سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on

Telecom Market Indicators

Q2, 2012

(April – June 2012)

Market Research & Planning

Economic Affairs Unit

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Introduction

This is the 2nd Quarter 2012 report, which provides a brief update on the status of major telecom services in the Sultanate of Oman covering fixed, mobile and internet services.

This report has been compiled based on the data received from the telecom operators and Mobile resellers operating in Oman during the period under report.

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

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Executive Summary

Market Observations

- The Sultanate of Oman witnessed moderate growth in the Telecom Sector during Q2 in comparison to Q1.
- By the end of Q2 2012, The Fixed-line subscribers increased slightly by 0.51%, (from 294,440 to 295,946), Mobile Subscribers also increased by 1.24% (from 4,926,405to 4,987,635)and Fixed Internet subscribers increased too by 5.46% (from 97,426 to 102,745),
- Penetration Rates /100 Inhabitant also went up during Q2, 2012 to 10.67% for Fixed, 179.83% for Mobile subscribers. The internet penetration per 100 Households went up to 25.54%.
- The ACTIVE Mobile Broadband Penetration rate increased from 44.2% to 50.97% during the quarter under report.
- By the end of Q2, 2012, Blackberry Subscribers represented 3.33% of the total Mobile Subscribers base as against 3.30% in Q1.
- The number of fixed broadband subscribers increased by 7.86% (from 88,164 subscribers in Q1 to 95,095 in Q2, 2012).
- International Internet bandwidth capacity decreased by 9.91% from 25,023 Mbps to 22,543 Mbps, over the previous quarter.
- International calls: Total International Outgoing Voice Traffic increased by 30.08% in the Q2 (from 133.297 Million minutes to 174.355 Million Minutes). Whereas, Total International Incoming traffic decreased by 12.81% (from 119.147 Million minutes to 103.882 Million minutes) compared to previous quarter.

Tariff Plans & Promotions

- A total of 26 Promotional offers were approved (Omantel=8, Oman Mobile =3, Nawras =8, Renna =2 & Friendi =5).
- Tariffs for 17 New Services were approved (Omantel=4, Oman Mobile=1, Nawras=8, Renna =1 & Friendi =3).
- 6 Tariff Revisions were approved during the quarter (Omantel=1, Oman Mobile=1, Nawras=4).

Type Approval

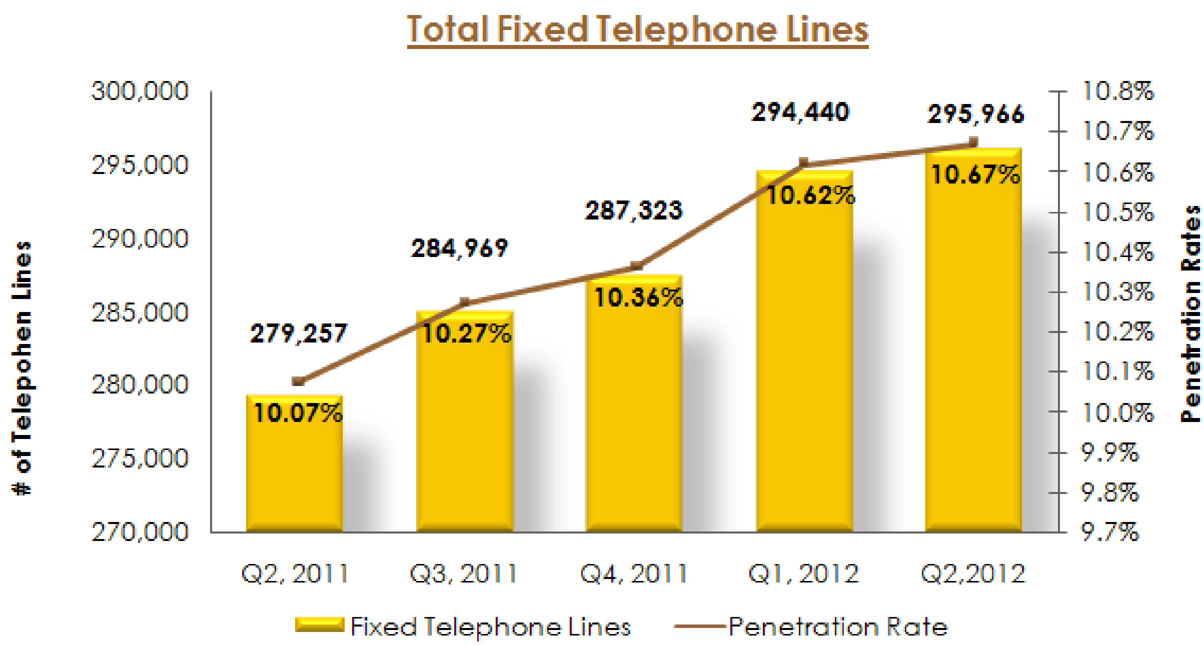
- During the 2nd quarter 2012, TRA approved a total number of 243 Telecom Equipments, Renewed 60 registrations of Telecom Dealers and registered 102 new dealers, Issued 261 Releases to Customs for Imported Telecom equipments.
- 174 inspections were carried out to check violations.

Fixed & Mobile Sector

Type of Service	*As of June 2012*	*As of Mar 2012*	% Change
1. Main Fixed Telephone Lines:			
1.1 Post Paid	*219,903*	*219,200*	**0.32%**
1.2 Pre-Paid	*25,932*	*25,764*	**0.65%**
1.3 Public Telephone – Payphone	*6,801*	*6,801*	**0.00%**
1.4 ISDN Equivalent Channels	*41,456*	*40,812*	**1.58%**
1.5 WLL Connections	*1,854*	*1,863*	**-0.48%**
Total Fixed Telephone Lines in Operation (1.1-1.5)	***295,946***	***294,440***	**0.51%**
Fixed Line Penetration /100 Inhabitant	***10.67%***	***10.62%***	**0.47%**
2. Mobile Subscribers:			
2.1 Post Paid			
2.1.1 Operators	*449,210*	*438,581*	**2.42%**
2.1.2 Resellers	-	-	
Total Postpaid Subscribers	***449,210***	***438,581***	**2.42%**
2.2 Pre Paid			
2.2.1 Operators	*3,980,544*	*3,882,727*	**2.52%**
2.2.2 Resellers	*557,881*	*605,097*	**-7.80%**
Total Prepaid Subscribers	**4,538,425**	**4,487,824**	**1.13%**
Total Mobile Subscribers: (2.1+2.2)	**4,987,635**	**4,926,405**	**1.24%**
Mobile Penetration /100 Inhabitant	**179.83%**	**177.63%**	**1.24%**
3. BlackBerry Subscribers:			
3.1 Post Paid	17,949	17,237	**4.13%**
3.2 Pre-Paid	148,392	145,166	**2.22%**
Total BlackBerry Subscribers (3.1+3.2)	**166,341**	**162,403**	**2.42%**
% To Total Mobile Subscribers Base in Oman	**3.3%**	**3.3%**	**0.00%**

