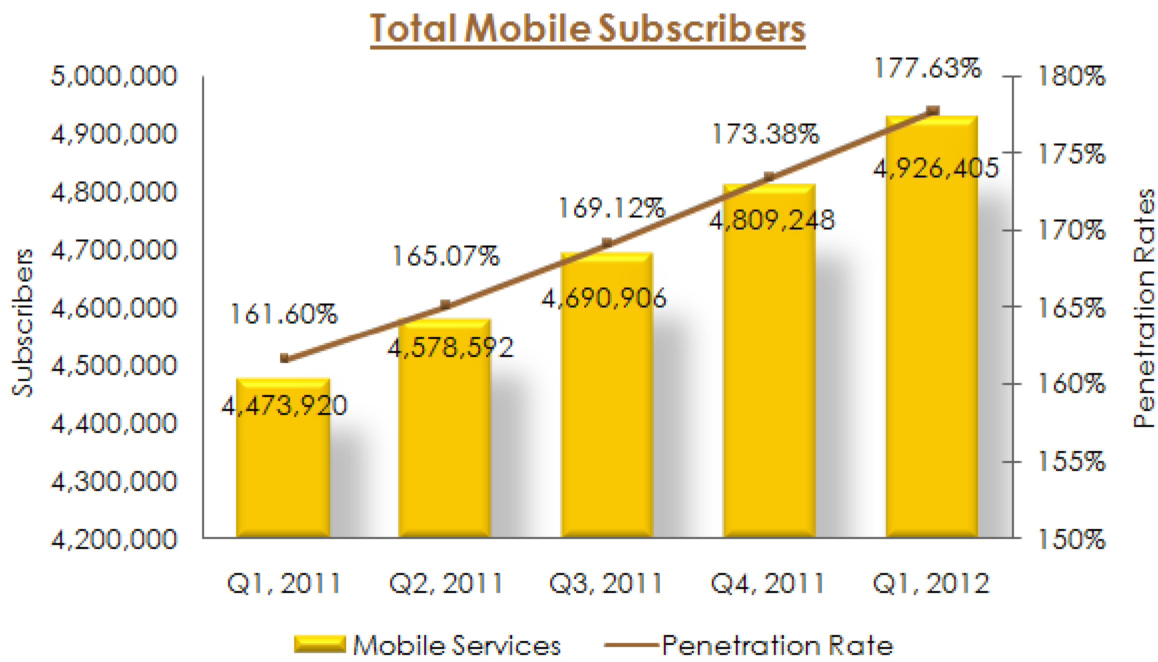
Fixed Line and Payphone ARPU's/month (OR)

Fixed Telephone (Postpaid + Prepaid) and Payphone ARPU per month are as follows:





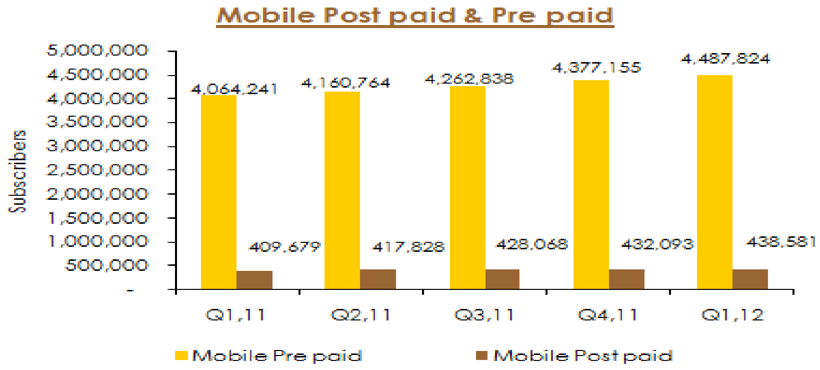
Mobile Cellular Services



- By end of Q1, 2012, total mobile subscribers stood at 4,926,405 with an increase of 117,157 subscribers during this quarter.
- The penetration rate of mobile subscribers during the quarter was 177.63% as against 173.38%, recording an increase of 2.44% from the previous quarter.

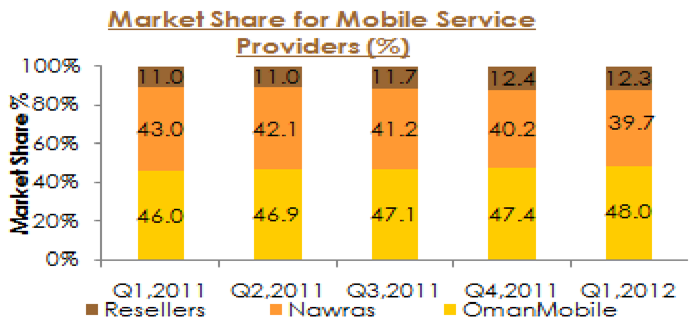
Mobile Post paid & Prepaid Subscribers

	Mobile Pre paid	Mobile Post paid
Q1,2011	4,064,241	409,679
Q2,2011	4,160,764	417,828
Q3,2011	4,262,838	428,068
Q4,2011	4,377,155	432,093
Q1,2012	4,487,824	438,581



