سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report

Telecom Market Indicators

Q3, 2012

(July – September 2012)

Market Research & Planning

Economic Affairs Unit

November 2012

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Introduction

This is the 3rd 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 during the Third Quarter 2012:

- The Fixed-line subscribers increased by 1.57%, Mobile Subscribers also increased by 3.16%, and Fixed Internet subscribers increased too by 5.5%.
- Penetration Rates /100 Inhabitant also went up to 10.67% for Fixed, 185.52% for Mobile subscribers. The internet penetration per 100 Households went up to 26.94%.
- The Active Mobile Broadband Penetration rate increased from 50.97% to 57.42%.
- Blackberry Subscribers represented 3% of the total Mobile Subscribers base at the end of Q3 as compared to 3.33% of total Mobile Subscribers as at the end of Q2.
- The number of fixed broadband subscribers increased by 6.89% during Q3.

Tariff Plans & Promotions

- A total of 26 Promotional offers were approved during Q3.
- 8 New tariff plans were approved in Q3.
- 3 Tariff Plan Revisions were approved in Q3.

Type Approval

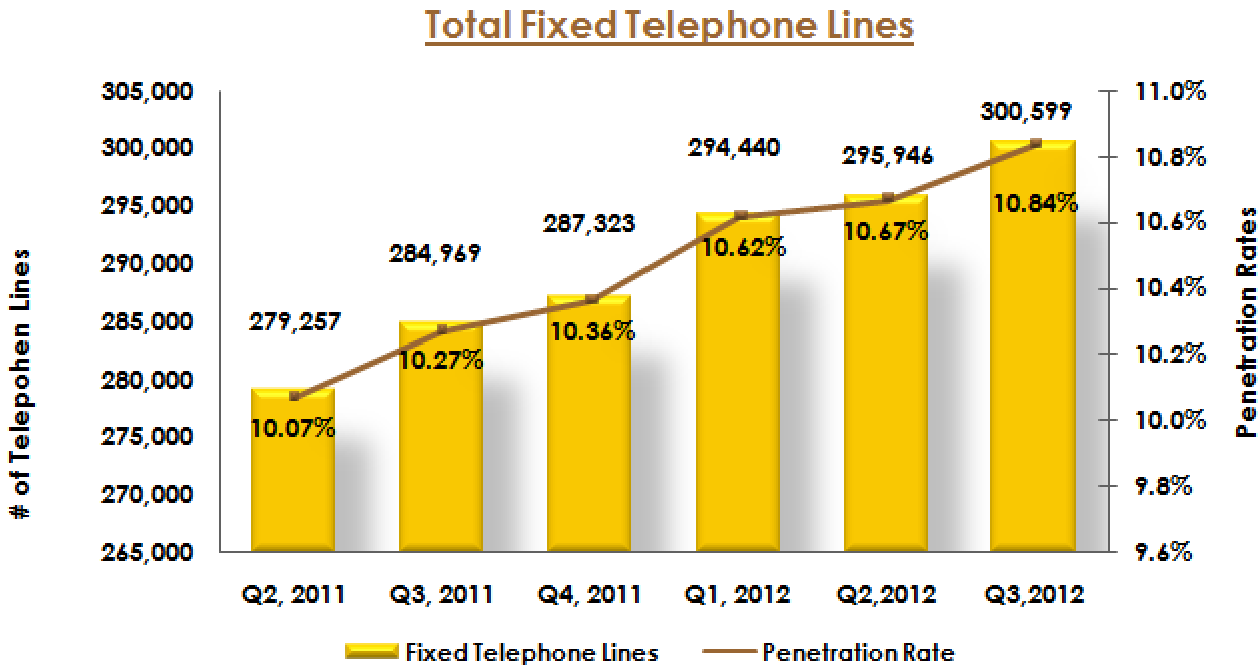
- TRA approved a total number of 277 Telecom Equipments, Renewed 64 registrations of Telecom Dealers and registered 96 new dealers, Issued 313 Releases to Customs for Imported Telecom equipments.
- 32 inspections were carried out to check violations.

Fixed & Mobile Sector

Type of Service	*As of Sep 2012*	*As of June 2012*	% Change
1. Main Fixed Telephone Lines:			
1.1 Post Paid	*222,955*	*219,903*	*1.39%*
1.2 Pre-Paid	*25,536*	*25,932*	*-1.53%*
1.3 Public Telephone – Payphone	*6,801*	*6,801*	*0.00%*
1.4 ISDN Equivalent Channels	*43,442*	*41,456*	*4.79%*
1.5 WLL Connections	*1,865*	*1,854*	*0.59%*
Total Fixed Telephone Lines in Operation (1.1-1.5)	***300,599***	***295,946***	***1.57%***
Fixed Line Penetration /100 Inhabitant	***10.84%***	***10.67%***	***1.59%***
2. Mobile Subscribers:			
2.1 Post Paid			
2.1.1 Operators	*459,327*	*449,210*	*2.25%*
2.1.2 Resellers	-	-	
Total Postpaid Subscribers	***459,327***	***449,210***	***2.25%***
2.2 Pre Paid			
2.2.1 Operators	*4,129,872*	*3,980,544*	*3.75%*
2.2.2 Resellers	*556,126*	*557,881*	*-0.31%*
Total Prepaid Subscribers	**4,685,998**	**4,538,425**	***3.25%***
Total Mobile Subscribers: (2.1+2.2)	**5,145,325**	**4,987,635**	***3.16%***
Mobile Penetration /100 Inhabitant	**185.52%**	**179.83%**	***3.16%***
3. BlackBerry Subscribers:			
3.1 Post Paid	19,677	17,949	*9.63%*
3.2 Pre-Paid	135,058	148,392	*-8.99%*
Total BlackBerry Subscribers (3.1+3.2)	**154,735**	**166,341**	***-6.98%***
% To Total Mobile Subscribers Base in Oman	**3.0%**	**3.3%**	***-9.09%***

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

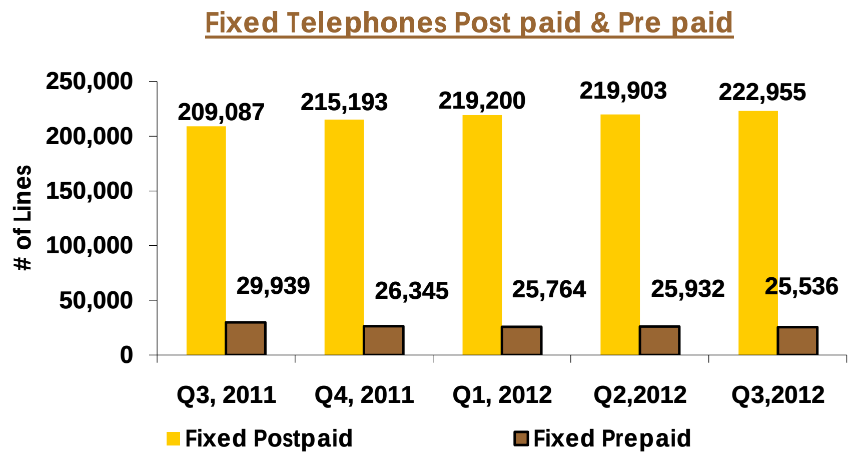
Fixed Telephone Service



- Q3, 2012 ended with 300,599 fixed lines compared to 295,946 lines, with an increase of 4,653 (1.57%) compared to previous quarter.
- Fixed line penetration rate was 10.84% as of Q3, 2012 with 1.59% increase over Q2, 2012.

