



Quarterly Report on Telecom Sector Indicators

Q3, 2016

Competition and Tariffs Unit

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➤ Introduction

We are pleased to present Q3 2016 Report for the Indicators of Telecom Sector of Oman. The TRA has been compiling and publishing this information on quarterly basis to provide market intelligence on Telecom Sector to all interested parties including the investors, consumers, and the licensees. The Quarterly reports provide a brief update on the status of major telecom services in the Sultanate of Oman. These reports cover voice and data services for both fixed and mobile segments.

The quarterly reports are being compiled collecting data from the telecom service providers operating in Oman. The TRA would like to acknowledge and appreciate the service providers' cooperation and support for providing data to TRA, which helped in preparing this report and disseminating the information contained in it. The source data is sometimes delayed by the licensees, which ultimately cause delays in publishing the report. We hope the publication timing will improve in future with the cooperation of service providers.

Comments and suggestions from the users of these reports are welcome for improvement of the contents and structure of the reports.

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

➤ **Disclaimer**

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Major Market Observations

Q3, 2016

- As per Monthly Statistical Bulletin of September 2016 published by NCSI, the population of the Sultanate reached to 4,490,943 inhabitants .
- The total number of households stood at 575,000 by end of 2015 as per the NCSI estimation.

The penetration of different services stood at the following levels at the end of the Q3/2016:

- Fixed line 10.2% of inhabitants
- Mobile subscriptions 151% of inhabitants
- Fixed Internet 48.34% of households.

The Active Mobile Broadband Subscribers' reached to 85.5% of inhabitants by the end of Q3/2016 with the total active subscribers of 3,838,089 .

The Blackberry Subscribers represent 0.35% of the total Mobile Subscribers base at the end of Q3/2016.

During the Q3/2016, the TRA received and approved:

- 13 new and revised Tariff Plans.
- 42 promotional tariff offers

TRA type approved 334 telecom equipments, and issued 12 authorizations for importing equipments. In addition, TRA Issued 382 releases to customs for importing telecom equipments during Q3/2016.

TRA carried out 19 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q3, 2016

Indicator	Fixed Telephony Service (other than Fixed Internet)	Fixed Internet Service	Mobile Service
Subscribers	458,464	277,976	6,785,611
Penetration rate ¹	79.7% of household	47.87%% of household	151% of inhabitant
Revenue (Mln.RO)	28.353	25.135	154.017
International Outgoing Voice Minutes (mln),	5.902	NA	278.772
ARPU, (RO) ²	4.46	30.14	7.57
Service Providers ³	Omantel, Ooredoo, Teo, Connect Arabia International	Omantel, Ooredoo, Awaser	Oman Mobile, Ooredoo, Friendi, Renna, Teo

¹Note: Penetration rate is the total number of subscriptions on every 100 inhabitants/households. The Q3/2016 penetration rates are calculated based on the population (4,490,943), as per the latest bulletin published by NCSI – September 2016. Households: 575,000 (as per the NCSI estimation for year 2015).

² ARPU (the average revenue per user). The Fixed ARPU is based on revenue for the fixed telephone lines (post-paid and prepaid).

³Awaser has started its commercial operations. The figures of Awaser has been captured in this report and updated for the second quarter accordingly.

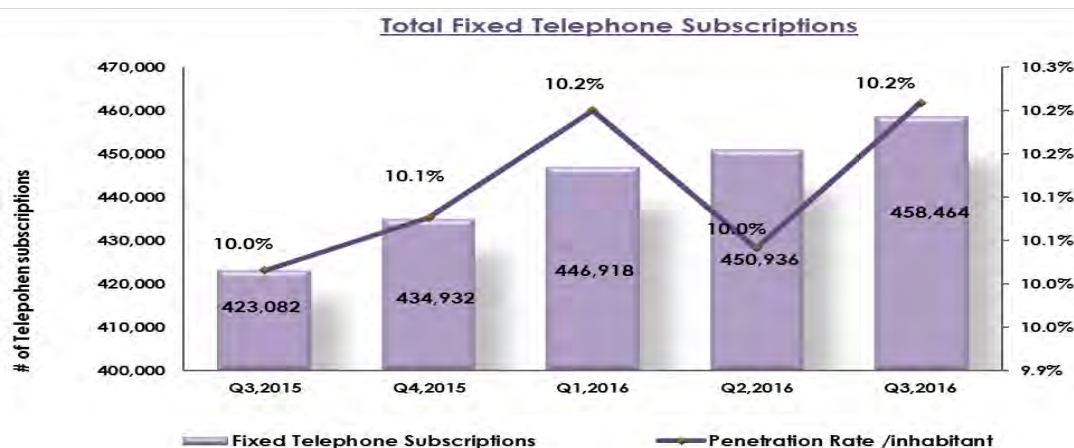
⁴Household figure used is as per NCSI estimation for the year 2015.

	Q3/2016	Q2/2016	% Change
Population	4,490,943	4,413,309	1.75
Households ⁴	575,000	575,000	-

Fixed Telephone Service

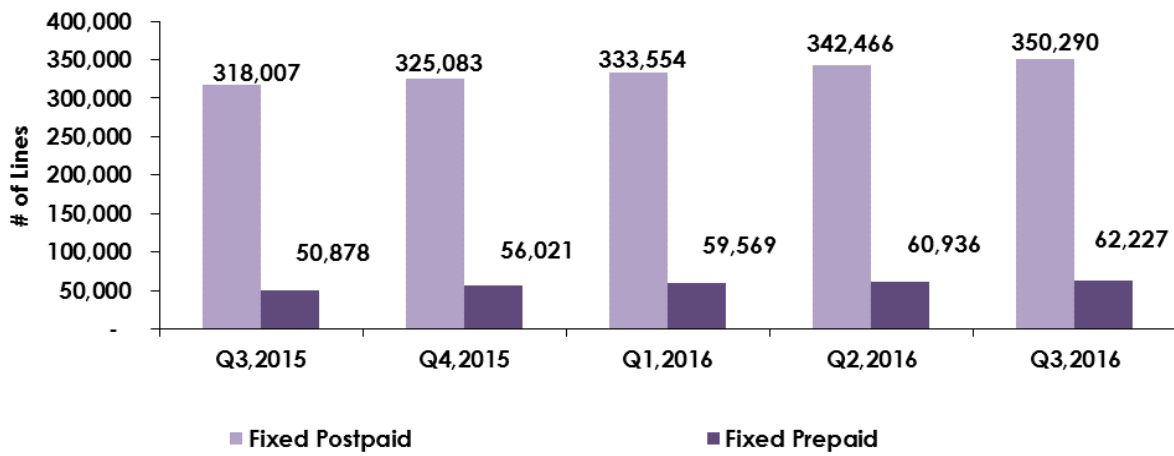
Type of Service	Q3/2016	Q2/2016	% Change
Fixed Telephone Lines:			
1.1 Post Paid	350,290	342,466	2.28%
1.2 Pre-Paid	62,227	60,936	2.11%
1.3 Public Telephone – Payphone	6,801	6,801	0%
1.4 ISDN ¹ Equivalent Channels	37,080	39,150	-5.28%
1.5 WLL Connections	1,526	1,497	2.13%
Total Fixed Telephone Lines in Operation (1.1-1.5)	458,464	450,936	1.66%
Fixed Line Penetration /100 Inhabitant	10.21%	10.2%	0.01%
Fixed Line Penetration /100 household	79.73%	78%	1.73%

- Note: The Q3/2016 penetration rates are calculated based on the population (4,490,943), as per the latest bulletin published by NCSI – September 2016.
- Households: 575,000 (as per the NCSI estimation for year 2015).
- ¹ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.



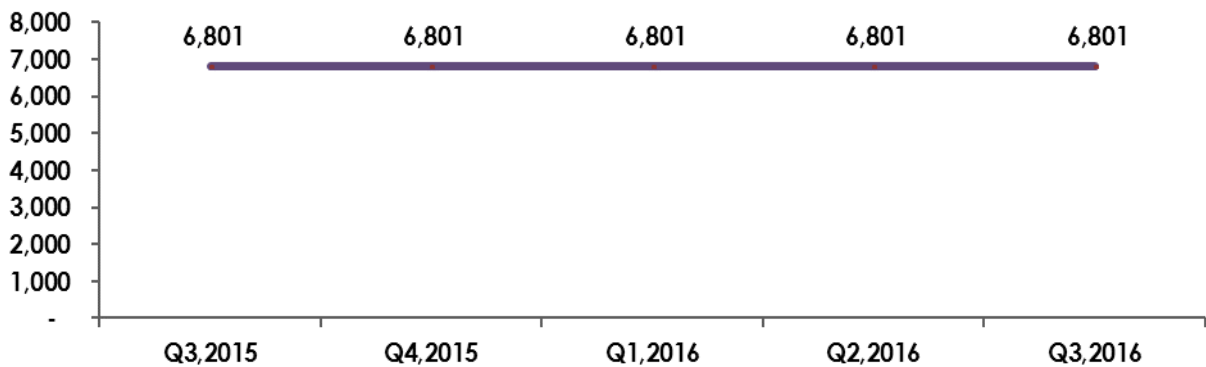
- Third Quarter 2016 achieved 458,464 fixed line subscribers with an increase of 7,528 lines as compared to the previous quarter (Q2/2016).
- The penetration rate per inhabitant of the fixed line subscribers stayed constant for the last two quarters.
- However, the penetration rate per household increased by 1.73% during the third quarter from 78% to 79.73 %.