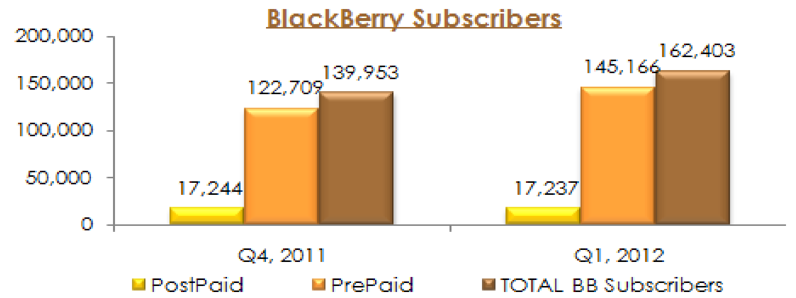
- Postpaid mobile subscribers stood at 438,581 at the end of 1st Quarter 2012 showing an increase of 1.5% compared to previous quarter.
- Prepaid mobile subscribers were 4,487,824 also showing an increase of 2.53% compared to Q4, 2011.

Mobile Market Share



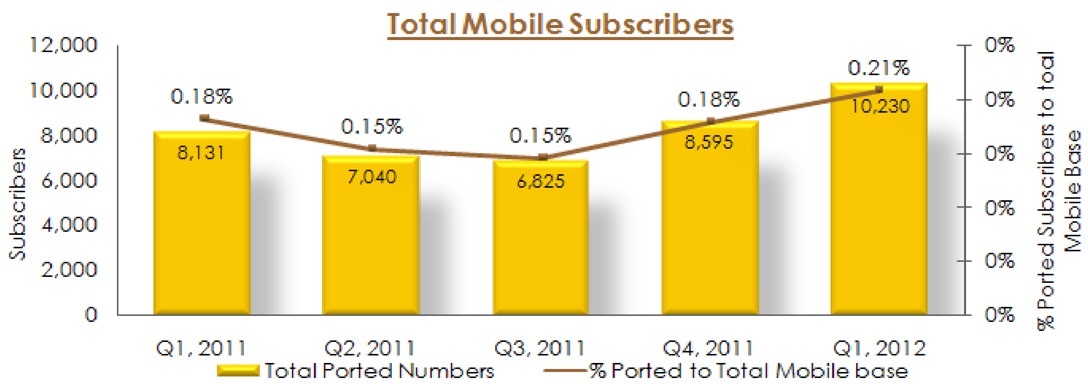
- As of end of March 2012, Oman Mobile possessed a market share of 48.0% while Nawras owned 39.7%. Resellers achieved 12.3% market share during the reported quarter.

BlackBerry Subscribers



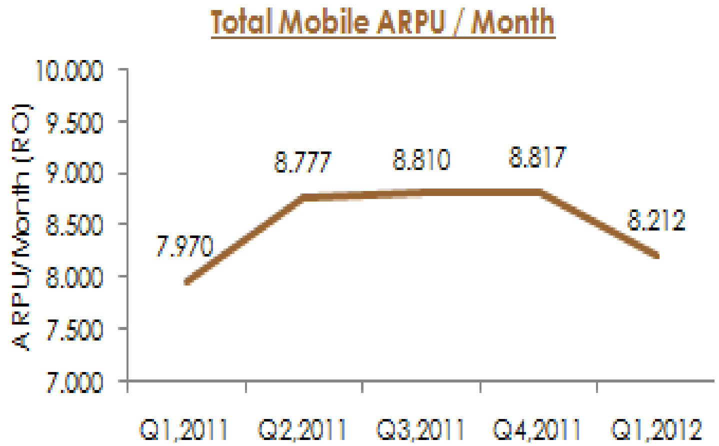
- Blackberry Subscribers at the end of Q1, 2012 represented 3.3% of the total Mobile Subscribers base.
- This has registered an increase of 13.79% over the previous quarter when it was 2.9% of the total mobile subscriber base in Oman,

Mobile Number Portability



- Total Ported numbers during Q1, 2012 were 10,230 and during Q4, 2011 it was 8,595, an increase by 19% over the previous quarter. During the Quarter, Ported Numbers represents 0.21% of the total Mobile Subscribers Base compared to 0.18% during the previous quarter.

Mobile ARPU's/Month (OR)



- Mobile subscribers contribute monthly revenue of RO 8.212 per subscriber during the quarter.