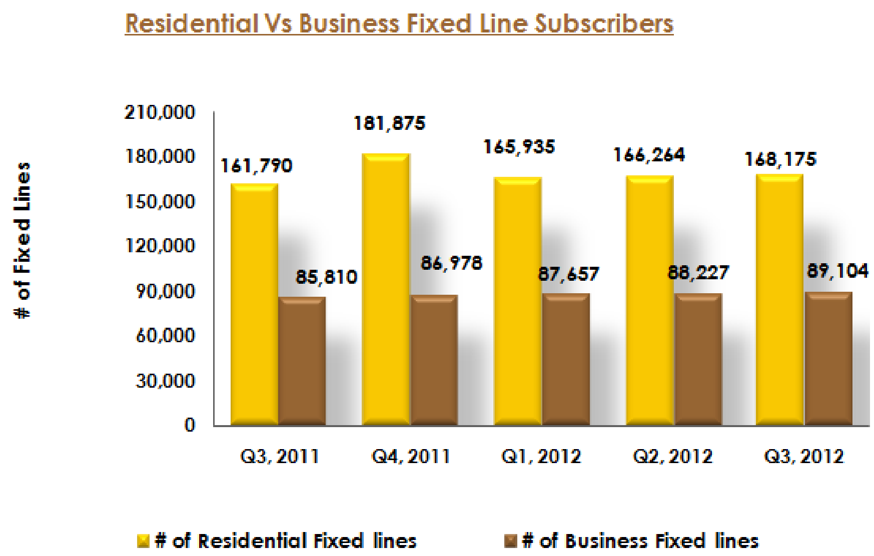
Fixed Line: Post paid & Prepaid

- The fixed post paid lines increased by 1.39% from the 2nd quarter 2012, resulting in total of 222,955 post paid lines.
- Quarter 3, 2012 ended with 25,536 prepaid connections. This number decreased by 1.53% over the previous quarter.



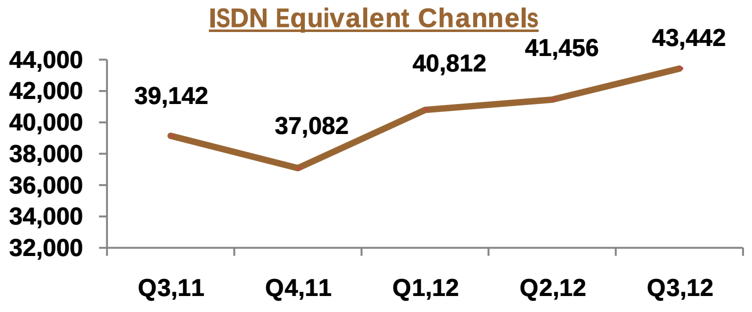
Residential Vs Business/Government Fixed Lines

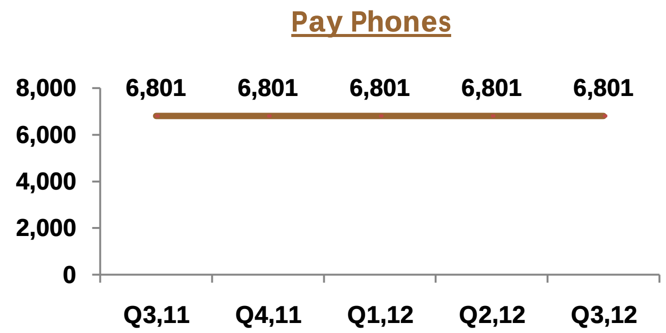
- Total residential fixed lines increased to 168,175 from 166,264 during previous quarter recording an increase of 1.15% during the 3rd quarter 2012.
- On the other side, Total business lines showed a tiny increase of 0.99% from 88,227 to 89,104 recorded during Q3.
- The split between Fixed Residential and Business lines stands at 65.4% and 34.6% respectively.



Payphones / ISDN Equivalent Channels

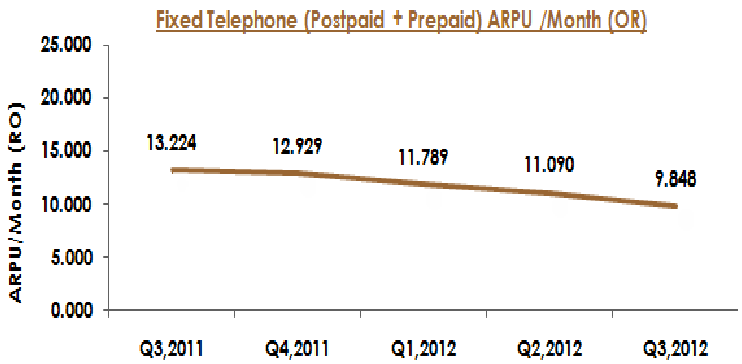
- The ISDN Equivalent Channels showed an increase of 4.79% from the Q2, 2012 resulting in total of 43,442 Subscribers.
- Public Payphones remained static for the last eight quarters with the total of 6,801 pay phones in service.
- There were a total of 1,865 WLL Connections up to September 2012 increase by 0.59% during the Quarter.