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

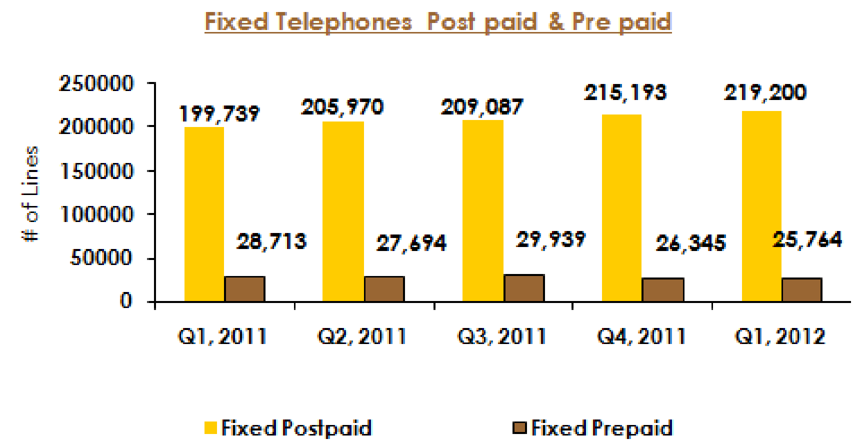
Fixed Telephone Service



- Q2, 2012 ended with 295,966 fixed lines compared to 294,440 lines, an increase of 1,526 (0.51%) compared to previous quarter.
- Fixed line penetration rate was 10.67% as of Q2, 2012 with 0.47% increased over Q1, 2012.

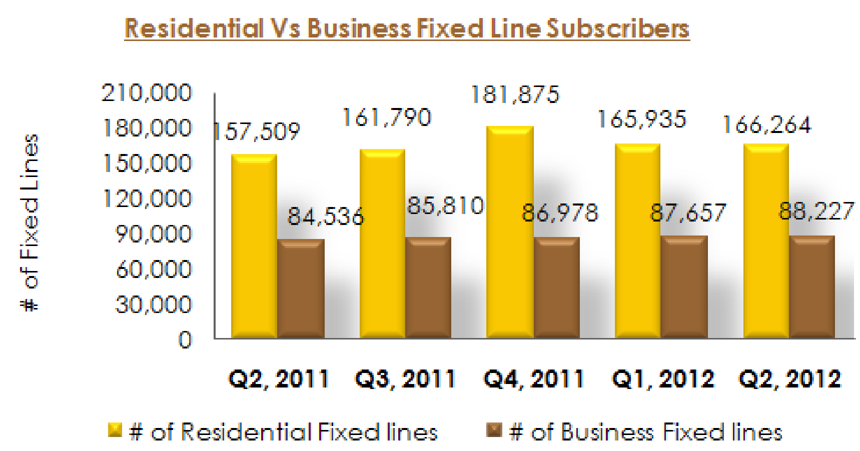
Fixed Line: Post paid & Prepaid

- The fixed post paid lines increased by 0.32% from the 1st quarter 2012, resulting in total of 219,903 post paid lines.
- Quarter 2, 2012 ended with 25,932 prepaid connections. This number increased by 0.65% over the previous quarter.



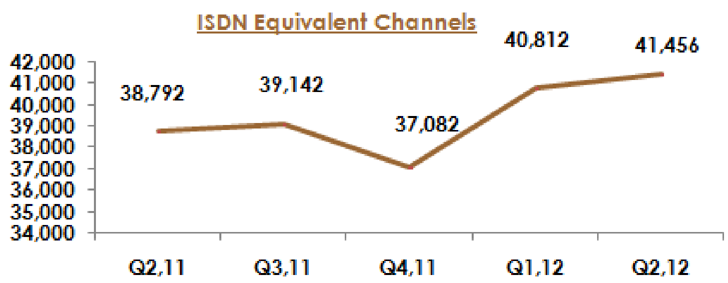
Residential Vs Business/Government Fixed Lines

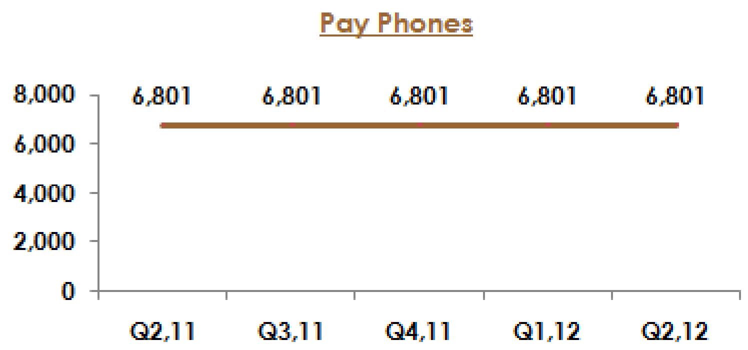
- Total residential fixed lines increased to 166,264 from 165,935 during previous quarter recording an increase of 0.20% during the 2nd quarter 2012.
- Total business lines also showed an increase of 0.65% from 87,657 to 88,227 recorded during Q2.
- The split between Fixed Residential and Business lines stands at 65.33% and 34.67% respectively.



Payphones / ISDN Equivalent Channels

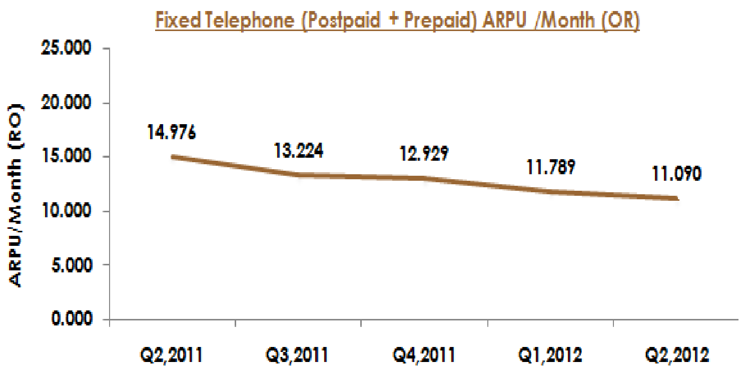
- The ISDN Equivalent Channels showed an increase of 1.58% from the Q1, 2012 resulting in total of 41,456 Subscribers.
- Public Payphones remained static for the last seven quarters with the total of 6,801 pay phones in service.
- There were a total of 1,854 WLL Connections up to June-2012 down by) 0.48% during the Quarter.