Internet Services

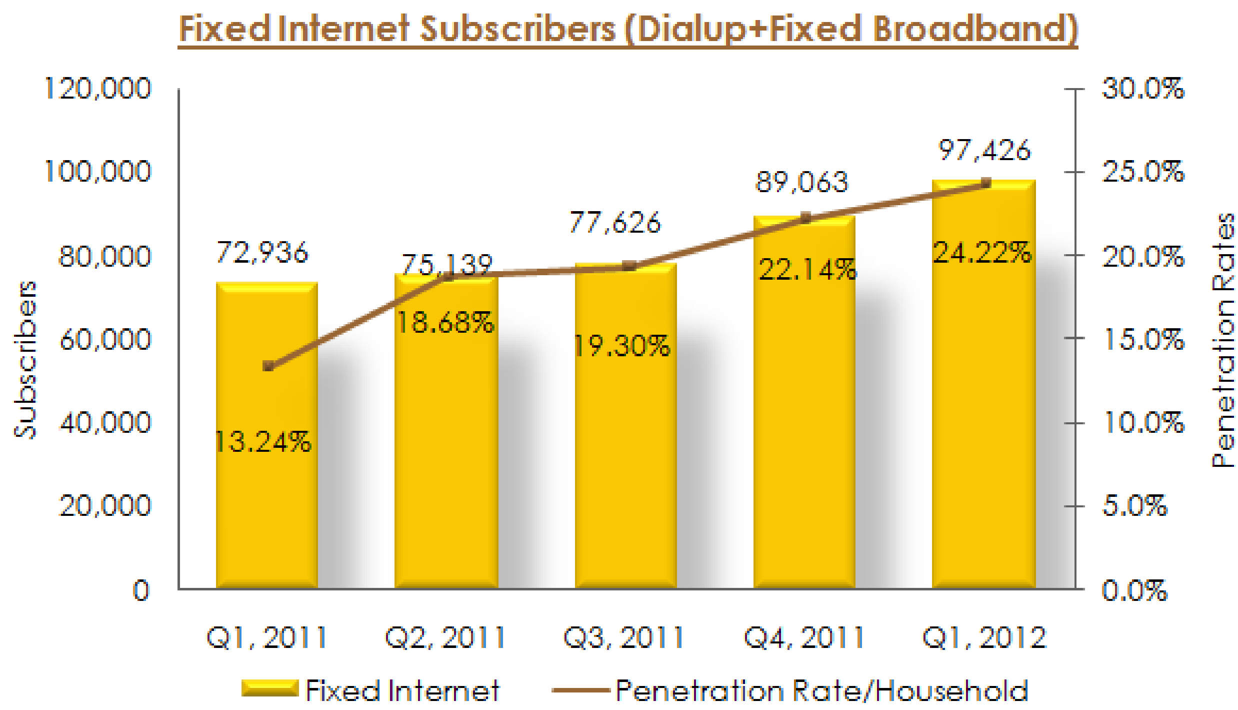
Type of Service	As of Mar 2012	As of Dec 2011	% Change
Internet Subscribers:			
1. Dial Up Subscribers			
1.1 Post Paid	7,321	8,226	-11.00%
1.2 Pre Paid**	1,941	2,620	-25.92%
Total Dial-Up Subscribers: (1.1+1.2)	**9,262**	**10,846**	**-14.60%**
2. Fixed Broadband Subscribers			
2.1 Total Fixed Broadband Subscribers	88,164	78,217	12.72%
Total Fixed Broadband Subscribers Penetration/100 Household	**21.92%**	**19.44%**	**12.72%**
Total Fixed Internet Subscribers (1.1+1.2+2.1)	**97,426**	**89,063**	**9.39%**
Total Internet Penetration /100 Household	**24.22%**	**22.14%**	**9.39%**
3. Active Mobile Broadband Subscribers			
3.1 Standard mobile-broadband Subscribers	553,599	520,793	6.30%
3.2 Dedicated mobile-broadband Subscribers	672,843	555,461	21.13%
Total Active Mobile Broadband Subscribers (3.1+3.2)	**1,226,442**	**1,076,254**	**13.95%**
Active Mobile Penetration Rate /100 Inhabitant	**44.2%**	**38.8%**	**13.95%**

NOTE: ** Internet prepaid subscribers are calculated on the basis of average dial up usage.
*** Equals to the number of mobile subscribers having 3G supported handsets (Potential access).

Penetration rates are based on the latest published figures by MoNE Census 2010 (Final Population: 2,773,479 & Estimated Household: 402,286).

TRA started collecting data for "**Active mobile-broadband**" effective from December 2011 only as per ITU definition,

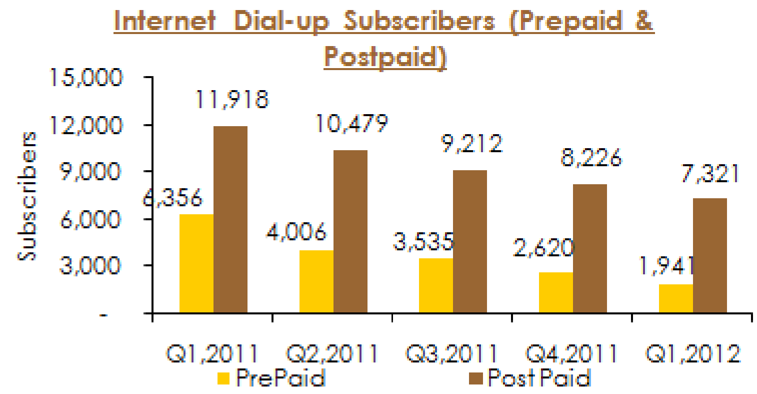
Fixed Internet Subscribers (Including Dial-Up + Fixed Broadband)