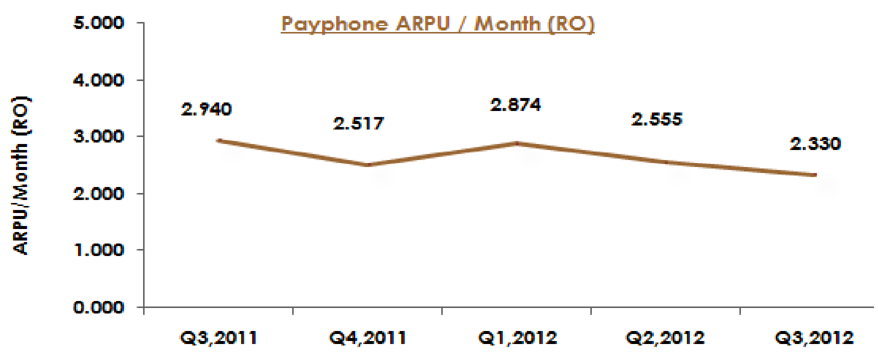




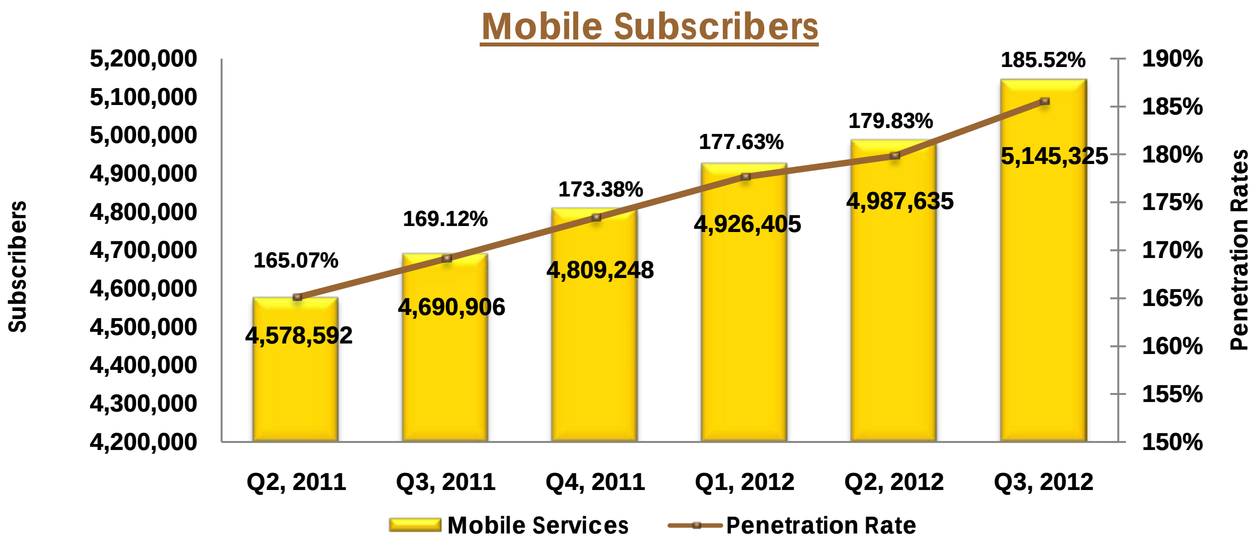
Fixed Line and Payphone ARPU's/month (OR)

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





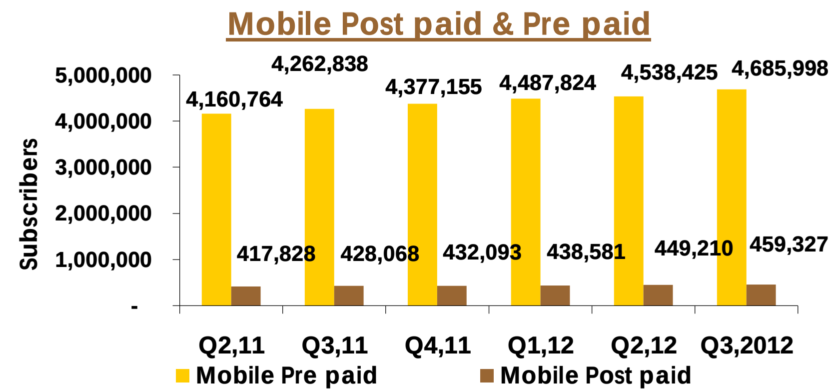
Mobile Cellular Services



- By end of Q3, 2012, total mobile subscribers stood at 5,145,325 with an increase of 157,690 subscribers during this quarter.
- The penetration rate of mobile subscribers during the quarter was 185.52 as against 179.83%.

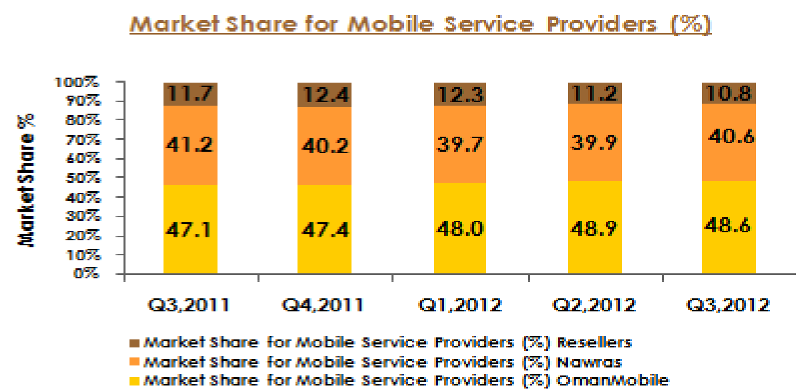
Mobile Post paid & Prepaid Subscribers

	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
Q3,2012	4,685,998	459,327



- Postpaid mobile subscribers stood at 459,327 at the end of 3rd Quarter 2012 showing an increase of 2.25% compared to previous quarter.
- Prepaid mobile subscribers were 4,685,998 showing an increase of 3.25% compared to Q2, 2012.

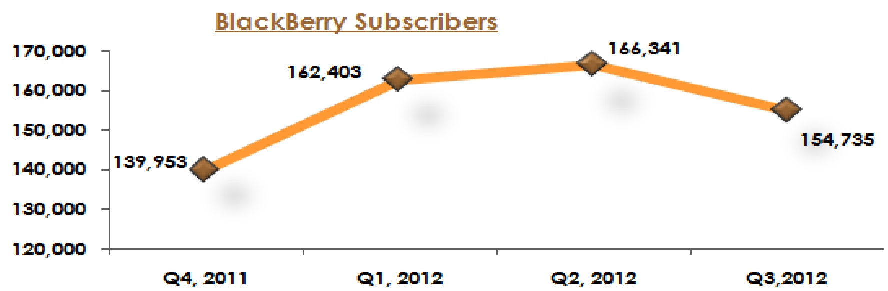
Mobile Market Share



- As of end of Q3, 2012, Oman Mobile possessed a market share of 48.6% while Nawras owned 40.6%. Resellers achieved 10.8% market share during the reported quarter.

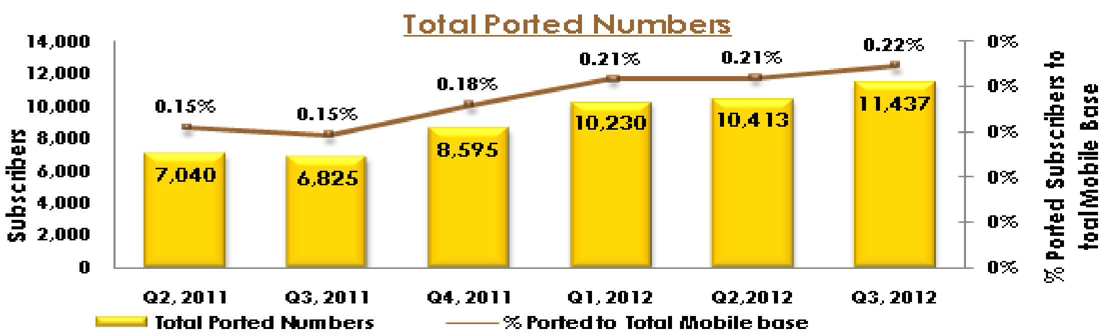
BlackBerry Subscribers

- Blackberry Subscribers at the end of Q3, 2012 represented 3% of the total Mobile Subscribers base.
- This has registered a drop of 9.9% over the previous quarter when it was 3.33% of the total mobile subscriber base in Oman,