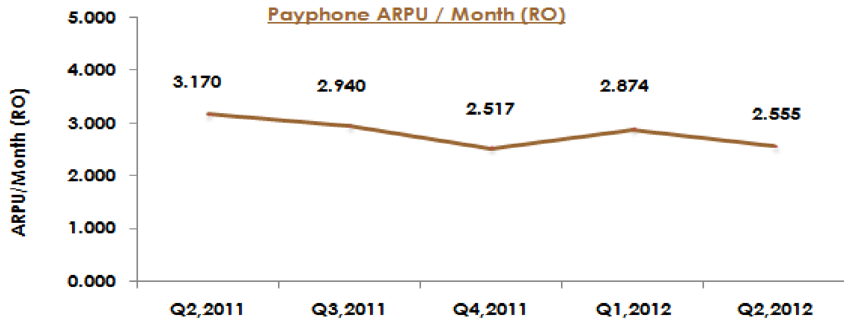




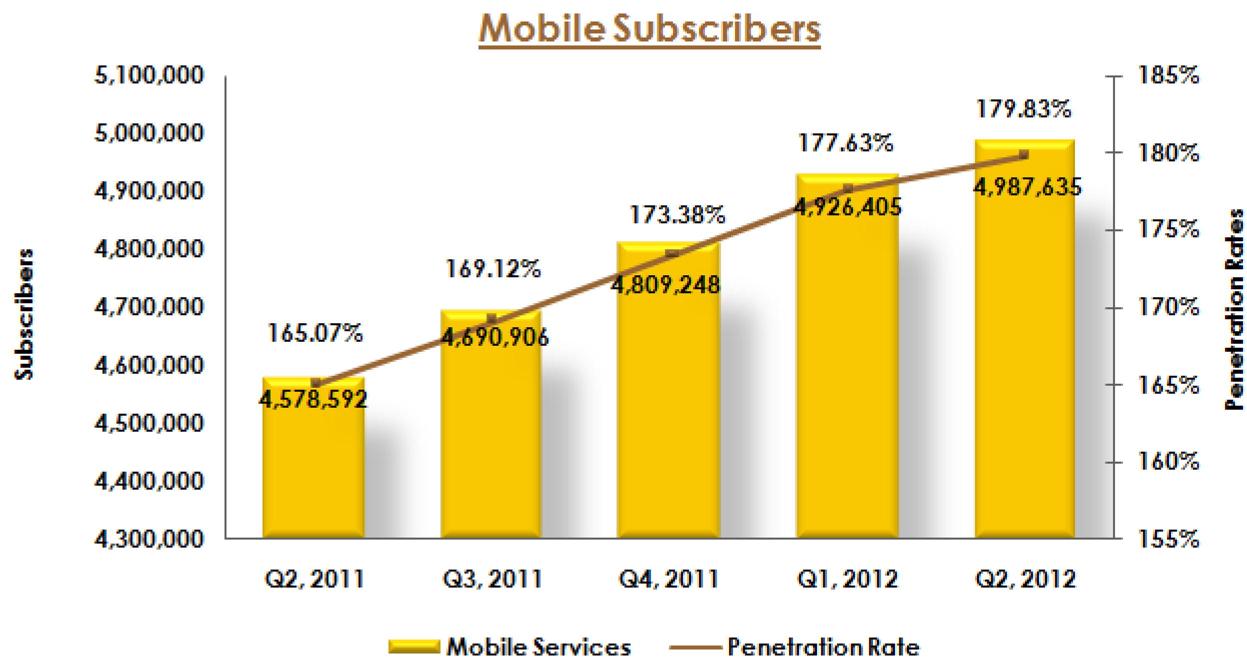
Fixed Line and Payphone ARPU's/month (OR)

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





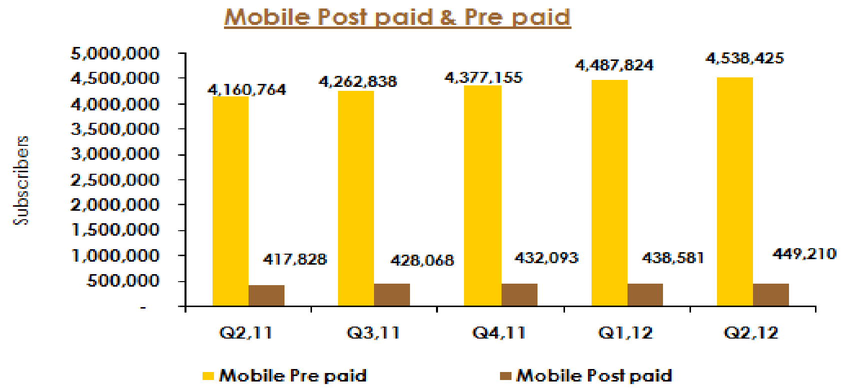
Mobile Cellular Services



- By end of Q2, 2012, total mobile subscribers stood at 4,987,635 with an increase of 61,230 subscribers during this quarter.
- The penetration rate of mobile subscribers during the quarter was 179.83% as against 177.63%, recording an increase of 1.24% from the previous quarter.

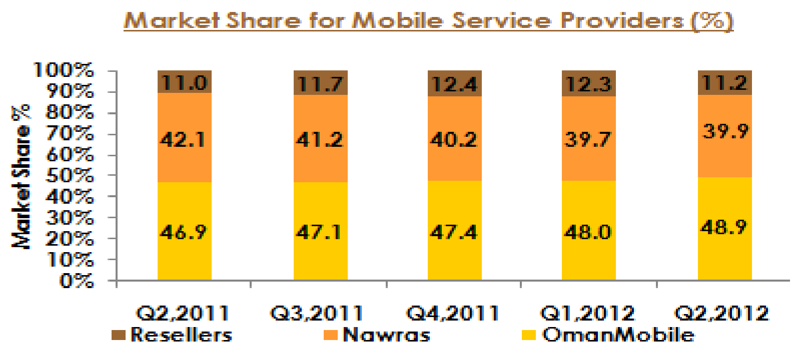
Mobile Post paid & Prepaid Subscribers

	Mobile Pre paid	Mobile Post paid
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
Q2,2012	4,538,425	449,210



- Postpaid mobile subscribers stood at 449,210 at the end of 2nd Quarter 2012 showing an increase of 2.42% compared to previous quarter.
- Prepaid mobile subscribers were 4,538,425 showing an increase of 1.13% compared to Q1, 2012.

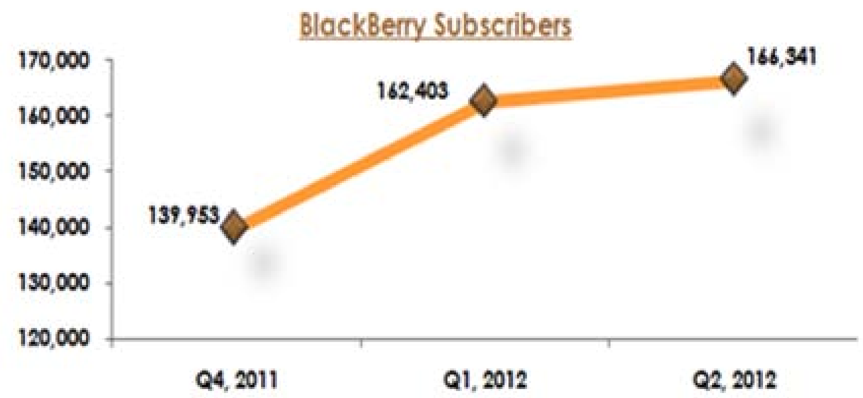
Mobile Market Share



- As of end of Q2, 2012, Oman Mobile possessed a market share of 48.9% while Nawras owned 39.9%. Resellers achieved 11.2% market share during the reported quarter.