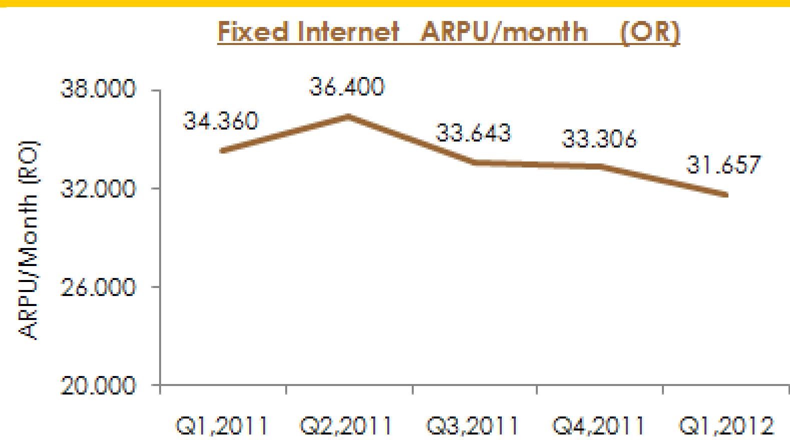
- Q1, 2012 had total fixed Internet subscribers of 97,426 with 9.39% increase against the previous quarter.
- Fixed internet subscribers' penetration rate per 100 Household increased to 24.22% from 22.14% of Q4, 2011.

Internet Dial up (Post paid & Prepaid Subscribers)

➢ The 1st quarter 2012 also showed a further decline in the number of Internet Dial-up (Postpaid & Prepaid) subscribers by 14.6% from the previous quarter. This is fourth in sequence showing declining trend.



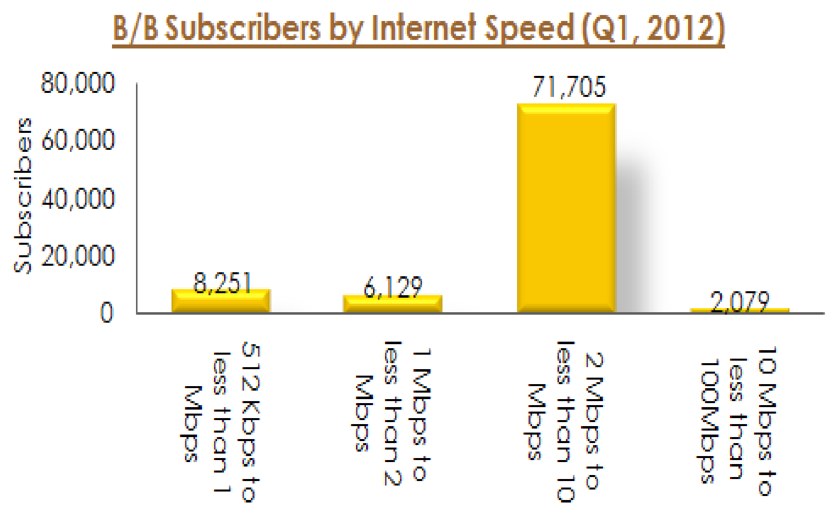
Fixed Internet ARPU's/month (OR)

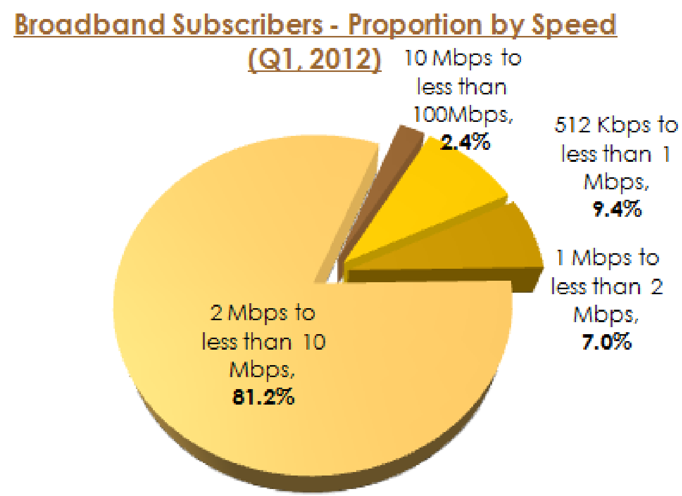


➢ Fixed internet ARPU decreased during Q1, 2012 to 31.657 from 33.306 of Q4, 2011, a decrease of 4.95% over previous quarter.

Fixed Broadband Services

Fixed Broadband Subscribers by Speed	As of Mar 2012	As of Dec 2011	% Change
1. 512 Kbps to less than 1 Mbps	8,251	8,984	-8.2%
2. 1 Mbps to less than 2 Mbps	6,129	3,981	54.0%
3. 2 Mbps to less than 10 Mbps	71,705	63,501	12.9%
4. 10 Mbps to less than 100Mbps	2,079	1,751	81.3%
5. 100 Mbps to less than 1 Gbps	-	-	-
6. Above 1 Gbps	-	-	-
Total Fixed Broadband Subscribers (1 to 5)	**88,164**	**78,217**	**12.72%**