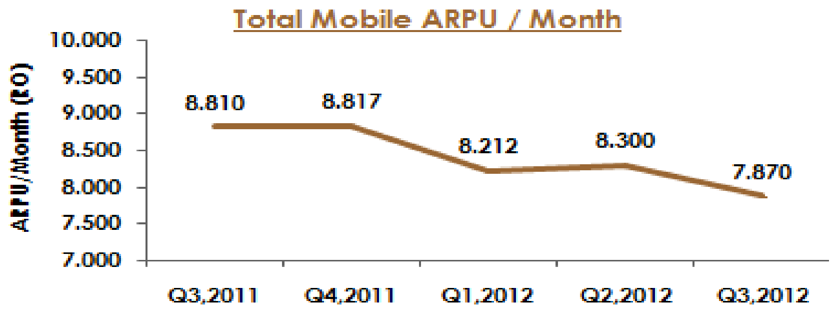
	Post Paid	Pre Paid
Q4, 2011	17,244	122,709
Q1, 2012	17,237	145,166
Q2, 2012	17,949	148,392
Q3,2012	19,677	135,058

Mobile Number Portability



- Total Ported numbers during Q3, 2012 were 11,437 while during Q2, 2012 it was 10,413, an increase of 9.8% over the previous quarter. During the Quarter, Ported Numbers represents 0.22% of the total Mobile Subscribers Base.

Mobile ARPU's/Month (OR)



- Mobile subscribers contributed monthly revenue of RO 7.870 per subscriber during Q3, which is slightly lower as compared to Q2.

Internet Services

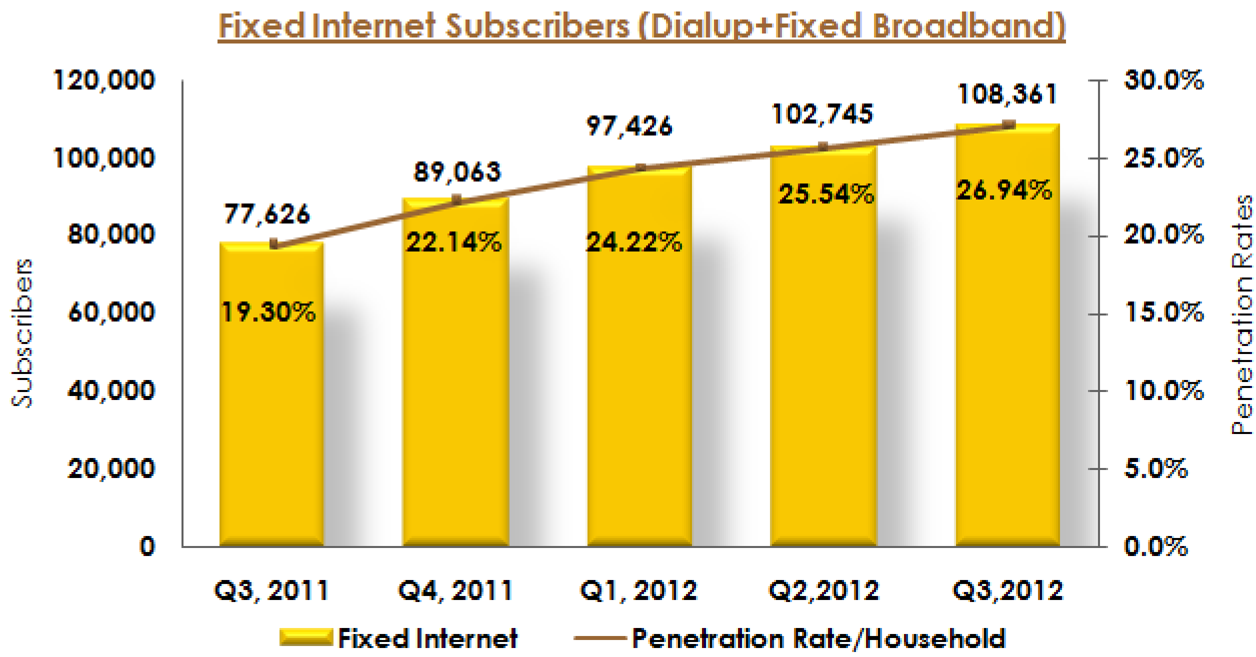
Type of Service	As of Sept 2012	As of June 2012	% Change
Internet Subscribers:			
1. Dial Up Subscribers			
1.1 Post Paid	**5,887**	**6,527**	**-9.81%**
1.2 Pre Paid**	**825**	**1,122**	**-26.47%**
Total Dial-Up Subscribers: (1.1+1.2)	**6,712**	**7,649**	**-12.25%**
2. Fixed Broadband Subscribers			
2.1 Total Fixed Broadband Subscribers	**101,649**	**95,096**	**6.89%**
Total Fixed Broadband Subscribers Penetration/100 Household	**25.27%**	**23.64%**	**6.90%**
Total Fixed Internet Subscribers (1.1+1.2+2.1)	**108,361**	**102,745**	**5.47%**
Total Internet Penetration /100 Household	**26.94%**	**25.54%**	**5.48%**
3. Active Mobile Broadband Subscribers			
3.1 Standard mobile-broadband Subscribers	**650,869**	**587,061**	**10.87%**
3.2 Dedicated mobile-broadband Subscribers	**941,742**	**826,565**	**13.93%**
Total Active Mobile Broadband Subscribers (3.1+3.2)	**1,592,611**	**1,413,626**	**12.66%**
Active Mobile Penetration Rate /100 Inhabitant	**57.42%**	**50.97%**	**12.65%**

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

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)

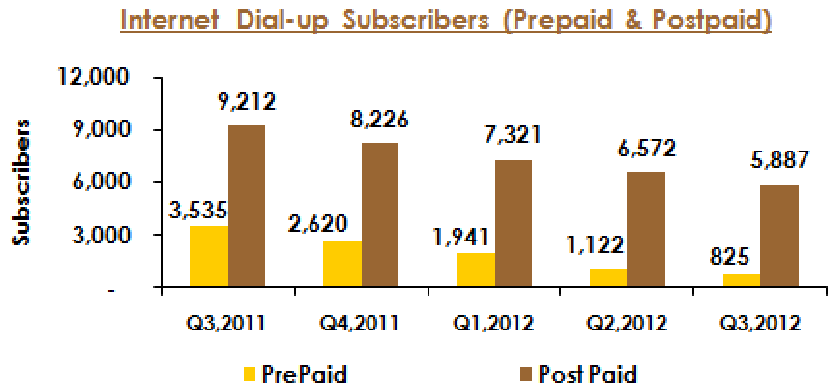


- At the end of Q3, 2012 there were 108,361 total fixed Internet subscribers, an increase of 5.47% against the previous quarter.