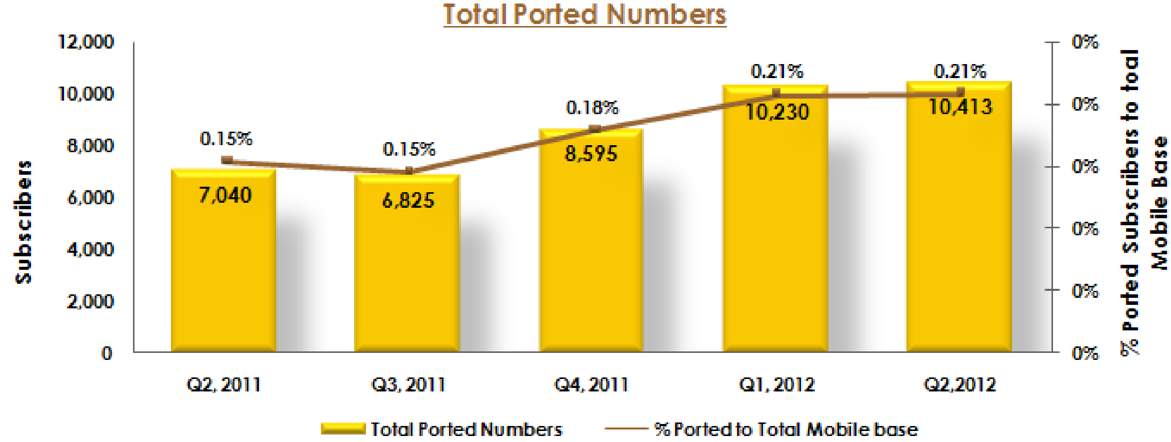
BlackBerry Subscribers

- Blackberry Subscribers at the end of Q2, 2012 represented 3.33% of the total Mobile Subscribers base.
- This has registered a slight increase of 0.9% over the previous quarter when it was 3.30% of the total mobile subscriber base in Oman,



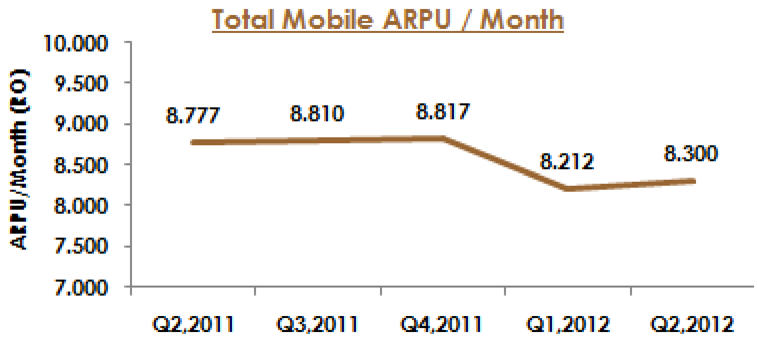
	Post Paid	Pre Paid
Q4, 2011	17,244	122,709
Q1, 2012	17,237	145,166
Q2, 2012	17,949	148,392

Mobile Number Portability



- Total Ported numbers during Q2, 2012 were 10,413 while during Q1, 2012 it was 10,230, an increase of 1.79% over the previous quarter. During the Quarter, Ported Numbers represents 0.21% of the total Mobile Subscribers Base.

Mobile ARPU's/Month (OR)



- Mobile subscribers contributed monthly revenue of RO 8.300 per subscriber during Q2, which is slightly higher as compared to Q1.

Internet Services

Type of Service	As of June 2012	As of Mar 2012	% Change
Internet Subscribers:			
1. Dial Up Subscribers			
1.1 Post Paid	6,527	7,321	-10.85%
1.2 Pre Paid**	1,122	1,941	-42.19%
Total Dial-Up Subscribers: (1.1+1.2)	7,649	9,262	-17.42%
2. Fixed Broadband Subscribers			
2.1 Total Fixed Broadband Subscribers	95,096	88,164	7.86%
Total Fixed Broadband Subscribers Penetration/100 Household	23.64%	21.92%	7.85%
Total Fixed Internet Subscribers (1.1+1.2+2.1)	102,745	97,426	5.46%
Total Internet Penetration /100 Household	25.54%	24.22%	5.45%
3. Active Mobile Broadband Subscribers			
3.1 Standard mobile-broadband Subscribers	587,061	553,599	6.04%
3.2 Dedicated mobile-broadband Subscribers	826,565	672,843	22.85%
Total Active Mobile Broadband Subscribers (3.1+3.2)	1,413,626	1,226,442	15.26%
Active Mobile Penetration Rate /100 Inhabitant	50.97%	44.2%	15.32%

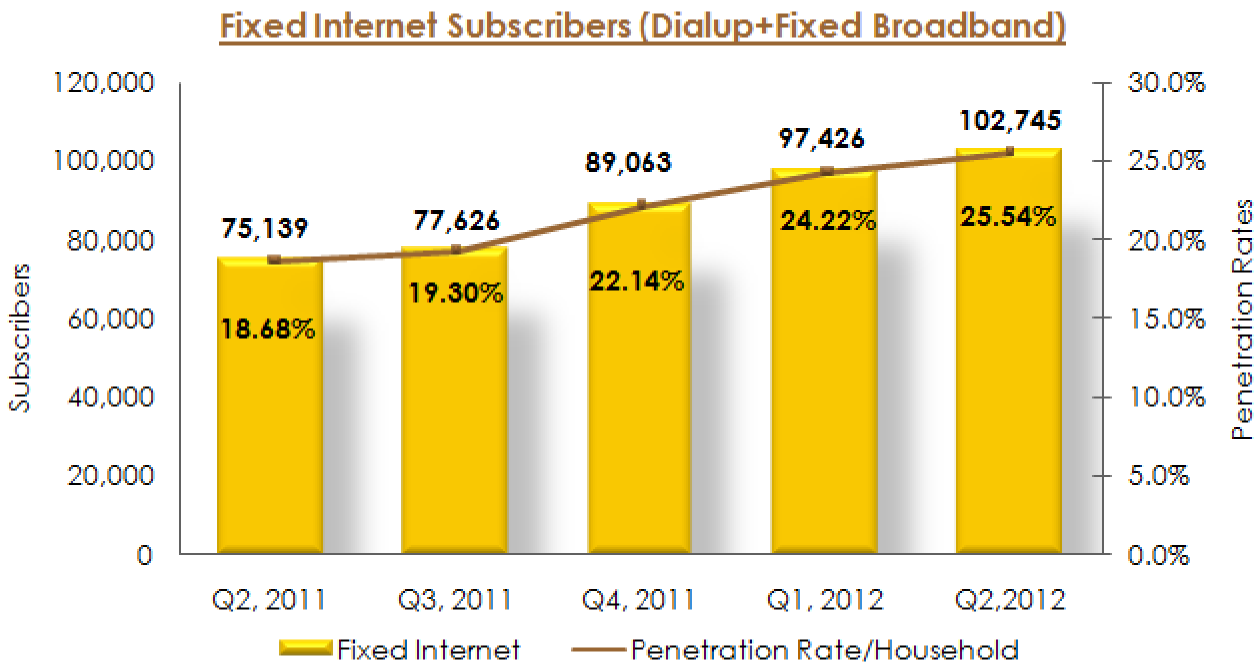
NOTE: ** Internet prepaid subscribers are calculated on the basis of average dial up usage.