Fixed Telephones Post paid & Pre paid



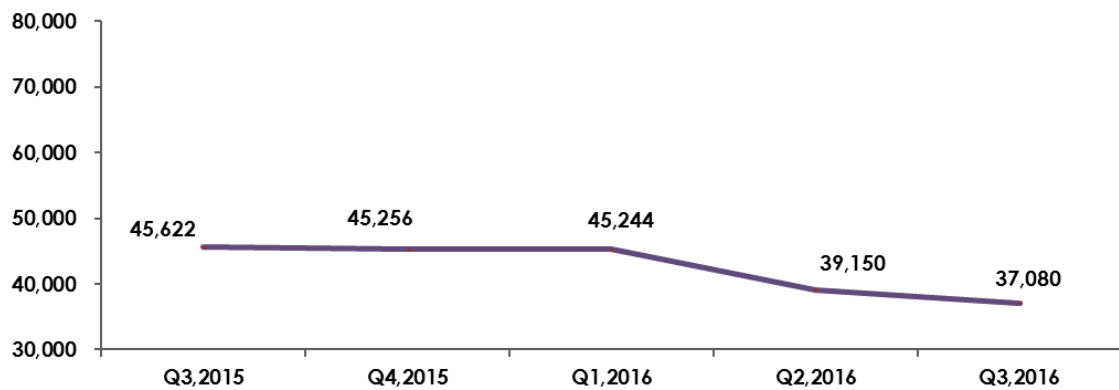
Both the fixed postpaid and pre-paid subscriptions grew during the third quarter 2016 by 2.28%, and 2.12% respectively.

Pay Phones



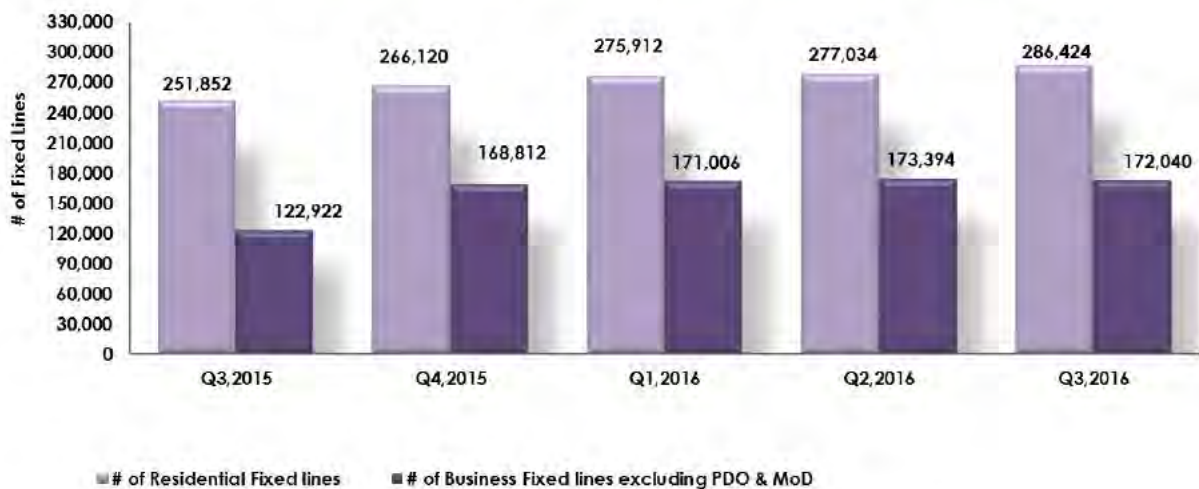
Public payphones remained unchanged since last year with the total of 6,801 pay phones in service. These are being kept as a license obligation.

ISDN Equivalent Channels



During the third quarter 2016, the ISDN¹ equivalent channels declined by 5.3% reaching 37,080 channels. This change was due to recalculation of lines as per ITU Definition.

Residential Vs Business Fixed Line Subscribers



During the third quarter residential fixed line subscribers grew by 3.38% while business fixed line subscribers declined by 0.78% as compared to the previous quarter.

The split between fixed residential and business lines stood at 62.5% and 37.5% respectively in Q3/2016.

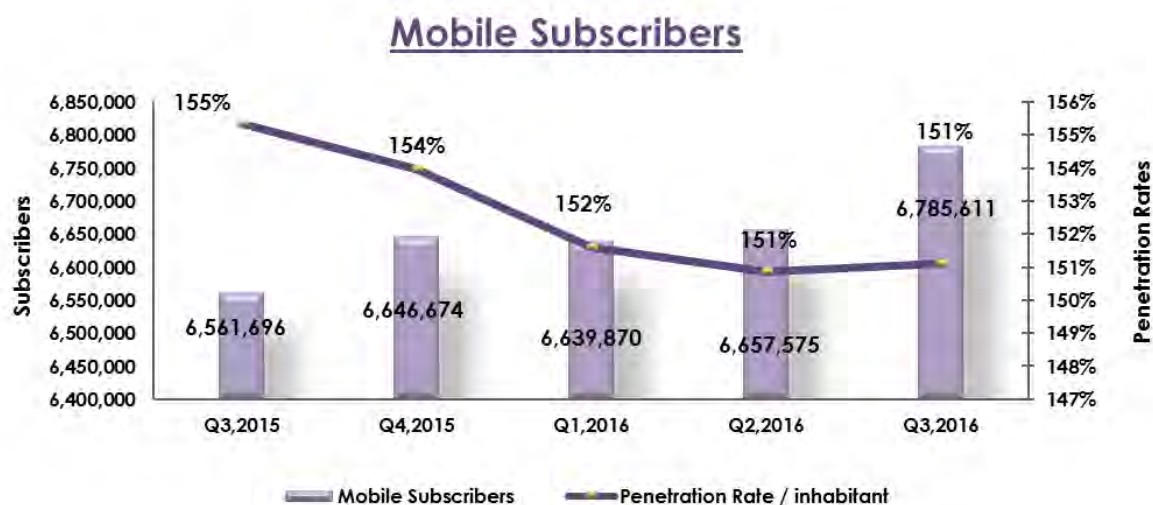
¹ISDN (Integrated services digital network): a network that provides digital connections between user-network interfaces.

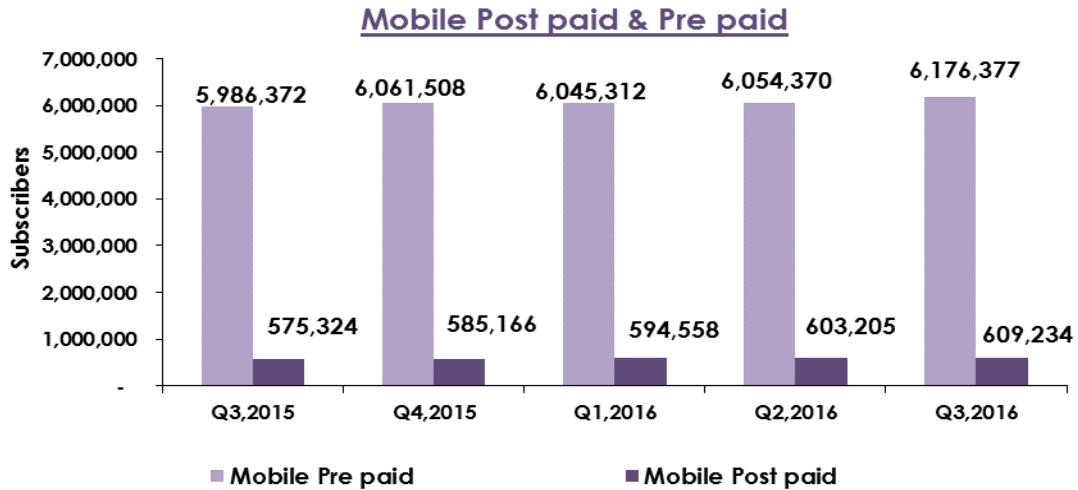
Mobile Service

Mobile Subscribers	Q3/2016	Q2, 2016	% change
1 Post Paid			
1.1 Operators	609,234	603,205	1%
Total Postpaid Subscribers	609,234	603,205	1%
2 prepaid			
2.1 Operators	5,049,204	4,979,319	1.40%
2.2 Resellers	1,127,173	1,074,955	4.85%
Total Prepaid Subscribers	6,176,377	6,054,370	2.02%
Total Mobile Subscribers: (2.1+2.2)	6,785,611	6,657,575	1.9%
Mobile Penetration/100 Inhabitant	151%	151%	0%
BlackBerry Subscriptions:			
3.1 Post Paid	3,963	4,294	-7.7%
3.2 Pre-Paid	19,659	31,945	-38.4%
Total BlackBerry Subscribers (3.1+3.2)	23,622	36,239	-34.8%
% of BlackBerry Mobile Subscribers of total Base in Oman	%0.35	%0.5	-0.15