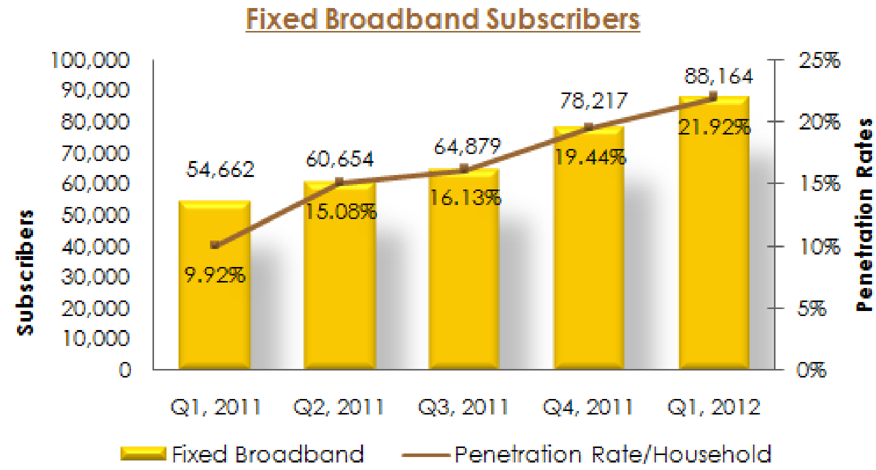




- 9.4% of Broadband subscribers during Q1, 2012 had access speed of 512Kbps to less than 1 Mbps.
- 7.0% of Broadband subscribers during Q1, 2012 had access speed of 1Mbps to less than 2 Mbps.
- 81.2% of Broadband subscribers during Q1, 2012 had access speed of 2 Mbps to less than 10 Mbps
- 2.4% of the broadband subscribers have access to 10 Mbps and above

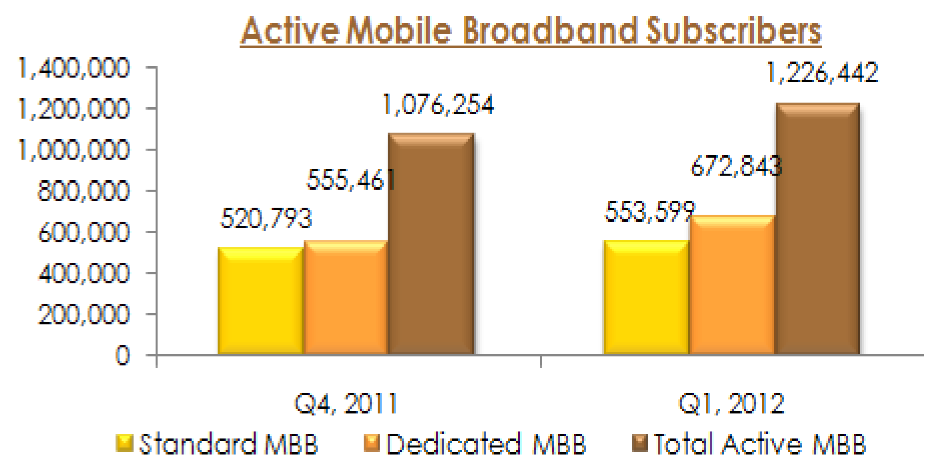
Fixed Broadband Subscribers

- Fixed Broadband subscription increased by 9,947 to 88,164. Penetration rate per Household also increased to 21.92% from 19.44% of Q4, 2011.