*** 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)



- At the end of Q2, 2012 there were 102,745 total fixed Internet subscribers, an increase of 5.46% against the previous quarter.
- Fixed internet subscribers' penetration rate per 100 Household increased to 25.54% from 24.22% in Q2, 2012.

Internet Dial up (Post paid & Prepaid Subscribers)

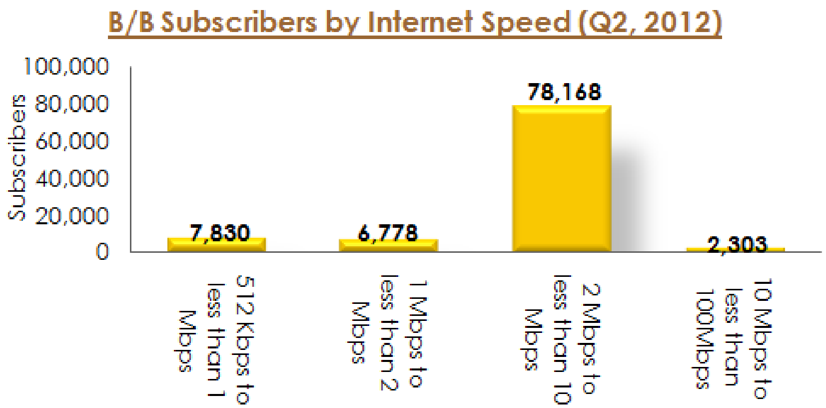
- The Dial up subscribers are showing continuous decline. The Q2 2012 was down by 17.42% from the previous quarter.

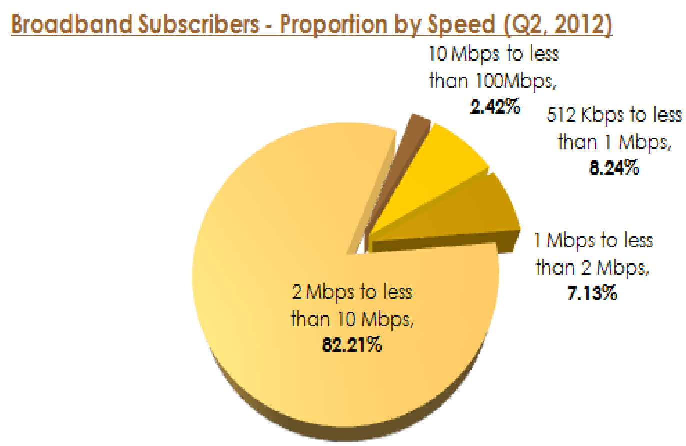
Fixed Internet ARPU's/month (OR)

- Fixed internet ARPU increased during Q2, 2012 from 31.657 to 32.071 of Q1, 2012, an increase of 1.31% over the previous quarter.

Fixed Broadband Services

Fixed Broadband Subscribers by Speed	As of June 2012	As of Mar 2012	% Change
1. 512 Kbps to less than 1 Mbps	7,830	8,251	**-5.10%**
2. 1 Mbps to less than 2 Mbps	6,778	6,129	**10.59%**
3. 2 Mbps to less than 10 Mbps	78,168	71,705	**9.01%**
4. 10 Mbps to less than 100Mbps	2,303	2,079	**10.77%**
5. 100 Mbps to less than 1 Gbps	-	-	-
6. Above 1 Gbps	-	-	-
Total Fixed Broadband Subscribers (1 to 5)	**95,079**	**88,164**	**7.84%**

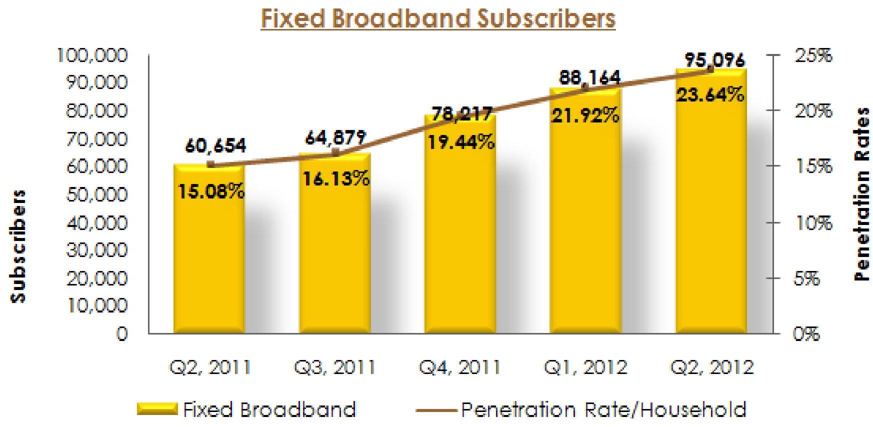




- 8.24% of Broadband subscribers during Q2, 2012 had access speed of 512Kbps to less than 1 Mbps.
- 7.13% of Broadband subscribers during Q2, 2012 had access speed of 1Mbps to less than 2 Mbps.
- 82.21% of Broadband subscribers during Q2, 2012 had access speed of 2 Mbps to less than 10 Mbps.
- 2.42% of the broadband subscribers have access to 10 Mbps and above

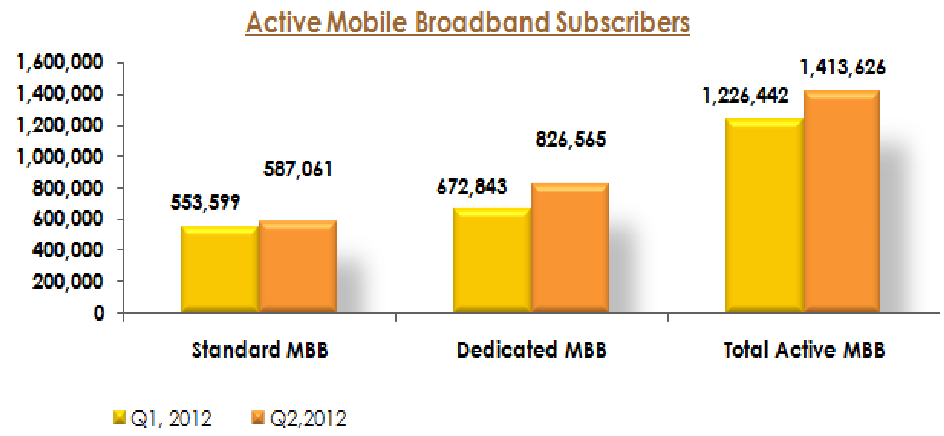
Fixed Broadband Subscribers

- Fixed Broadband subscription increased by 6,932 (from 88,164 to 95,096). Penetration rate per Household also increased to 23.64% from 21.9% in Q2, 2012.