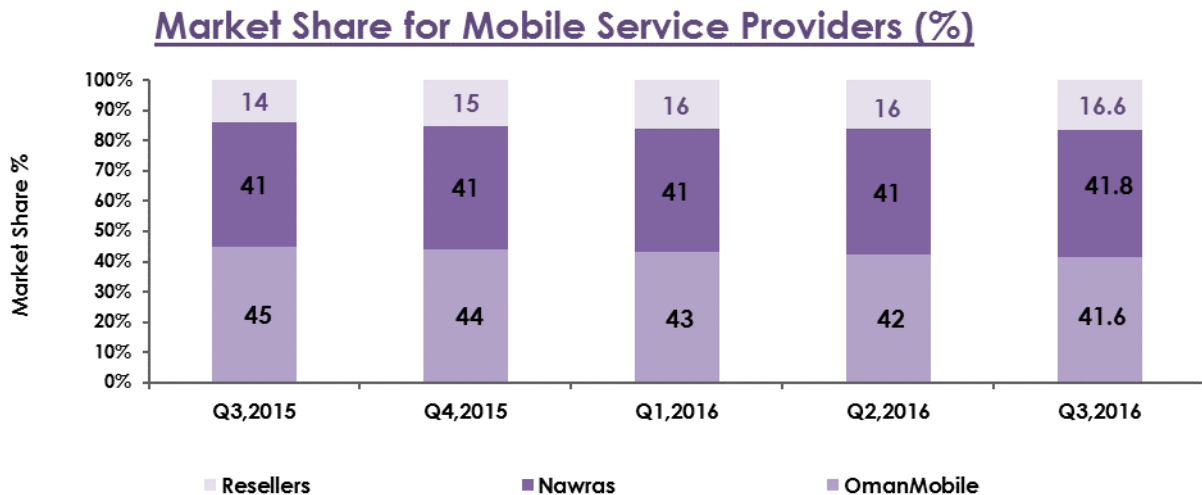
- Note: The Q3/2016 penetration rates are calculated based on the population (4,490,943), as per the latest bulletin published by NCSI – September 2016.

- The total mobile subscribers increased slightly by 2% during the third quarter 2016 achieving a total of 6,785,611 subscribers base.
- The mobile penetration stayed constant during third quarter.





- Post-paid mobile subscribers reached 609,234 with 1% growth over the previous quarter.
- Prepaid mobile subscribers increased by 2% reaching to 6,176,377 subscribers.

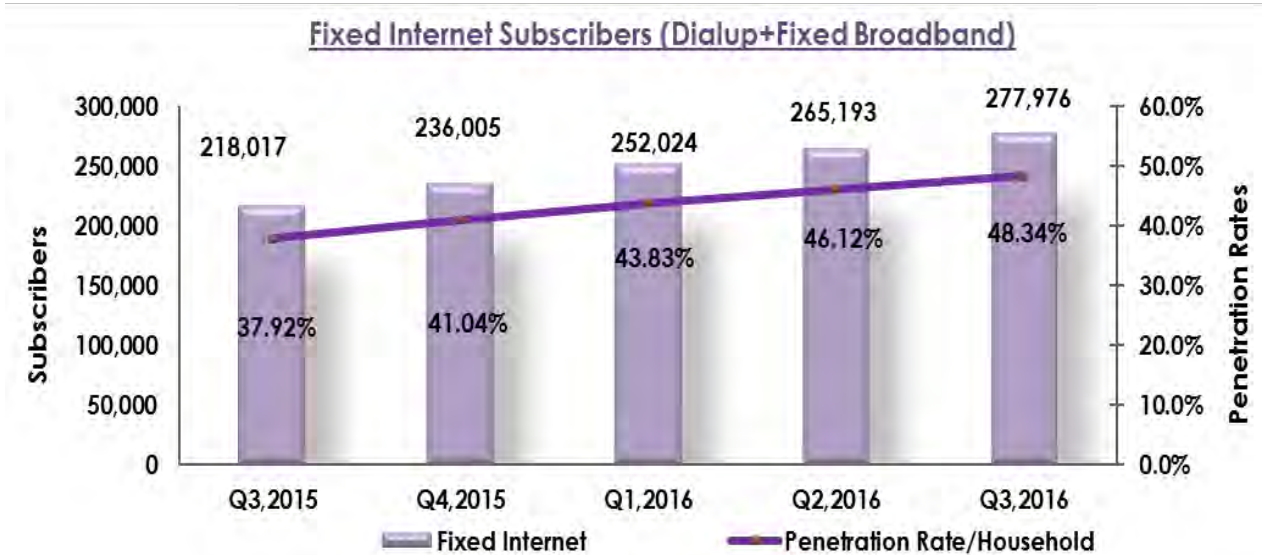


- During the third quarter 2016, Omantel mobile and Ooredoo almost attained equal market share. The Resellers attained 16.6% market share similar to the previous quarter 2016.

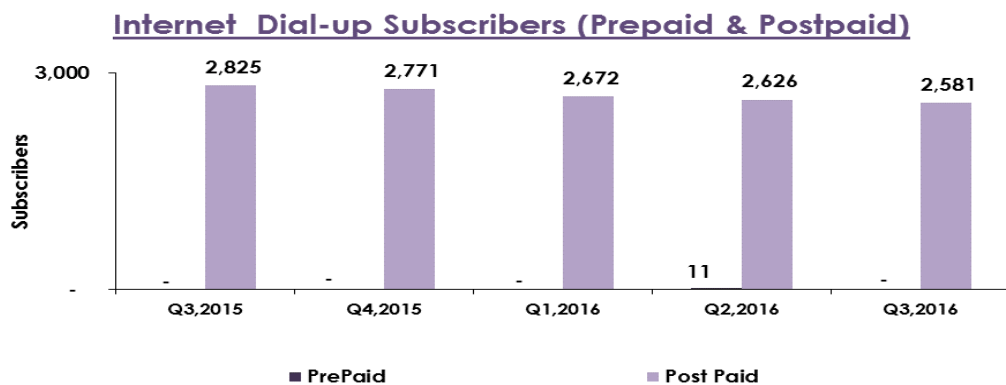
Internet Services

Type of Service	Q3/2016	Q2/2016	% change
Dial Up Subscribers			
1.1 Post Paid	2,581	2,626	-1.72%
1.2 Pre-Paid	-	11	-
1. Total Dial-Up Subscribers: (1.1+1.2)	2,581	2,637	-2.12%
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	275,395	262,556	4.89%
Total Fixed Internet Subscribers (1+2)	277,976	265,193	4.8%
Fixed Internet Penetration /100 Household	48.34%	46.12%	2.22%
Fixed Broadband Subscribers Penetration/100 Household	47.89%	45.66%	2.23 %
Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers	2,539,307	2,252,074	12.7%
3.2 Standard mobile-broadband Subscribers	1,298,782	1,241,720	4.59%
Total Active Mobile Broadband Subscribers (3.1+3.2)	3,838,089	3,493,794	9.9%
Active Mobile Broadband Penetration Rate /100 Inhabitant	85.5%	77.8%	7.7%

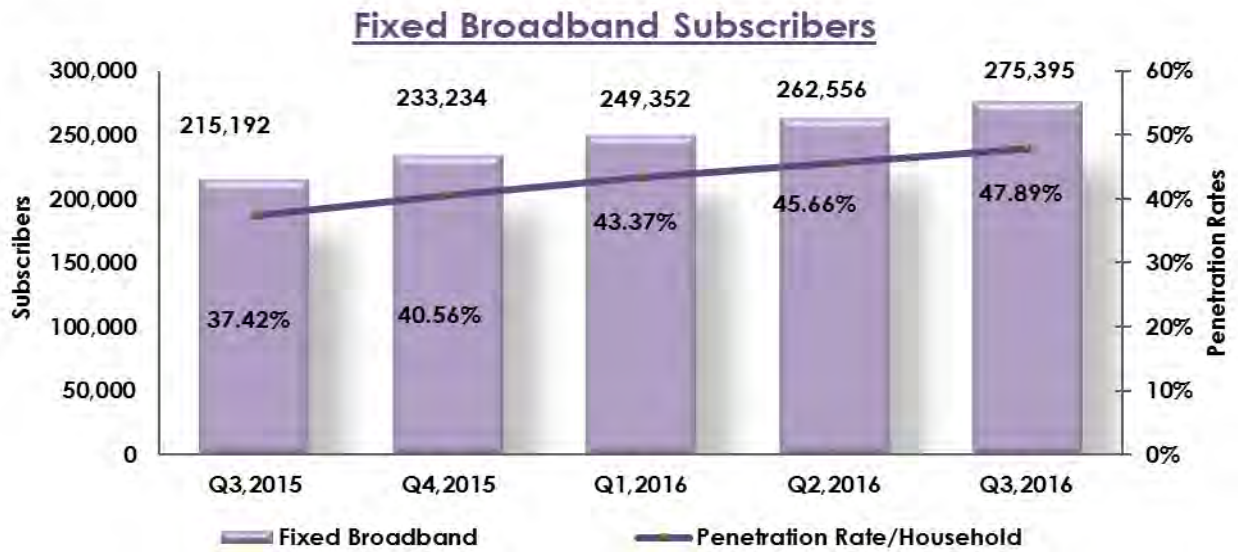
- Note: The Q3/2016 penetration rates are calculated based on the population (4,490,943), as per the latest bulletin published by NCSI – September 2016.
- Households: 575,000 (as per the NCSI estimation for year 2015).