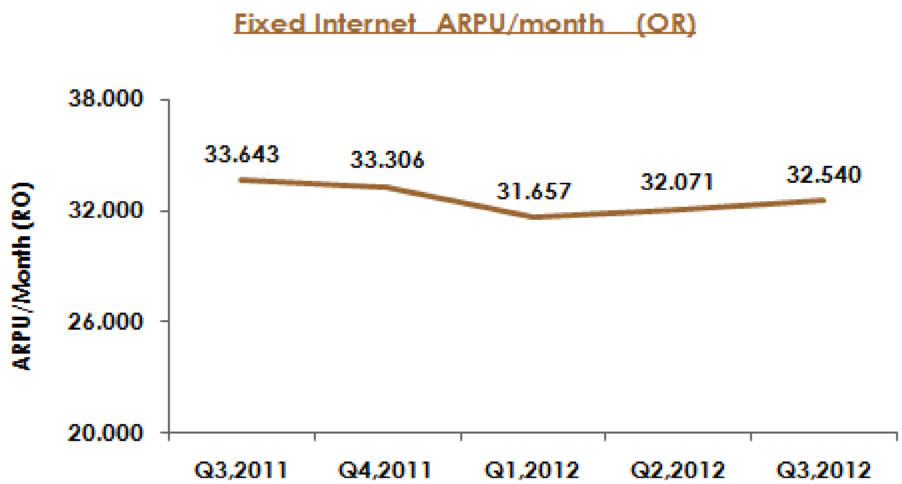
- Fixed internet subscribers' penetration rate per 100 Household increased to 26.94% by end of the third quarter.

Internet Dial up (Post paid & Prepaid Subscribers)

- The Dial up subscribers are showing continuous decline. The Q3 2012 was down by 12.25% from the previous quarter.



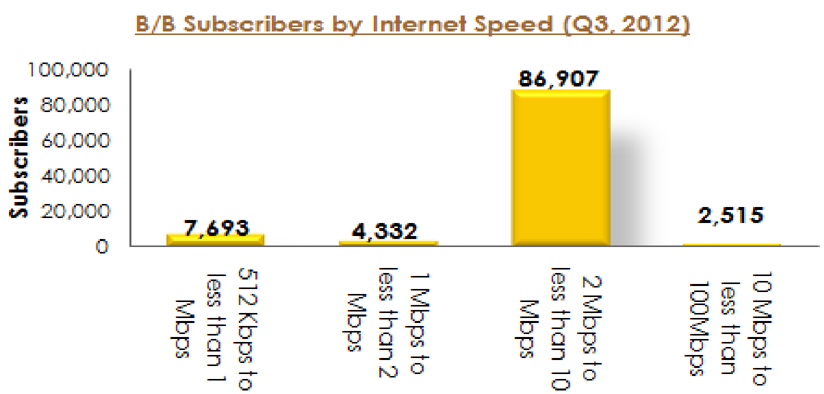
Fixed Internet ARPU's/month (OR)

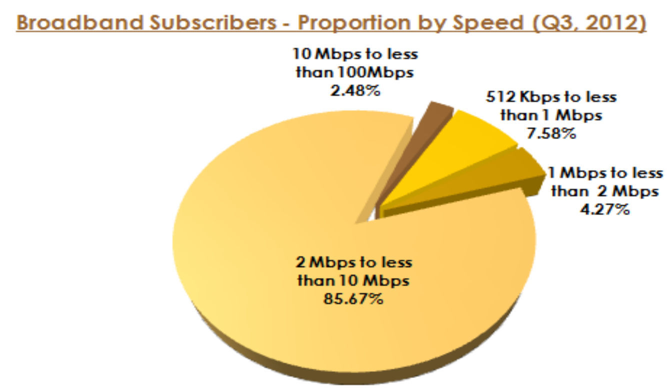


- Fixed internet ARPU increased during Q3, 2012 to 32.540, an increase of 1.46% over the previous quarter.

Fixed Broadband Services

Fixed Broadband Subscribers by Speed	As of Sept 2012	As of June 2012	% Change
1. 512 Kbps to less than 1 Mbps	7,693	7,830	-1.7%
2. 1 Mbps to less than 2 Mbps	4,332	6,778	-36.1%
3. 2 Mbps to less than 10 Mbps	86,907	78,168	11.2%
4. 10 Mbps to less than 100Mbps	2,515	2,303	9.2%
5. 100 Mbps to less than 1 Gbps	0	-	-
6. Above 1 Gbps	0	-	-
Total Fixed Broadband Subscribers (1 to 5)	**101,447**	**95,079**	**15.07%**

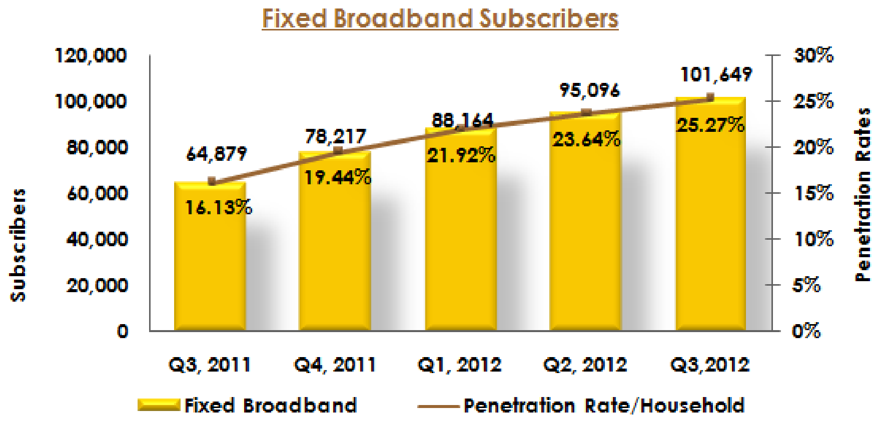




- 7.58% of Broadband subscribers during Q3, 2012 had access speed of 512Kbps to less than 1 Mbps.
- 4.27% of Broadband subscribers during Q3, 2012 had access speed of 1Mbps to less than 2 Mbps.
- 85.67% of Broadband subscribers during Q3, 2012 had access speed of 2 Mbps to less than 10 Mbps.
- 2.48% of the broadband subscribers have access to 10 Mbps and above.