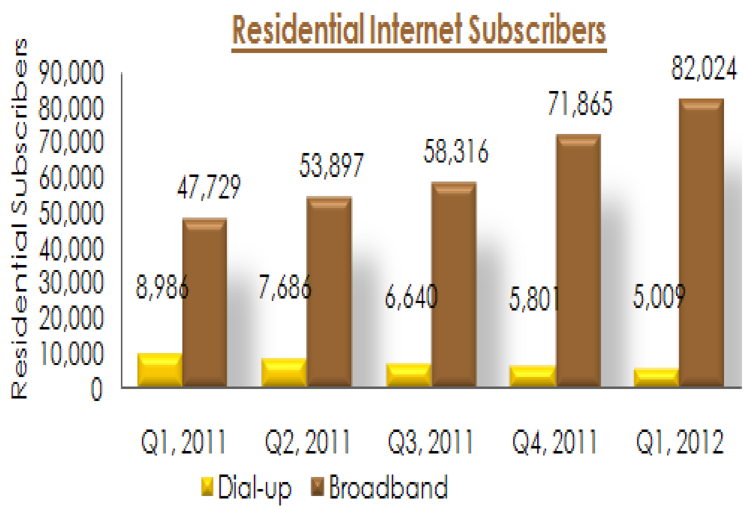
ACTIVE Mobile Broadband Subscribers

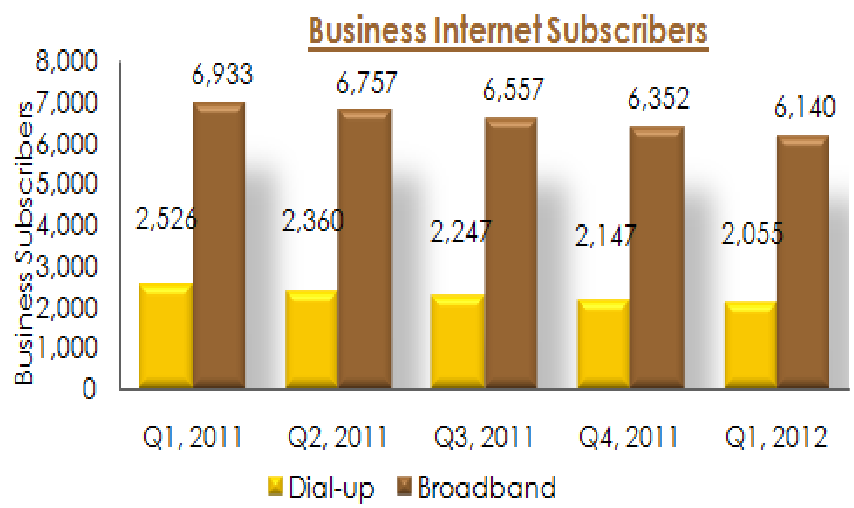
- At the end of Q1, 2012 the Total Active Mobile Broadband subscribers as per ITU definition increased to 1,226,442 from 1,076,254 of Q4, 2011 and the penetration rate was 44.2% compared to 38.8% of previous quarter.



Residential Vs Business Internet Subscribers

Type of Service		As of Mar 2012	As of Dec 2011	% Change
Resident & Business Internet Subscribers				
1. Dial Up Lines	1.1 Residential	5,009	5,801	-13.65%
	1.2 Business / Government	2,055	2,147	-4.29%
	Total Dial up Internet Subscribers (1.1-1.2)	**7,064**	**7,948**	**-11.12%**
2. Broadband Lines	2.1 Residential	82,024	71,865	14.14%
	2.2 Business / Government	6,140	6,352	-3.34%
	Total Broadband Internet Subscribers (2.1-2.2)	**88,164**	**78,217**	**12.72%**
	GRAND TOTAL (1 + 2)	**95,228**	**86,165**	**10.52%**



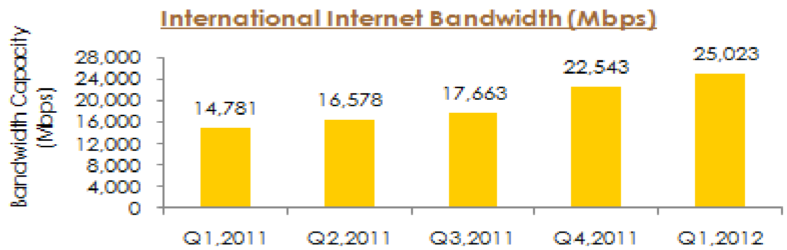


International Internet Bandwidth (Mbps) - Capacity

Type of Service	As of Mar 2012	As of Dec 2011	% Change
International Internet Bandwidth (Mbps)			
1. International Internet Bandwidth (Mbps) - Capacity	25,023	22,543	11.0%
2. International Internet Bandwidth (Mbps) - % Utilized (Outgoing)	10.9%	8.7%	25.2%
3. International Internet Bandwidth (Mbps) - % Utilized (Incoming)	62.4%	54.4%	14.7%

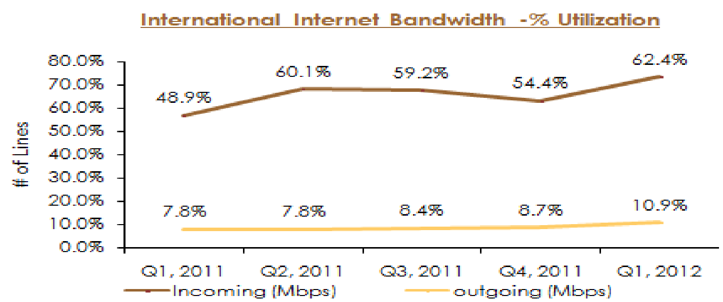
International Internet Bandwidth (Mbps)

- Q1, 2012 recorded 25,023 Mbps as total of international internet bandwidth capacity in the market. An increase of 11% over the previous quarter.



International Internet Bandwidth - % utilization

- Out of 25,023 Mbps capacity, on an average 10.9% has been utilized for the outgoing and 62.4% for the incoming.