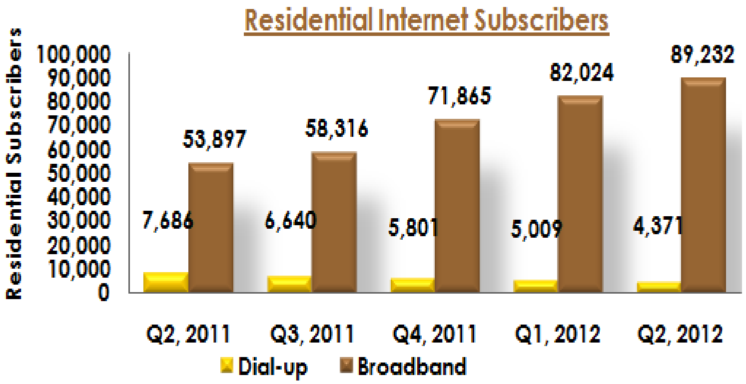
Active Mobile Broadband Subscribers

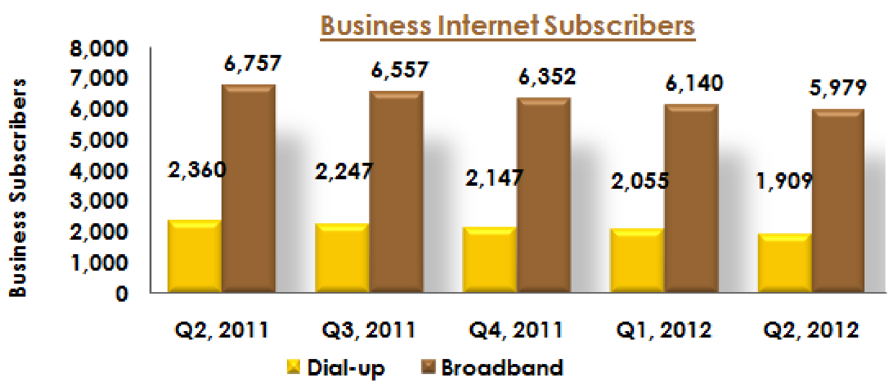
- At the end of Q2, 2012 the Total Active Mobile Broadband subscribers as per ITU definition increased to 1,413,626 from 1,226,442 of Q1, 2012 and the penetration rate stood at 50.97% compared to 44.2% of previous quarter.



Residential Vs Business Internet Subscribers

Type of Service		As of June 2012	As of Mar 2012	% Change
Resident & Business Internet Subscribers				
1. Dial Up Lines	1.1 Residential	4,371	5,009	**-12.74%**
	1.2 Business / Government	1,909	2,055	**-7.10%**
	Total Dial up Internet Subscribers (1.1-1.2)	**6,280**	**7,064**	**-11.10%**
2. Broadband Lines	2.1 Residential	89,232	82,024	**8.79%**
	2.2 Business / Government	5,979	6,140	**-4.72%**
	Total Broadband Internet Subscribers (2.1-2.2)	**95,211**	**88,164**	**7.99%**
	GRAND TOTAL (1 + 2)	**101,491**	**95,228**	**6.58%**



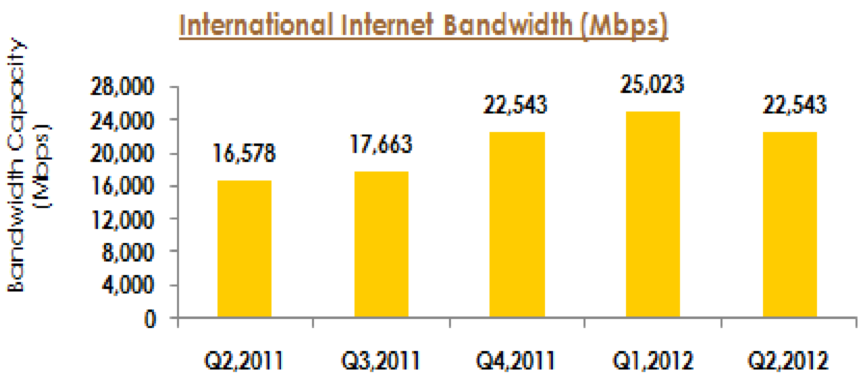


International Internet Bandwidth (Mbps) - Capacity

Type of Service	As of June 2012	As of Mar 2012	% Change
International Internet Bandwidth (Mbps)			
1. International Internet Bandwidth (Mbps) - Capacity	22,543	25,023	**-9.91%**
2. International Internet Bandwidth (Mbps) - % Utilized (Outgoing)	12.07%	10.9%	**10.73%**
3. International Internet Bandwidth (Mbps) - % Utilized (Incoming)	71.85%	62.4%	**15.14%**

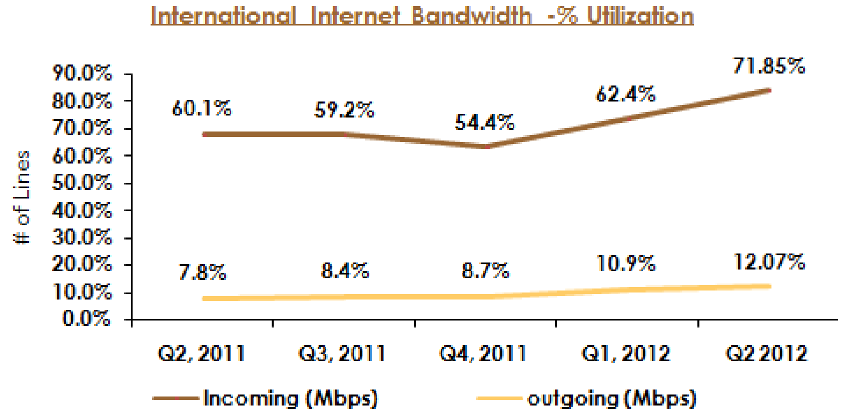
International Internet Bandwidth (Mbps)

- Q2, 2012 recorded 22,543 Mbps as total of international internet bandwidth capacity in the market, a decrease of 9.91% over the previous quarter.