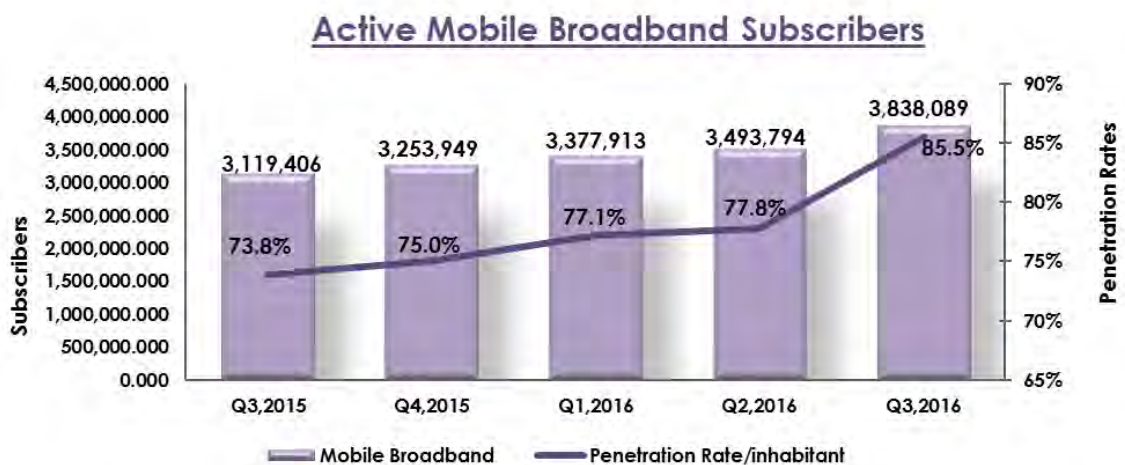
- The total fixed internet subscribers were added up by 12,783 subscribers during the third quarter 2016 reaching a total of 277,976 subscribers. This shows 4.8% growth over the previous quarter.
- During the reported quarter, the fixed internet penetration rate per household reached 48.34% which is 2.2% higher than the previous quarter.



- Since last year, dial up postpaid internet subscribers have been gradually shrinking reaching to 2,581 subscribers by end of Q3, 2016.

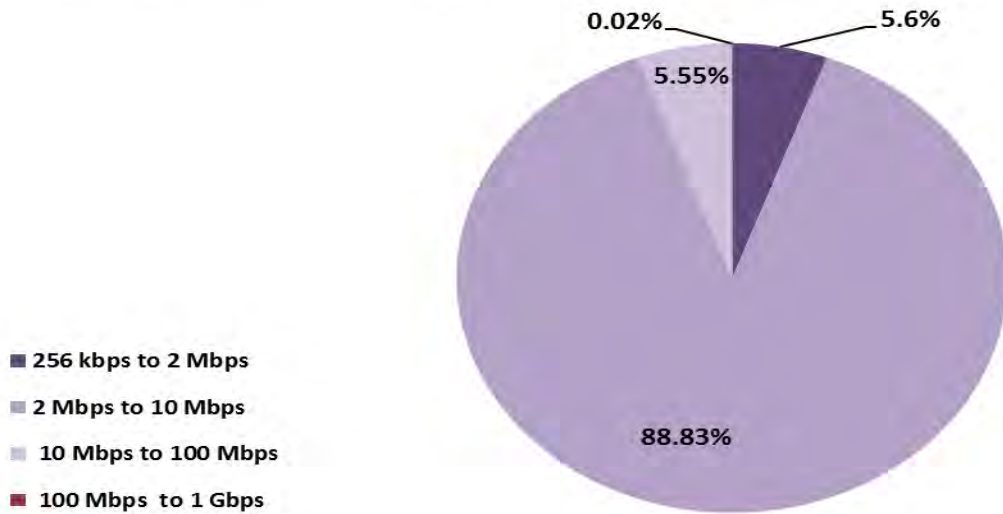


- During the third quarter 2016, fixed broadband segment has experienced 4.89% growth over the previous quarter. Fixed Broadband subscription reached 275,395 subscribers with penetration rate of 47.89% per household.



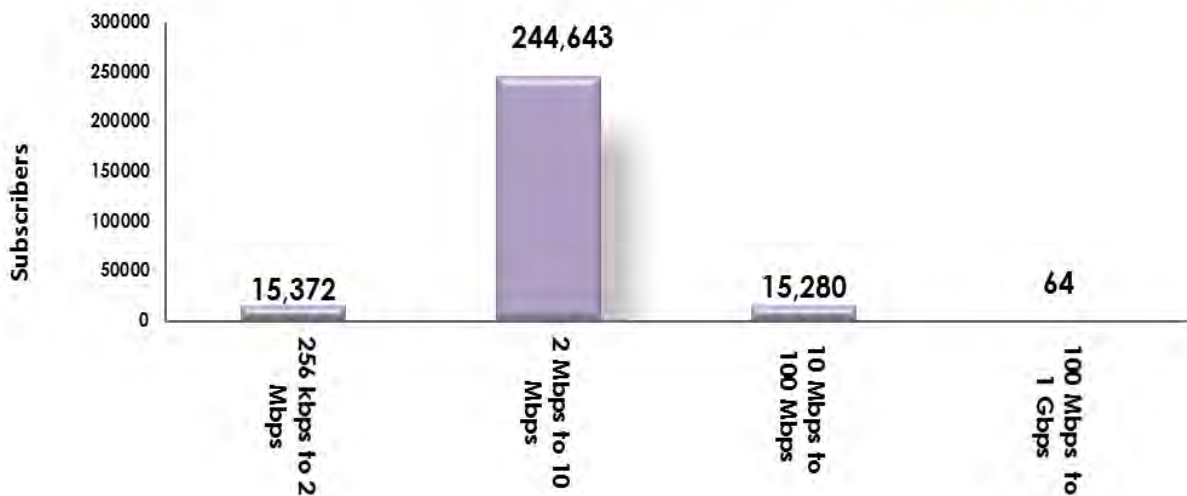
- During the third quarter 2016, total active mobile broadband subscribers rose by 9.9% to 3,838,089 from 3,493,794. Also, the penetration rate increased by 7.7 % from 77.8% to 85.5% per inhabitant.

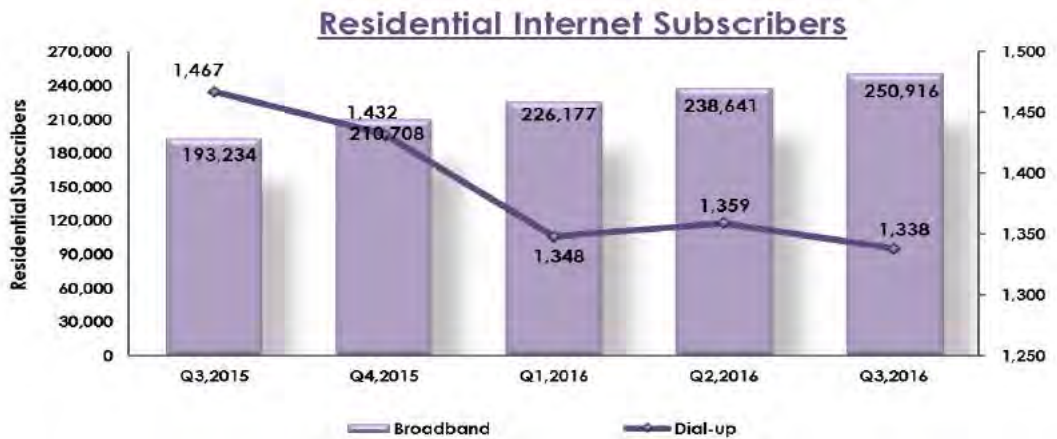
Fixed Broadband Subscribers-Proportions by Speed, Q3/2016



- 5.6% of fixed Broadband subscribers during Q3, 2016 had access speed of 256 Kbps to 2 Mbps.
- 88.83% of fixed Broadband subscribers during Q3, 2016 had access speed of 2 Mbps to 10 Mbps.
- 5.55% of fixed Broadband subscribers during Q3, 2016 had access speed of 10 Mbps to 100 Mbps.
- 0.02% of fixed Broadband subscribers during Q3,2016 has access speed of 100 Mbps to 1 Gbps.