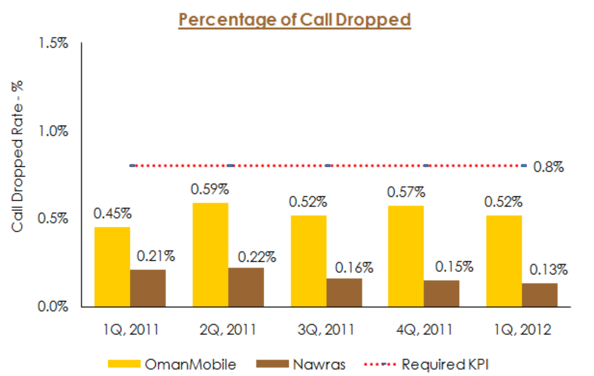
Quality of Service

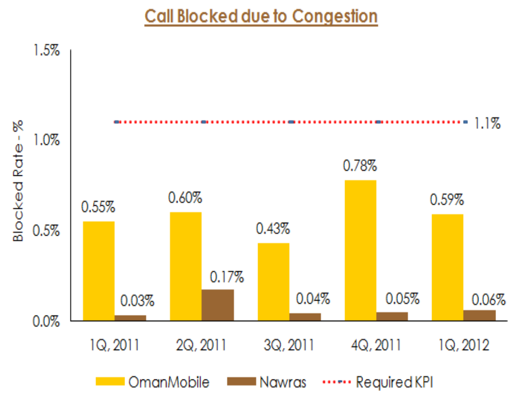
Mobile Services KPIs	Required KPI (Bi-Annual)	As of Mar 2012		As of Dec 2011	
		Oman Mobile	Nawras	Oman Mobile	Nawras
1. Percentage of Calls Dropped	Less than 0.8%	0.52%	0.13%	0.57%	0.15%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.59%	0.06%	0.78%	0.05%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%

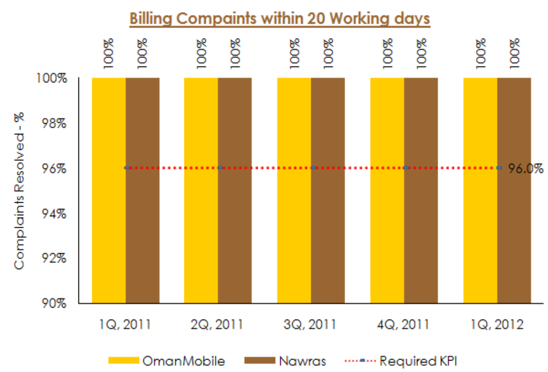
Fixed Services KPIs	Required KPI (Bi-Annual)	As of Mar 2012		As of Dec 2011	
		Omantel	Nawras	Omantel	Nawras
1. Faults per 100 lines	Less than 12	1.84	NA	2.48	NA
2. % of faults to be cleared within 24 hours	More than 90%	94.27%	100%	95.48	100%
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	NA*	0.07%	0.03%	0.05%
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	97.98%	95%	NA	94%
5. Percentage of payphones in working order	More than 96%	99.77%	NA	99.83%	N/A
6. Billing complaints per 1000 Bills	Less than 1.5	1.2	0.30	0.26	0.30
7. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%

Note: * Due to system error the KPI could not be produced for this quarter.