International Internet Bandwidth - % utilization

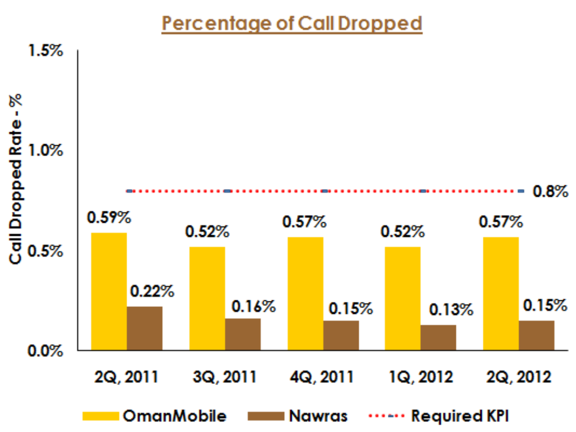
- Out of 22,543 Mbps capacity, on an average 12.07% has been utilized for the outgoing and 71.85% for the incoming traffic.

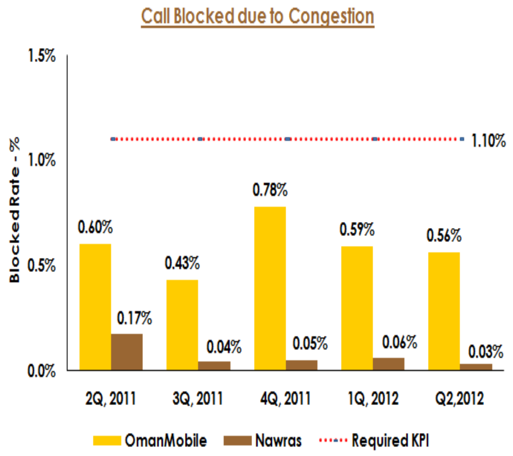


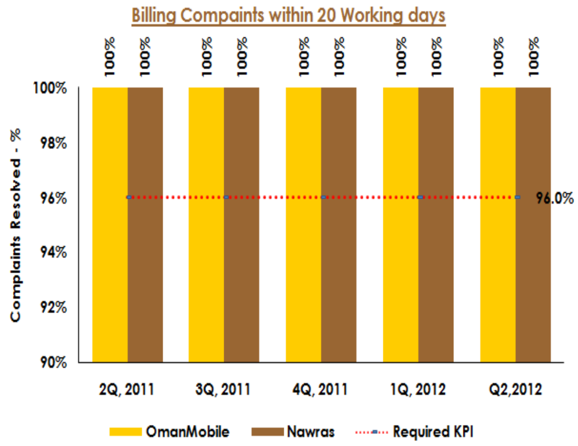
Quality of Service

Mobile Services KPIs

Mobile Services KPIs	Required KPI (Bi-Annual)	Q2/ 2012 Oman Mobile	Q2/ 2012 Nawras	Q1/ 2012 Oman Mobile	Q1/ 2012 Nawras
1. Percentage of Calls Dropped	Less than 0.8%	0.57%	0.15%	0.52%	0.13%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.56%	0.03%	0.59%	0.06%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%



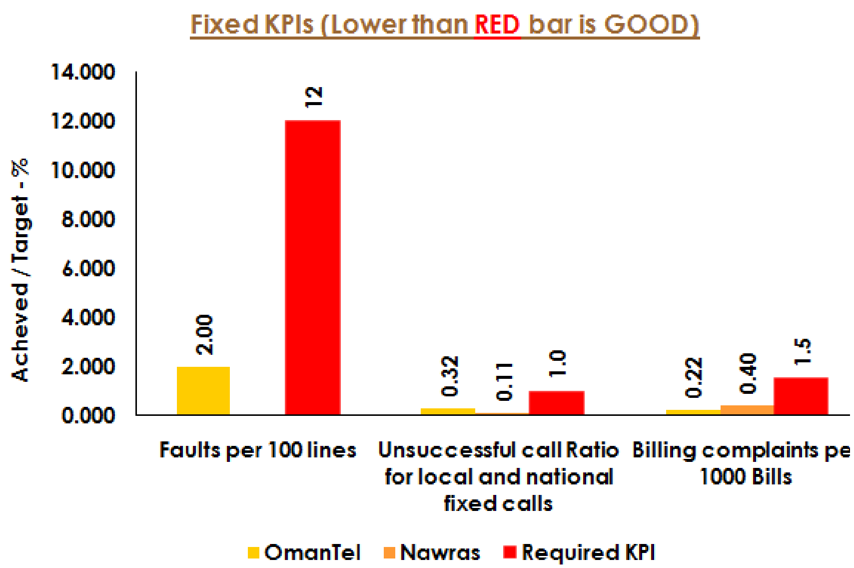




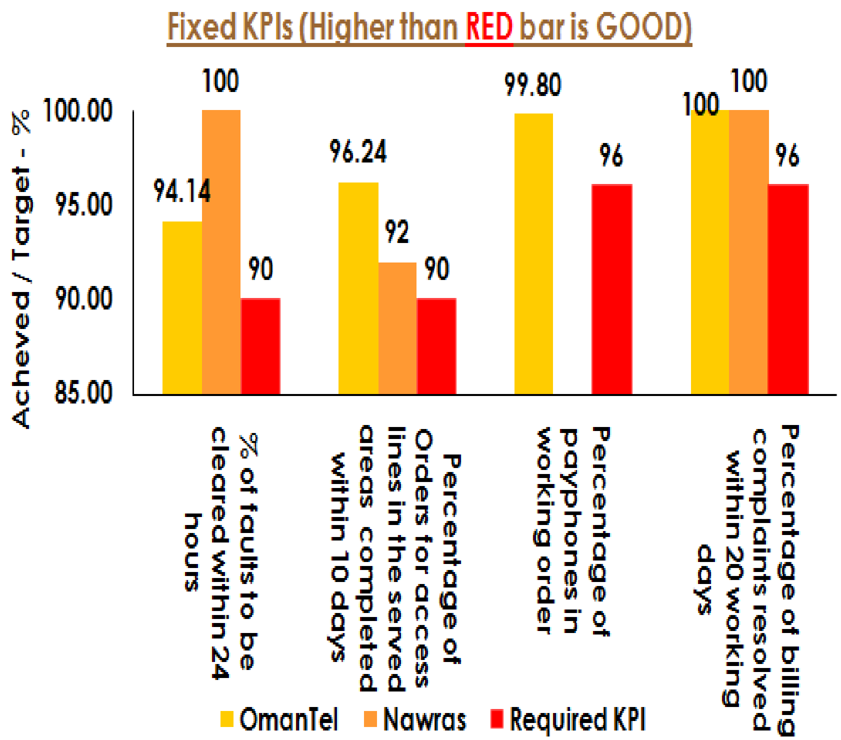
Fixed Services KPIs

Fixed Services KPIs	Required KPI (Bi-Annual)	Q2/ 2012		Q1/ 2012	
		Omantel	Nawras	Omantel	Nawras
1. Faults per 100 lines	Less than 12	2.0%	NA	1.84	NA
2. % of faults to be cleared within 24 hours	More than 90%	94.14%	100%	94.27%	100%
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.32%	0.11%	NA*	0.07%
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	96.24%	92%	97.98%	95%
5. Percentage of payphones in working order	More than 96%	99.80%	NA	99.77%	NA
6. Billing complaints per 1000 Bills	Less than 1.5	0.22%	0.40%	1.2%	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.