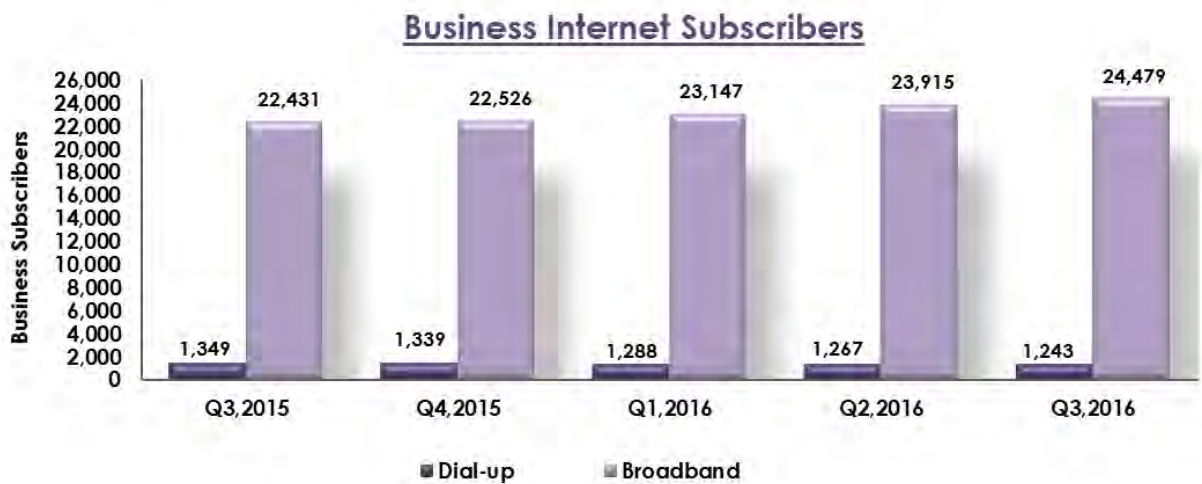
Fixed Broadband Subscribers by Internet Speed, (Q3/2016)



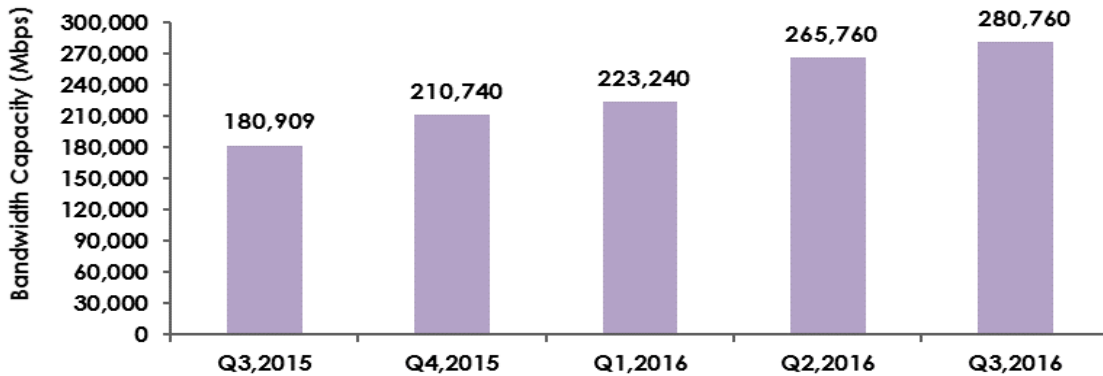


- The residential broadband subscribers in the above chart registered a growth of 5% during the third quarter 2016, also the residential dial up subscribers declined by 0.02% over the second quarter 2016.

- The below chart presents an increase of 2.35% in the business segment of broadband, while 1.8% drop in the dial up internet subscribers.

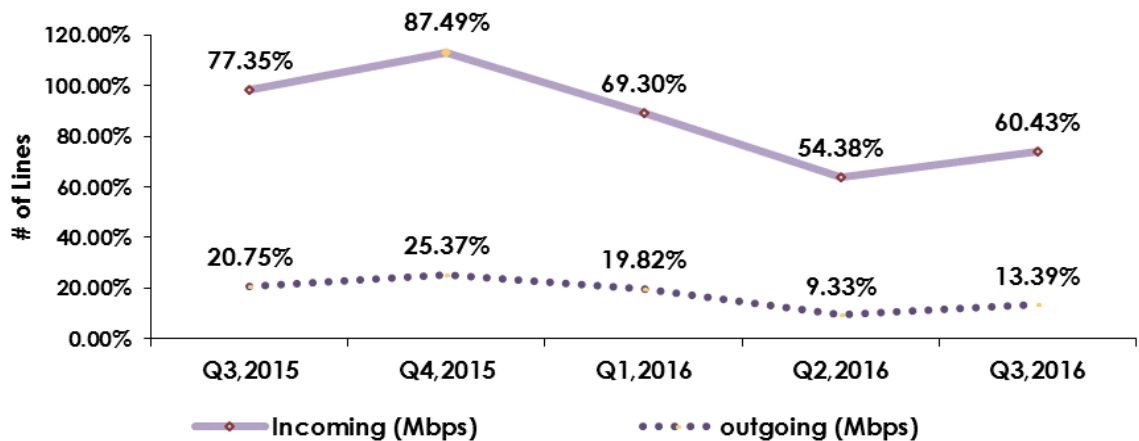


International Internet Bandwidth (Mbps)



- During the third quarter 2016, the operators had 280,760 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 265,760 Mbps.

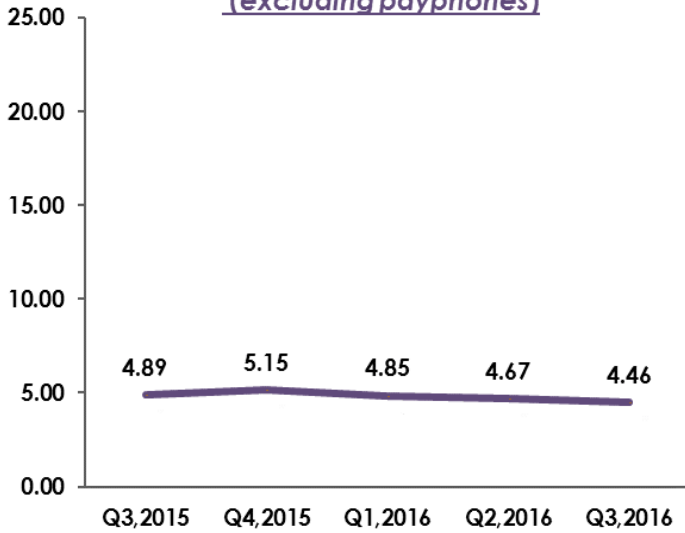
International Internet Bandwidth - % Utilization



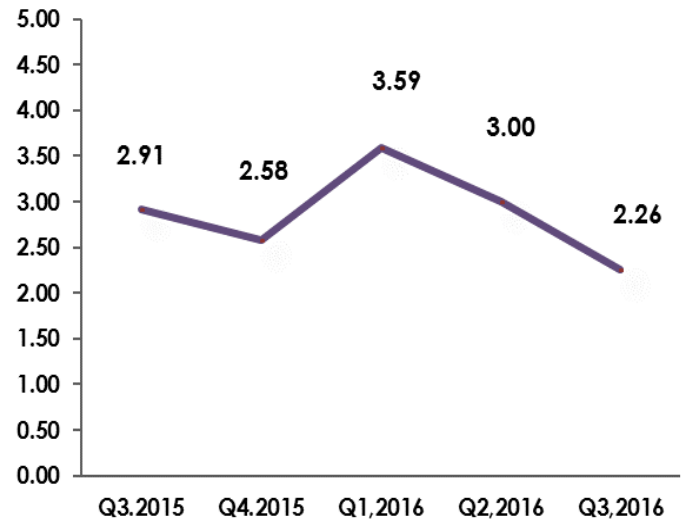
- Out of 280,760 Mbps capacity, on average 13.39% was utilized for the outgoing and 60.43% for the incoming traffic.

ARPU¹

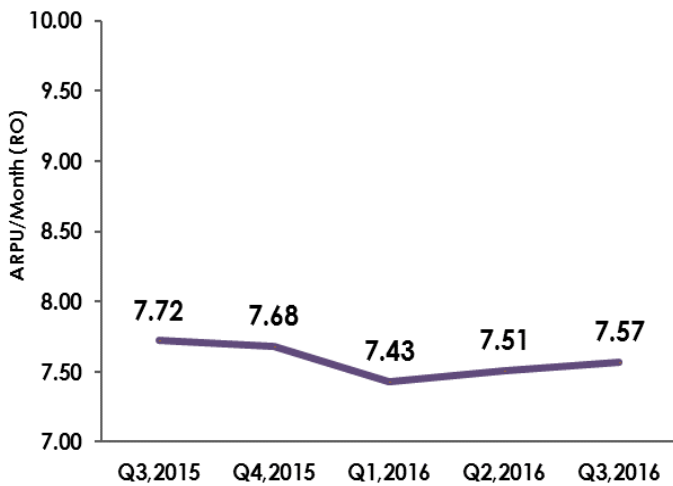
Fixed Telephone ARPU /Month (OR)
(excluding payphones)



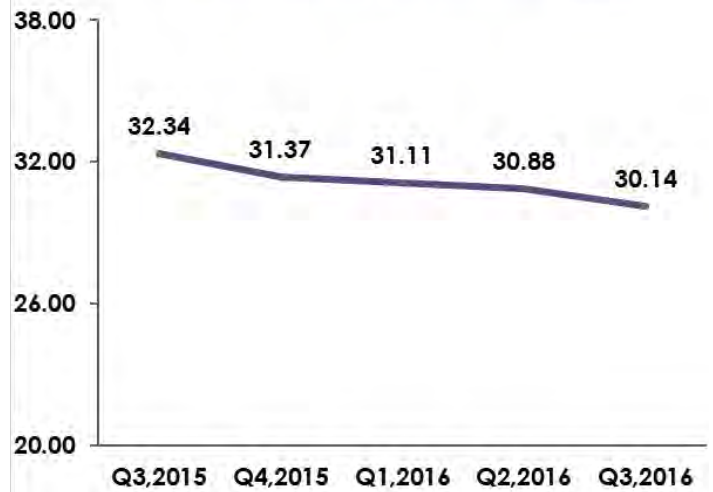
Payphone ARPU / Month (RO)