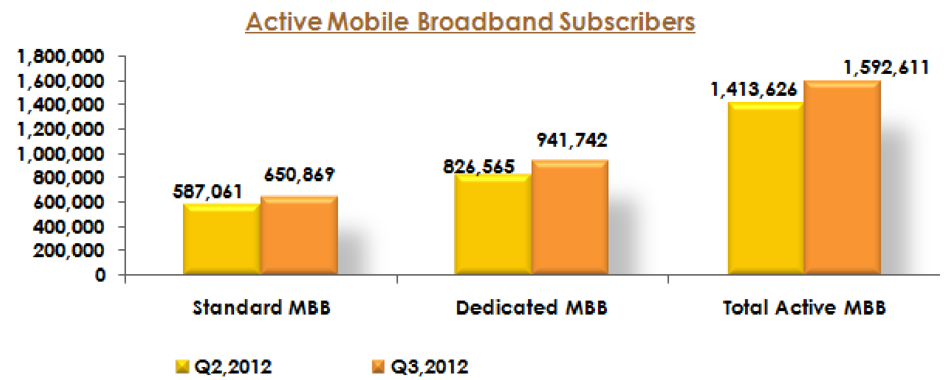
Fixed Broadband Subscribers

- Fixed Broadband subscription increased by 6,553 (from 95,096 to 101,649). Penetration rate per Household also increased to 25.27% from 23.64% in Q3, 2012.



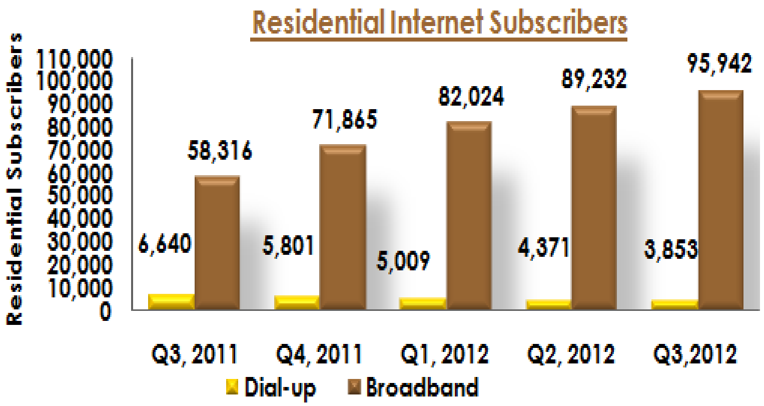
Active Mobile Broadband Subscribers

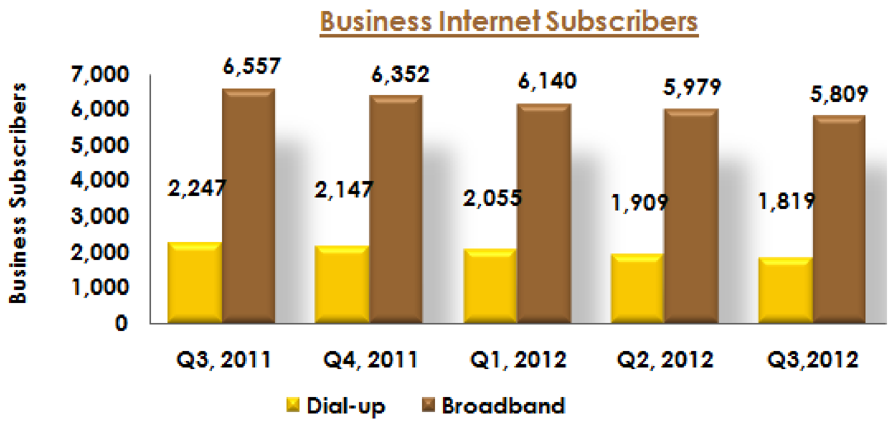
- At the end of Q3, 2012 the Total Active Mobile Broadband subscribers as per ITU definition increased to 1,592,611 from 1,413,626 of Q2, 2012 and the penetration rate stood at 57.42% compared to 50.97% of previous quarter.



Residential Vs Business Internet Subscribers

Type of Service		As of Sept 2012	As of June 2012	% Change
Resident & Business Internet Subscribers				
1. Dial Up Lines	1.1 Residential	3,853	4,371	5.9%
	1.2 Business / Government	1,819	1,909	-4.7%
	Total Dial up Internet Subscribers (1.1-1.2)	**5,672**	**6,280**	2.7%
2. Broadband Lines	2.1 Residential	95,942	89,232	7.5%
	2.2 Business / Government	5,809	5,979	-2.8%
	Total Broadband Internet Subscribers (2.1-2.2)	**101,751**	**95,211**	6.9%
	GRAND TOTAL (1 + 2)	**107,423**	**101,491**	6.6%



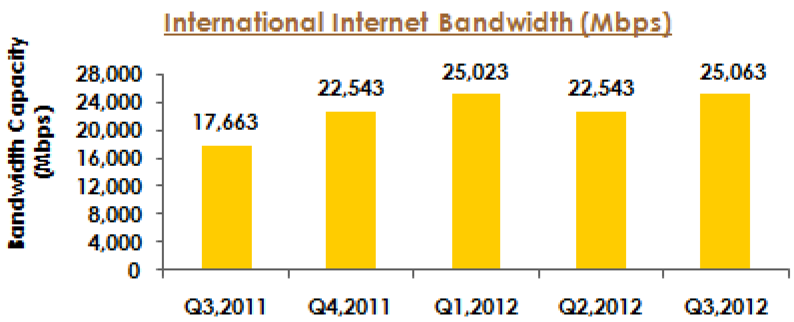


International Internet Bandwidth (Mbps) – Capacity

Type of Service	As of Sept 2012	As of June 2012	% Change
International Internet Bandwidth (Mbps)			
1. International Internet Bandwidth (Mbps) - Capacity	25,063	22,543	11.18%
2. International Internet Bandwidth (Mbps) - % Utilized (Outgoing)	11.09%	12.07%	-8.12%
3. International Internet Bandwidth (Mbps) - % Utilized (Incoming)	64.84%	71.85%	-9.76%

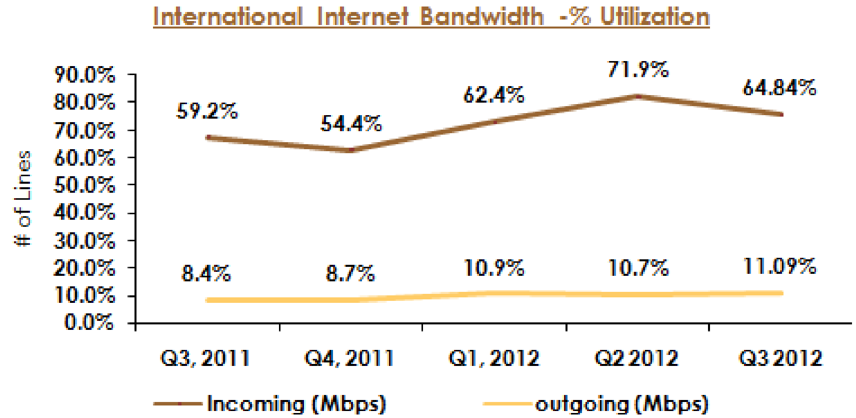
International Internet Bandwidth (Mbps)

- Q3, 2012 recorded 25,063 Mbps as total of international internet bandwidth capacity in the market, an increase of 11.18% over the previous quarter.