Fixed KPIs (Lower than RED bar is GOOD)
14.000
12.000
10.000
8.000
6.000
4.000
2.000
0.000
Acheved / Target - %
2.00
12
0.32
0.11
1.0
0.22
0.40
1.5
Faults per 100 lines
Unsuccessful call Ratio for local and national fixed calls
Billing complaints pe 1000 Bills
OmanTel
Nawras
Required KPI



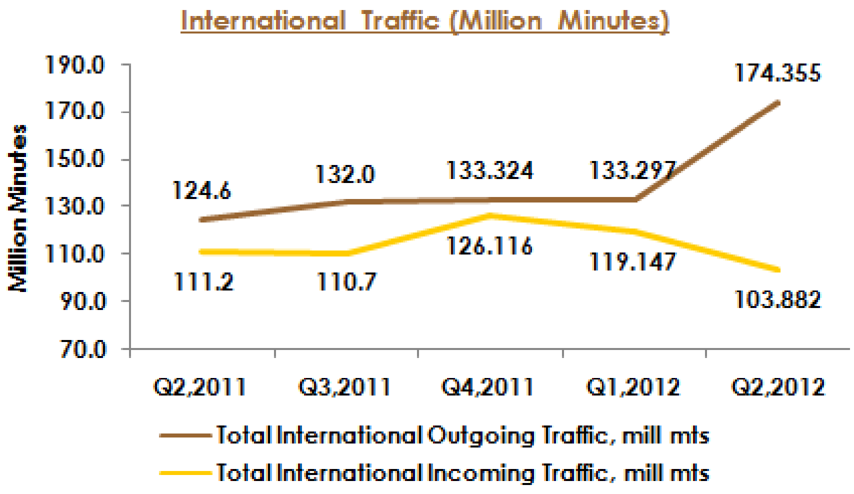
Fixed KPIs (Higher than RED bar is GOOD)
100.00
95.00
90.00
85.00
Acheved / Target - %
94.14
100
90
96.24
92
90
99.80
96
100
100
96
% of faults to be cleared within 24 hours
Percentage of Orders for access lines in the served areas completed within 10 days
Percentage of payphones in working order
Percentage of billing complaints resolved within 20 working days
OmanTel
Nawras
Required KPI

Traffic

Type of Service	Q2/ 2012	Q1/ 2012	% Change
Traffic:			
1. Total International Outgoing Traffic; Million Minutes at International Gateway	174.355	133.297	30.80%
2. Total International Incoming Traffic; Million Minutes at International Gateway	103.882	119.147	-12.81%
3. Outgoing Mobile Traffic (Minutes) –In Millions	1,752	1,850	-5.30%
4. Total Mobile SMS Sent - In Millions	1,061	1,044	1.63%
5. Total Mobile MMS Sent - In Millions	5.315	5.45	-2.48%

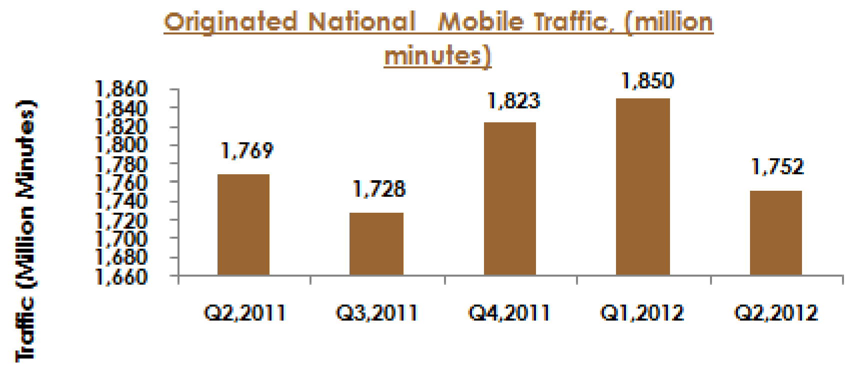
International Traffic for Voice (Million Minutes): Outgoing & Incoming

- During the quarter, the total international outgoing minutes at the international gateway increased by 30.8%, whereas the incoming dropped by 12.8% during the same period.



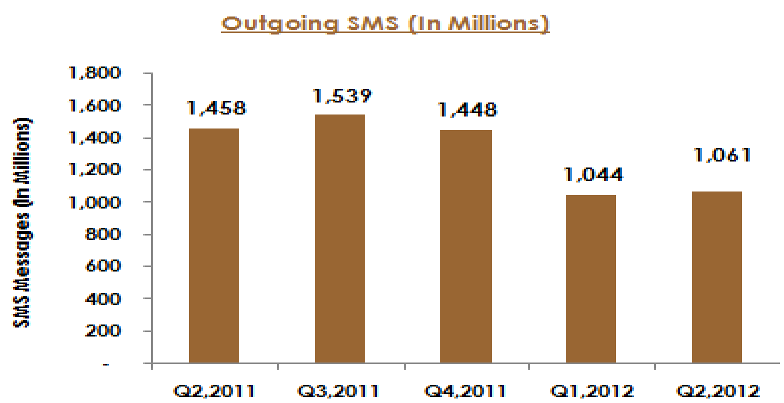
Outgoing Mobile Traffic (Minutes)

- The originated national mobile traffic declined to 1,752 million during the quarter from 1,850 million minutes achieved during the previous quarter. This has shown a decrease of 5.30% compared to the previous quarter.



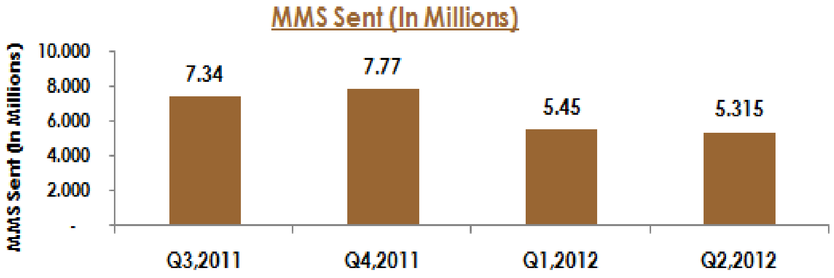
SMS (Sent) – In Millions

- During the quarter, the total volume of Sent SMS messages increased to 1,061 million from 1,044 million SMS which is 1.63% higher compared to Q1, 2012.



Mobile MMS (Sent) – On Millions

- Q2, 2012 MMS traffic recorded was at 5.315 Million compared to 5.45 Millions, a decrease of 2.48% over previous quarter.



Type Approval

Type Approval

During the 2nd Quarter 2012, TRA :

- Approved a total number of 243 (Previous Quarter 282) Telecom Equipments.
- Renewed 60 (Previous Quarter: 88) registrations of Telecom Dealers.
- Registered 102(Previous Quarter: 127) new dealers.
- Issued 261 (Previous Quarter: 282) Releases to Customs for Imported Telecom equipments.
- Inspected 174 (Previous month 136) Violations (Breakdown by Type indicated in the graph).