Total Mobile ARPU / Month

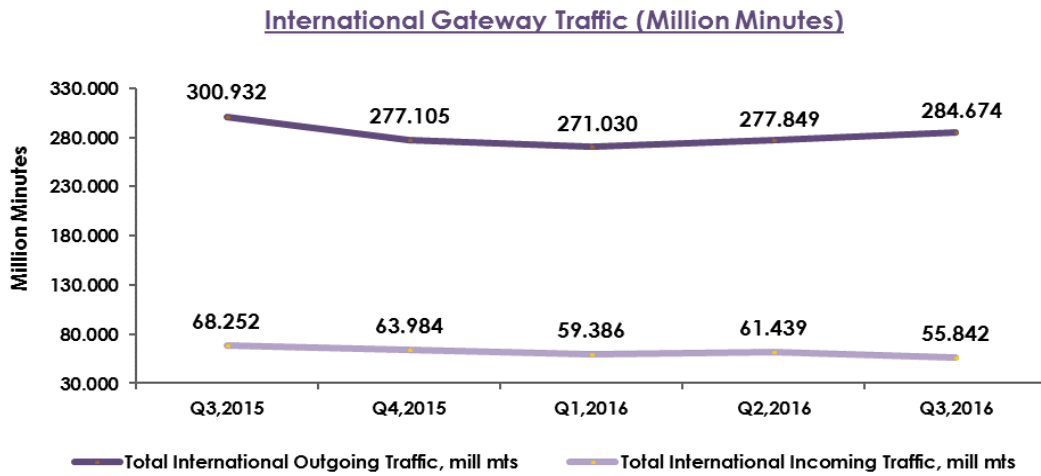


Fixed Internet ARPU/month (OR)

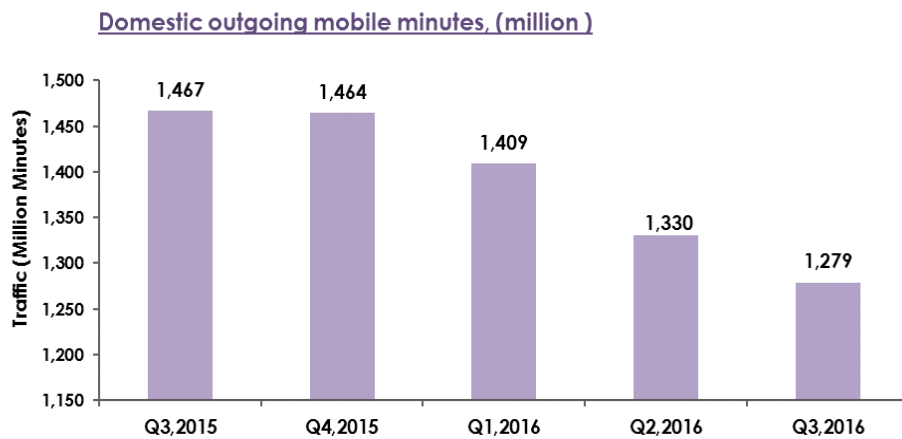


¹ARPU (the average revenue per user)

Traffic

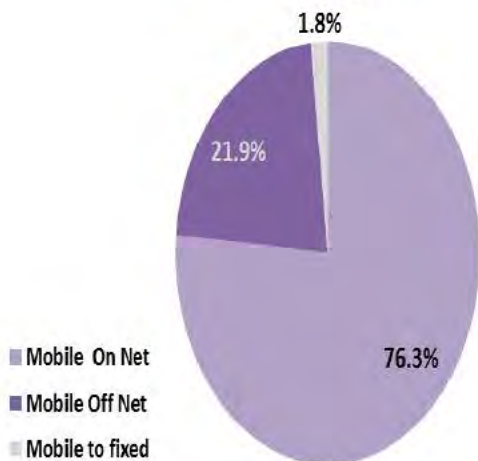


The third quarter 2016 experienced increase in the outgoing international traffic by 2.45%, while the incoming traffic declined by 9.1% during the third quarter against the second quarter 2016.



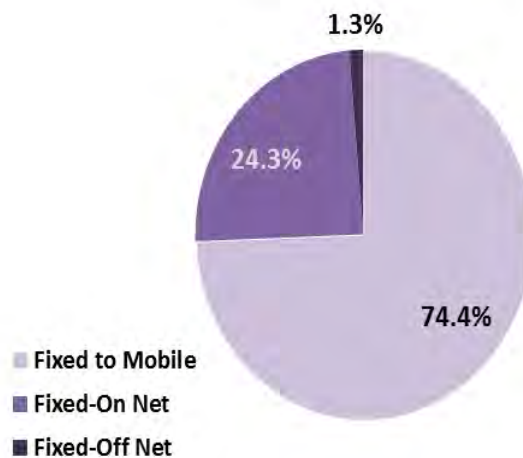
During the third quarter 2016, the domestic outgoing mobile traffic declined by 3.8% to 1,279 million minutes from the previous quarter traffic of 1,330 million minutes.

% Distribution of domestic outgoing mobile minutes, Q3/2016



During the third quarter 2016, mobile to mobile (On net) traffic had the major share of the 76.3% out of the total domestic outgoing traffic. While the Off net mobile domestic traffic has 21.9% share Mobile to fixed Traffic represents 1.8% of the mobile domestic traffic.

% Distribution of domestic outgoing fixed minutes, Q3/2016



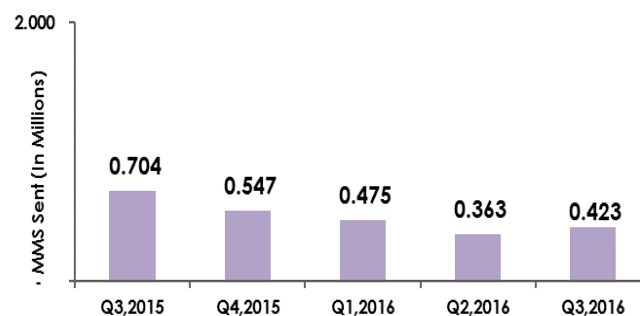
During the third quarter 2016, the domestic outgoing fixed traffic achieved 74.4% share for fixed to mobile, 24.3% for fixed to fixed (On-net), and 1.3% for fixed to fixed (Off-net) traffic.

SMS Sent (In Millions), Q3/2016



Total outgoing SMS (short messages) Traffic increased to reach 321 million messages by the third quarter 2016 from 320 million messages in the second quarter, 2016.

MMS Sent (In Millions), Q3/2016



The number of outgoing MMS (multimedia messages) has been gradually decreasing since the last year. However, it increased from 0.363 to 0.423 million messages during the third quarter.

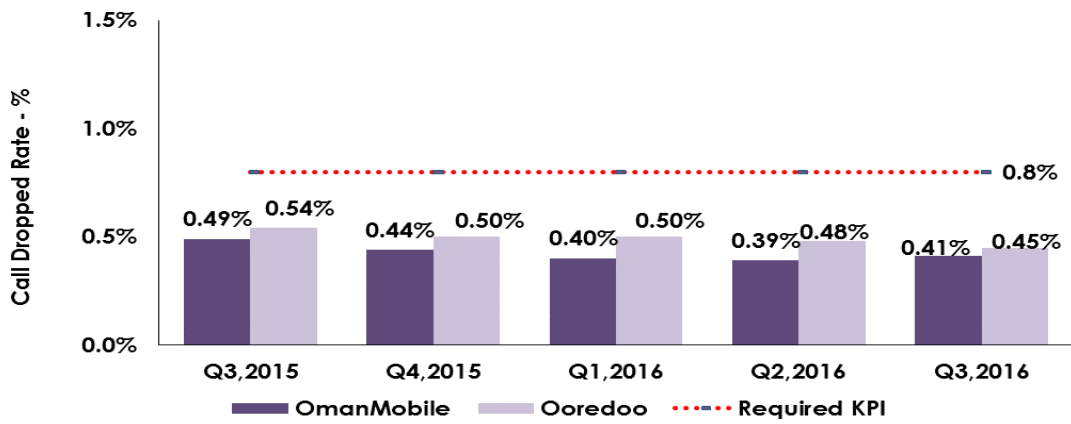
Quality of Service

Mobile Services KPIs*

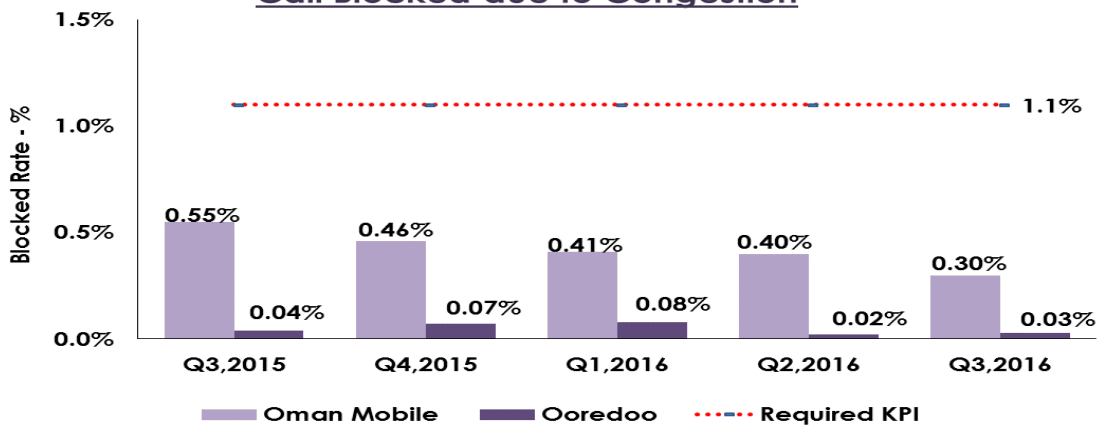
Mobile Services KPIs	Required KPI (Quarterly)	Q3/2016		Q2/2016	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.41	0.45	0.39	0.48
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.30	0.03	0.40	0.02
3. Percentage of billing complaints resolved within 20 working days	More than 96%	98.56	100	99.66	100