International Internet Bandwidth - % utilization

- Out of 25,063 Mbps capacity, on an average 11.09% has been utilized for the outgoing and 64.84% for the incoming traffic.

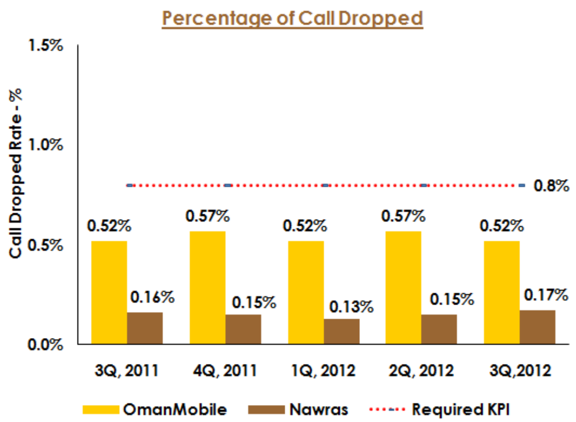


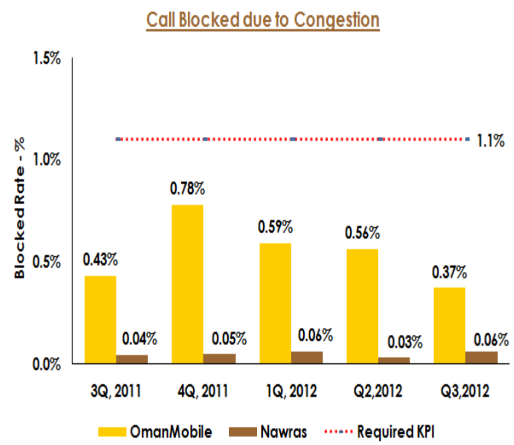
Quality of Service

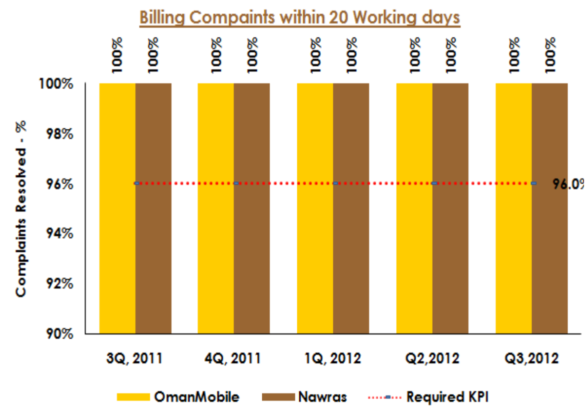
(as measured and reported by the operators)

Mobile Services KPIs

Mobile Services KPIs	Required KPI (Bi-Annual)	Q3/ 2012 Oman Mobile	Q3/ 2012 Nawras	Q2/ 2012 Oman Mobile	Q2/ 2012 Nawras
1. Percentage of Calls Dropped	Less than 0.8%	0.52%	0.17%	0.57%	0.15%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.37%	0.06%	0.56%	0.03%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%



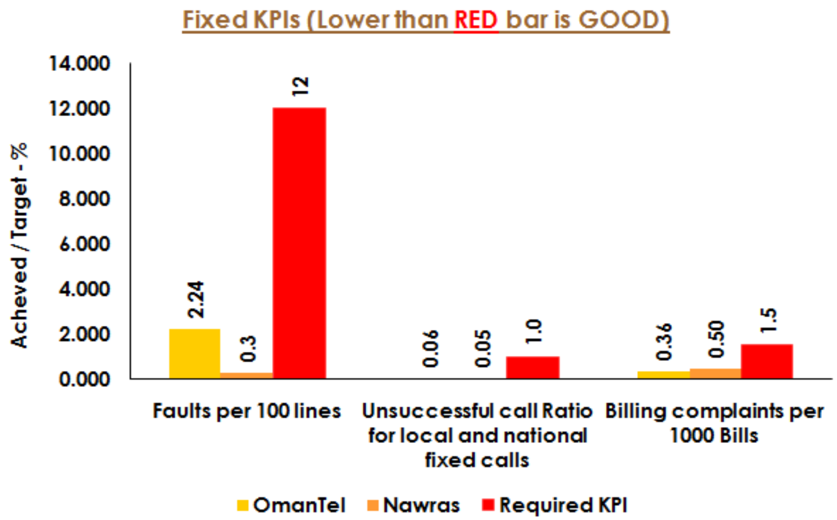




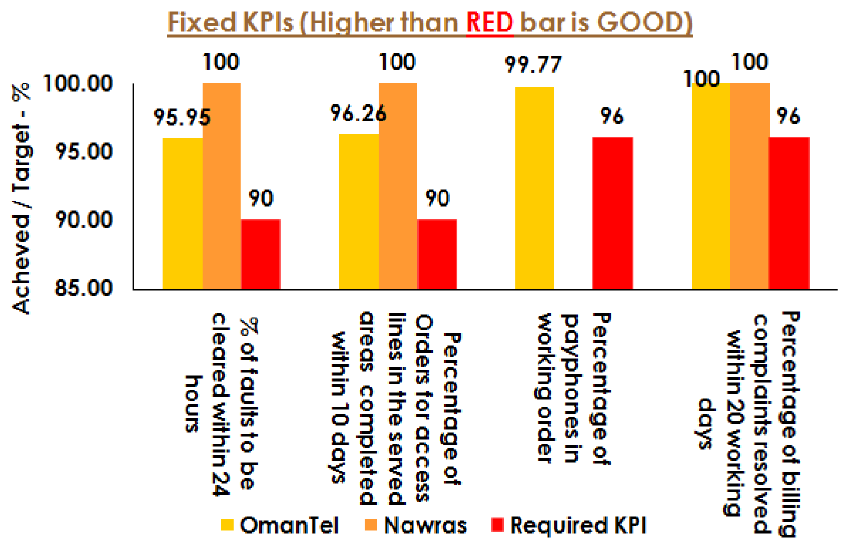
Fixed Services KPIs

(As measured and reported by the operators)

Fixed Services KPIs	Required KPI (Bi-Annual)	Q3/ 2012		Q2/ 2012	
		Omantel	Nawras	Omantel	Nawras
1. Faults per 100 lines	Less than 12	2.24	0.3	**2.0%**	**NA**
2. % of faults to be cleared within 24 hours	More than 90%	95.95	100	**94.14%**	**100%**
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.06	0.05	**0.32%**	**0.11%**
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	96.26	100	**96.24%**	**92%**
5. Percentage of payphones in working order	More than 96%	99.77	NA	**99.80%**	**NA**
6. Billing complaints per 1000 Bills	Less than 1.5	0.36	0.50	**0.22%**	**0.40%**
7. Percentage of billing complaints resolved within 20 working days	More than 96%	100	100	**100%**	**100%**