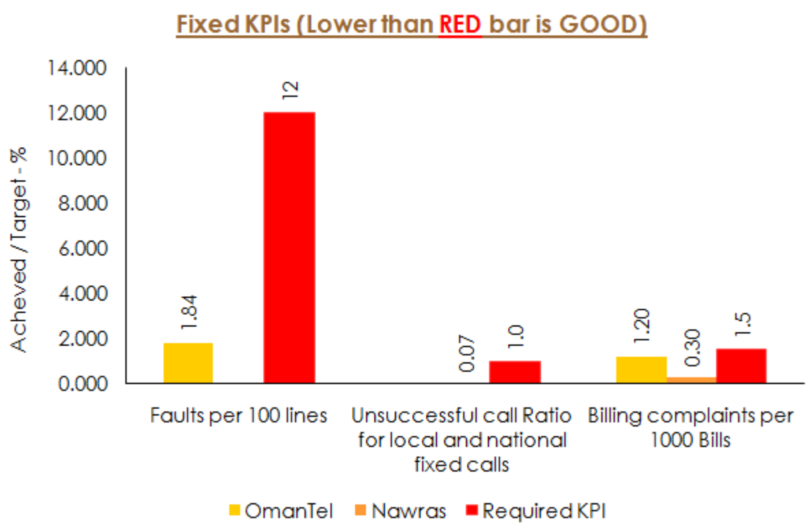
Mobile Services KPIs

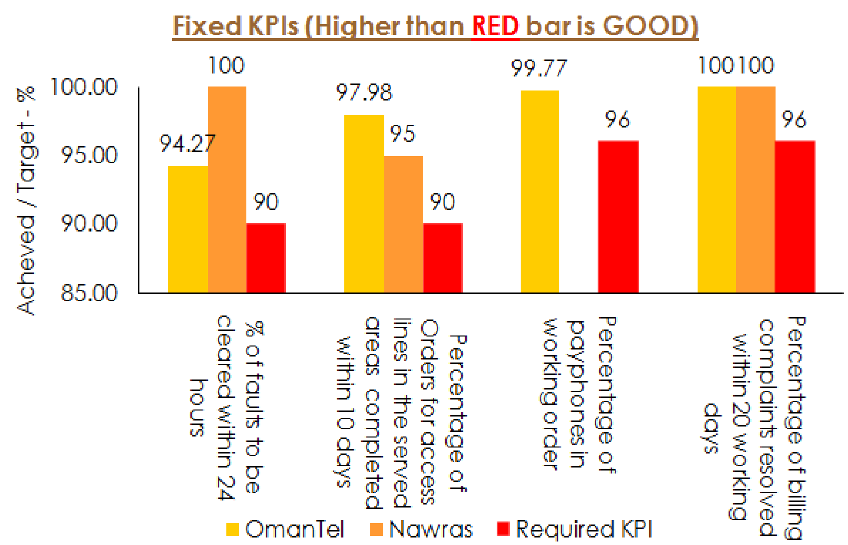






Fixed Services KPIs



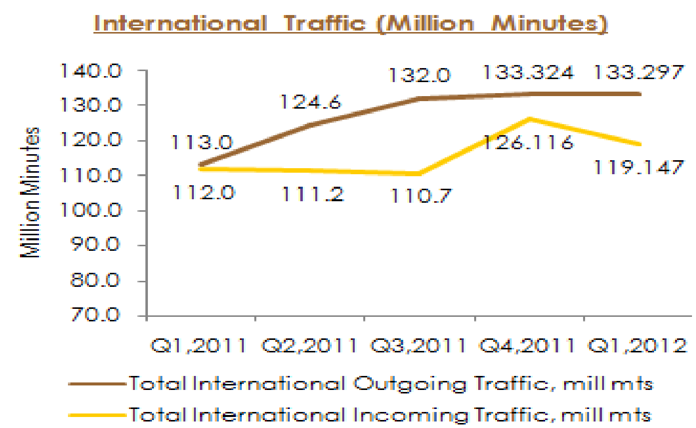


Traffic

Type of Service	As of Mar 2012	As of Dec 2011	% Change
Traffic:			
1. International Outgoing Telephone (minutes) -In Millions	133.297	133.324	-0.02%
2. International Incoming Telephone (minutes) -In Millions	119.147	126.116	-5.53%
3. Outgoing Mobile Traffic (Minutes) –In Millions	1,850	1,823	1.48%
4. Total Mobile SMS Sent - In Millions	1,044	1,448	-27.9%
5. Total Mobile MMS Sent - In Millions	5.45	7.77	-29.85%

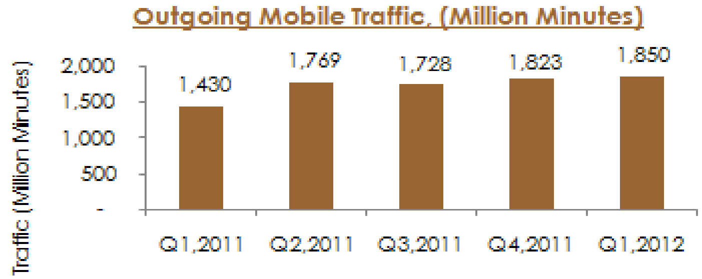
International Traffic for Voice (Million Minutes): Outgoing & Incoming

- During the quarter, outgoing International Traffic experienced a marginal decrease of 0.02%. The Incoming international traffic also experienced a decrease of 5.53% over the previous quarters.



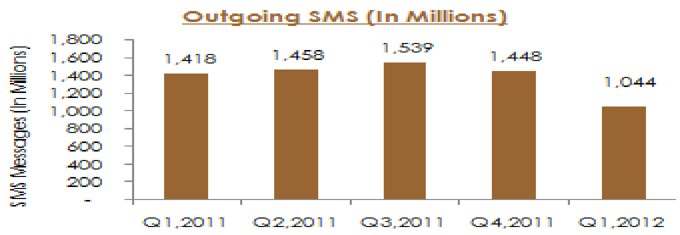
Outgoing Mobile Traffic (Minutes)

- The total originated mobile traffic increased to 1,850 million during the quarter from 1,823 million minutes achieved during the previous quarter. This has shown a decrease of 1.48% compared to the previous quarter.



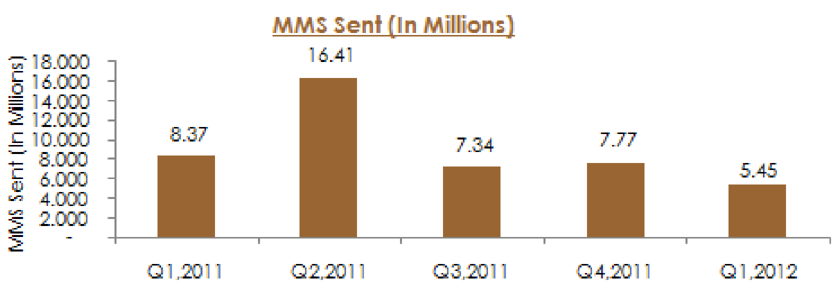
SMS (Sent) – In Millions

- During the quarter, the total volume of Sent SMS messages decreased to 1,044 million from 1,448 million SMS which is 27.9% lower compared to Q4, 2011.



Mobile MMS (Sent) – On Millions

- MMS traffic was high during Q2, 2011 due to MMS Promotion offered.
- Q1, 2012 MMS traffic recorded was at 5.45 Million compared to 7.77 Millions, a decrease of 29.85% over previous quarter.



Type Approval

Type Approval

During the 1st Quarter 2012, TRA :

- Approved a total number of 282 (Previous Quarter 201) Telecom Equipments.
- Renewed 88 (Previous Quarter: 66) registrations. of Telecom Dealers .
- Registered 127 (Previous Quarter: 76) new dealers.
- Issued 282 (Previous Quarter: 326) Releases to Customs for Imported Telecom equipments.
- Inspected 136 (Previous month 17) Violations (Breakdown by Type indicated in the graph).