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

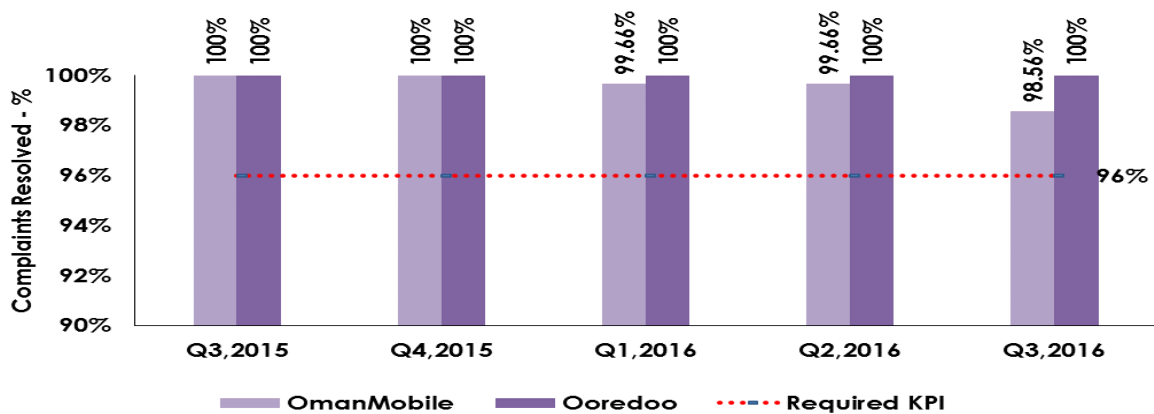
Percentage of Call Dropped



Call Blocked due to Congestion



Billing Complaints within 20 Working days



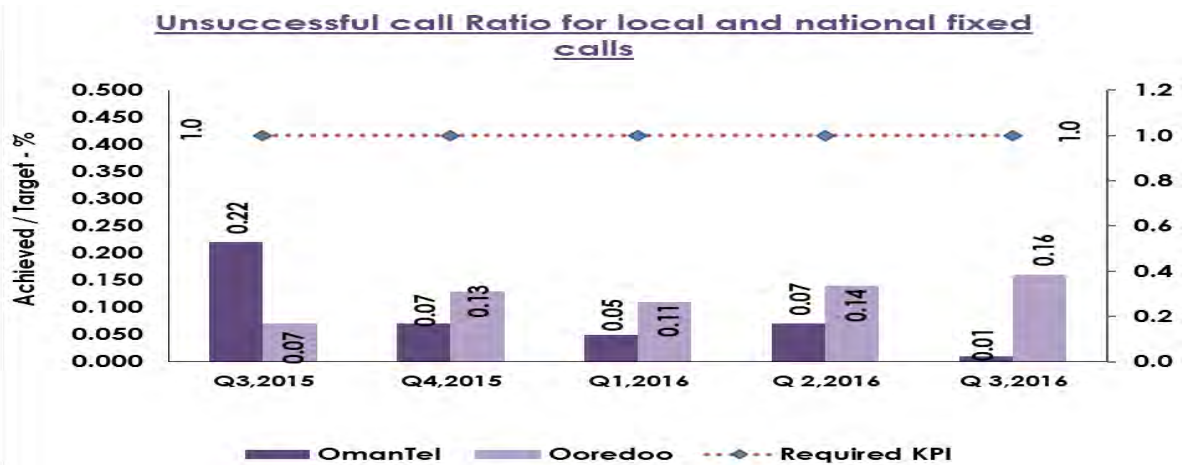
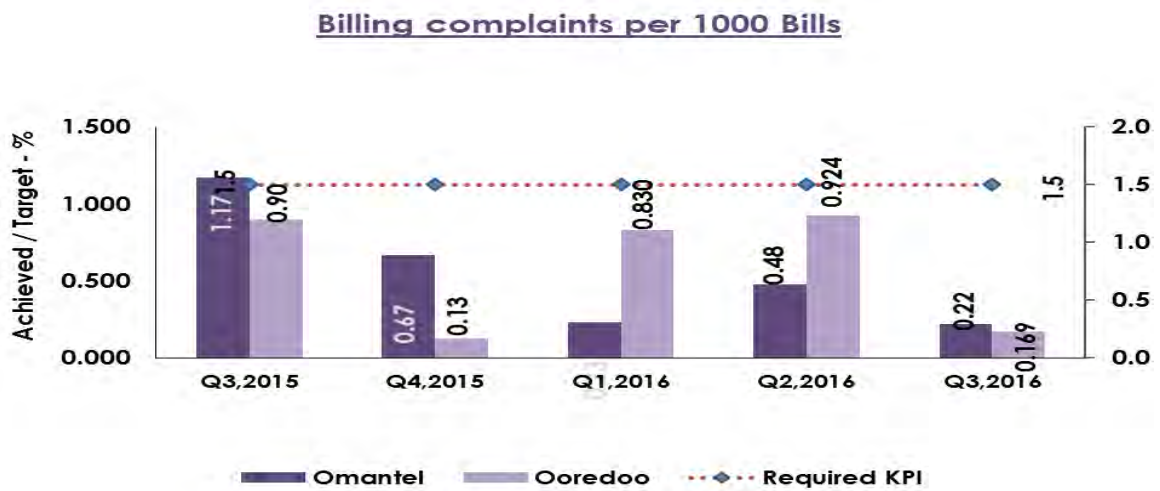
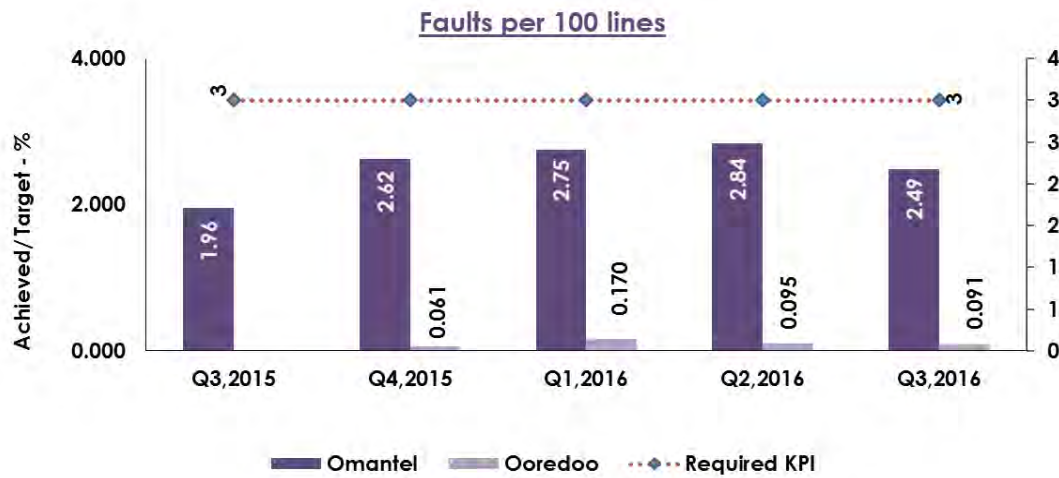
Fixed Services KPIs*

Fixed Services KPIs	Required KPI (Quarterly)	Q3/2016		Q2/2016	
		Omantel	Ooredoo	Omantel	Ooredoo
		%	%	%	%
1. Faults per 100 lines per quarter	Less than 3	2.49	0.091	2.84	0.095
2. % of faults to be cleared within 24 hours	More than 90%	96.56	99.37	96.78	100
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.01	0.16	0.07	0.04
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	96.91	98.71	97.2	93.57
5. Billing complaints per 1000 Bills	Less than 1.5	0.22	0.169	0.48	0.272
6. Percentage of billing complaints resolved within 20 working day	More than 96%	99	100	98.5	100