Fixed KPIs (Lower than RED bar is GOOD)
Acheved / Target - %
14.000
12.000
10.000
8.000
6.000
4.000
2.000
0.000
2.24
0.3
12
0.06
0.05
1.0
0.36
0.50
1.5
Faults per 100 lines
Unsuccessful call Ratio for local and national fixed calls
Billing complaints per 1000 Bills
OmanTel
Nawras
Required KPI



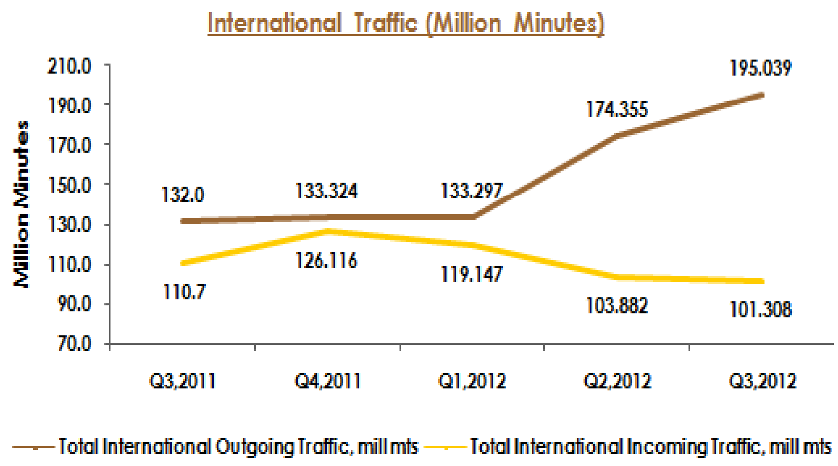
Fixed KPIs (Higher than RED bar is GOOD)
Acheved / Target - %
100.00
95.00
90.00
85.00
95.95
100
90
96.26
100
90
99.77
96
100
100
96
% of faults to be cleared within 24 hours
Percentage of Orders for access lines in the served areas completed within 10 days
Percentage of payphones in working order
Percentage of billing complaints resolved within 20 working days
OmanTel
Nawras
Required KPI

Traffic

Type of Service		Q3/ 2012	Q2/ 2012	% Change
Traffic:				
1.	Total International Outgoing Traffic; Million Minutes at International Gateway	195.039	174.355	11.9%
2.	Total International Incoming Traffic; Million Minutes at International Gateway	101.308	103.882	-2.5%
3.	Originated National Mobile Traffic (Minutes) –In Millions	1,644.5	1,752	-6.1%
4.	Total Mobile SMS Sent - In Millions	908	1,061	-14.4%
5.	Total Mobile MMS Sent - In Millions	4.796	5.315	-9.8%

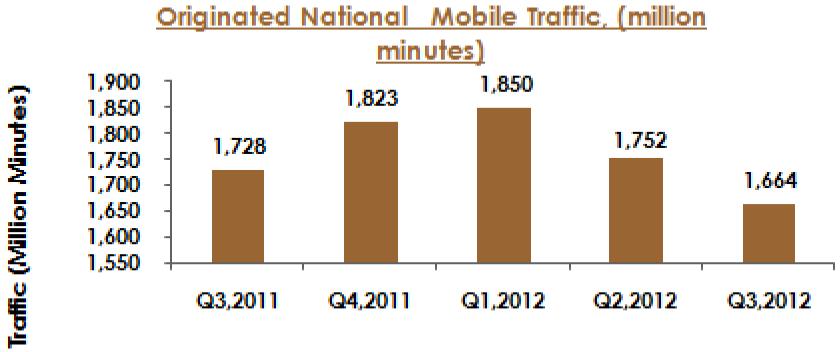
International Traffic for Voice (Million Minutes): Outgoing & Incoming

- During the quarter, the total international outgoing minutes at the international gateway increased by 11.9%, whereas the incoming dropped by only 2.5% during the same period.



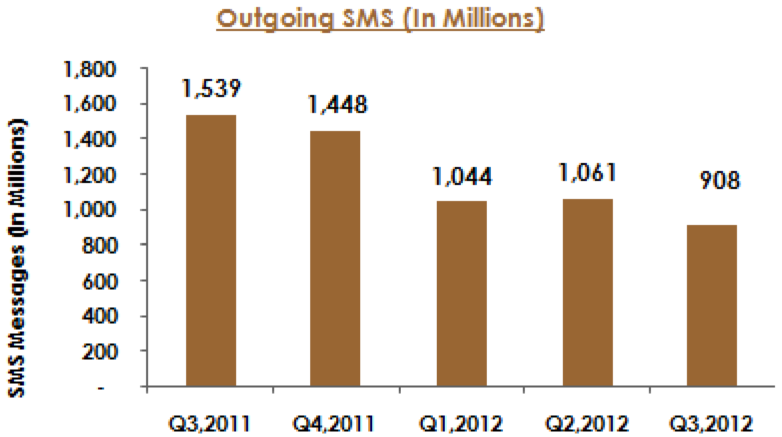
Outgoing National Mobile Traffic (Minutes)

- The originated national mobile traffic declined to 1,664 million during the quarter from 1,752 million minutes achieved during the previous quarter. This has shown a decrease of 5.02% compared to the previous quarter.



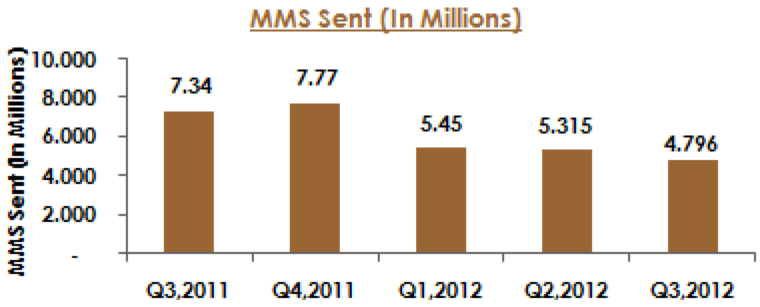
SMS (Sent) – In Millions

- During the quarter, the total volume of Sent SMS messages decreased to 908 million from 1,061 million SMS which is 14.4% higher compared to Q2, 2012.



Mobile MMS (Sent) – On Millions

- Q3, 2012 MMS traffic recorded was at 4.796 Million compared to 5.315 Millions, a decrease of 9.8% over previous quarter.



Type Approval

Type Approval

During the 3rd Quarter 2012, TRA :

- Approved a total number of 277(Previous Quarter 243) Telecom Equipments.
- Renewed 64 (Previous Quarter: 60) registrations of Telecom Dealers.
- Registered 96(Previous Quarter: 102) new dealers.
- Issued 313 (Previous Quarter: 261) Releases to Customs for Imported Telecom equipments.
- Inspected 32(Previous month 174) Violations (Breakdown by Type indicated in the graph).