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

Fixed KPIs (Higher than RED bar is GOOD), Q3/2016



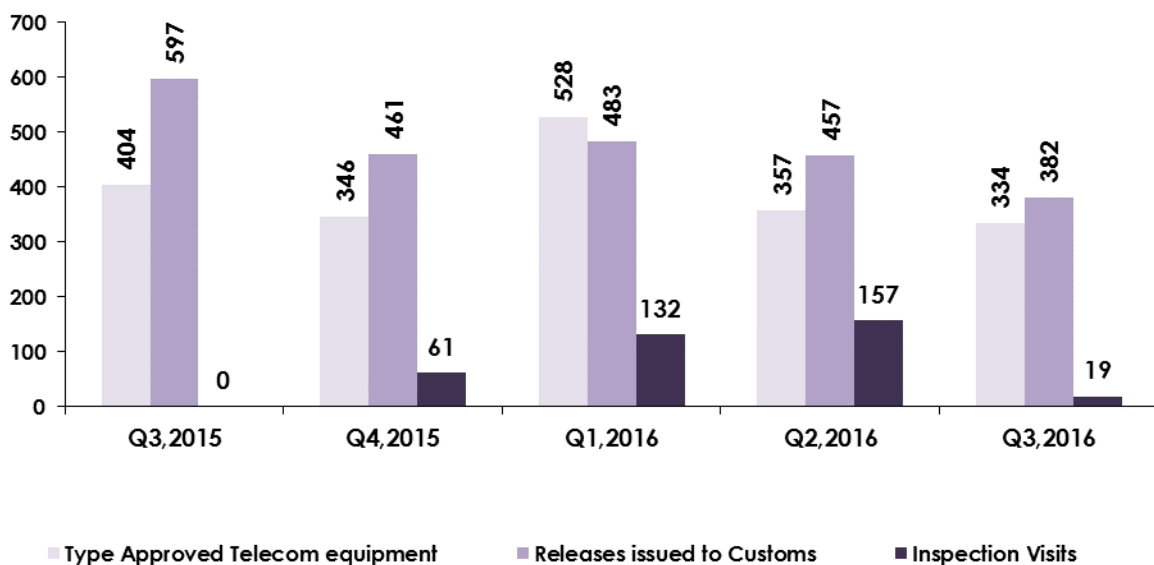


Type Approval

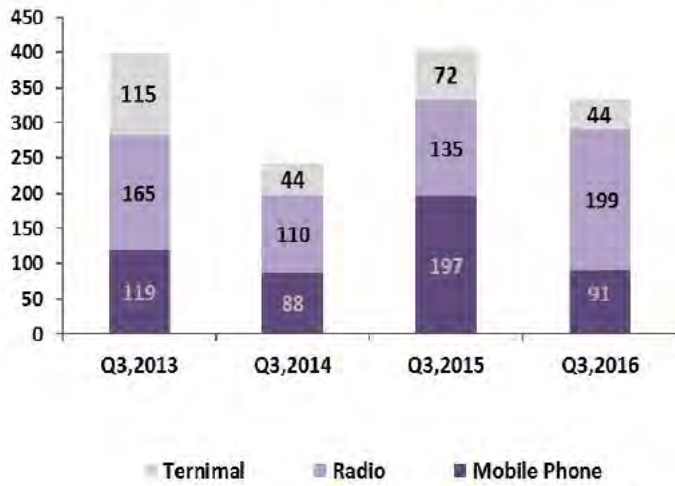
During the third Quarter 2016, TRA:

- Approved a total number of 334 (Previous Quarter 357) Telecom Equipment.
- Issued 382 (Previous Quarter: 457) Releases to Customs for Import of Telecom equipment.
- Inspected 19 (Previous Quarter: 157) dealerships.

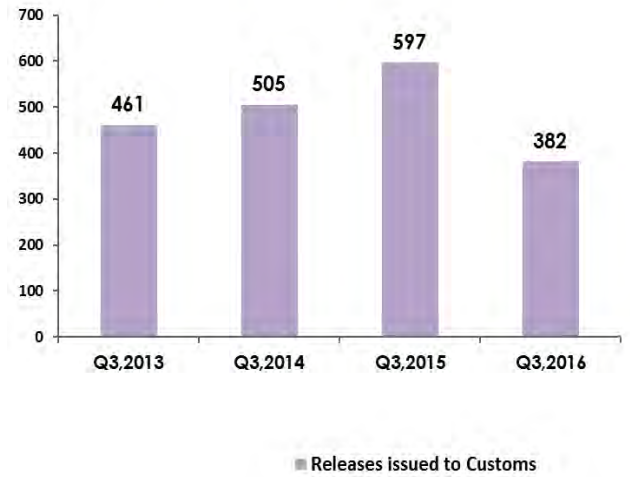
Type Approval



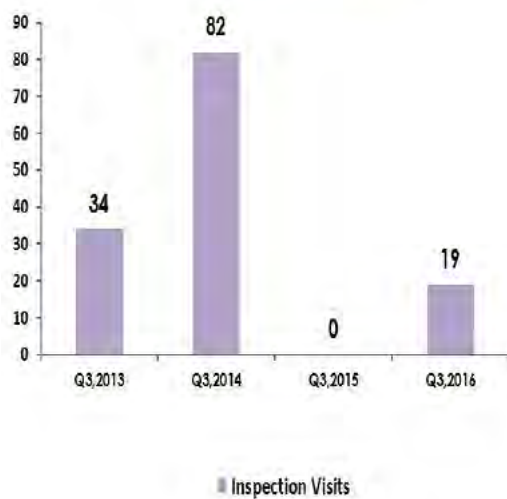
Telecom Equipments Approved



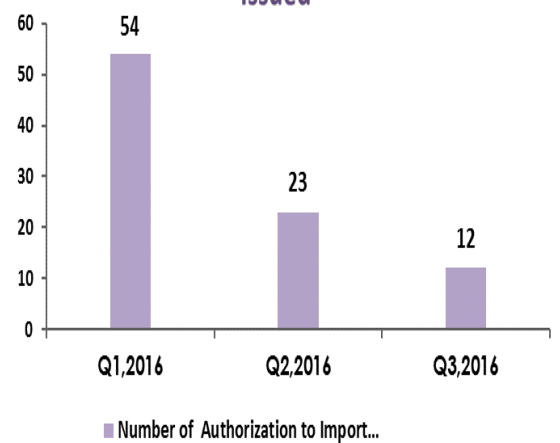
Releases issued to Customs



Inspection Visits



Number of Authorization to Import Issued



Tariffs & Promotions

Number of Promotions approved Q3, 2016

Licensee	Voice National		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellaneous	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renana			2		3		1							6	14%
Friendi			5		1		6							12	29%
Teo			4											4	10%
Omantel			1		6		1		1	1	3		1	14	33%
Ooredoo	1								1		2			4	10%
Awaser						2								2	5%
Total	1	0	12	0	10	2	8	0	2	1	5	0	1	42	100%
	2.0%	0.0%	29.0%	0.0%	24%	5.0%	19.0%	0.0%	5.0%	2.0%	12.0%	0.0%	2.0%	100%	

Number of new services, Tariffs and Revisions approved Q3, 2016

Licensee	Voice		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellaneous	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renana														0	0%
Friendi			1											1	8%
Teo			1											1	8%
Omantel	1					1				1				3	23%
Ooredoo			1		1					3	2			7	54%
Awaser						1								1	8%
Total	1	0	3	0	1	2	0	0	0	3	3	0	0	13	100%
	8%	0%	23%	0%	8%	15%	0%	0%	0%	23%	23%	0%	0%	100%	

Number of promotions/ new services and revisions segment wise

No. of Promotions	Mobile	Fixed	Mobile & Fixed	Total
	35	3	4	42
%	83%	7%	10%	100%
No. of new services and revisions	9	2	2	13
	69%	15%	15%	100%

No. of Promotions	Personal	Corporate	Personal & Corporate	Total
	39	0	3	42
%	93%	0%	7%	100%
No. of new services and revisions	8	3	2	13
	62%	23%	15%	100%

No. of Promotions	Prepaid	Postpaid	Prepaid & Postpaid	Total
	28	7	7	42
%	67%	17%	17%	100%
No. of new services and revisions	4	5	4	13
	31%	38%	31%	100%

Summary of Promotion's Statistics for Q3/2016:

- Number of Promotions declined by 24% comparing with Q3 2015 from 55 to 42.
- Most of Promotions approved or filed related to International Voice (29%), Data for Mobile (24%), Welcome Packs (19%) and Top-Up and Bundled Services (12%).
- New tariffs and revisions approved and filed dominated by Value Added Services, Bundle plans and International voice with each carrying a weight of 23% and to lesser extent FBB 15% and MBB 8%.
- Mobile Resellers launched 53% of the total promotions approved and filed during this quarter and for 16% of the total Services and Revisions approved and filed for the same quarter.
- Number of promotions filed accounted for 60% of the total promotions approved and filed this quarter. This reflect the dynamics of the non-dominant markets.
- This 3rd quarter witnessed launching of promotions on International Roaming on the occasion of Hajj by Omantel and Ooredoo.
- Omantel launched a number of new offers such as Snapchat Add on promotion, Instagram Promotion and a special promotion for WhatsApp.
- Many international voice offers where launched in 3rd quarter on the events of two Eids.

Summary of the Tariff Activities in Q3/2016:

The most services and revisions approved this quarter are as follows:

- 1- Omantel revamped HBB plans.
- 2- New Improvements approved for Omantel Corporate Nama plans.
- 3- New Nojoom loyalty Program for corporate approved for Ooredoo.
- 4- Ooredoo introduced new Shababiah
- 5- New Night Data Add-on for Ooredoo Shahry Customers.
- 6- Two new Shahry Business Packs approved for Ooredoo.
- 7- Advance Credit service approved for Ooredoo.