سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q3, 2014

Competition and Tariffs Unit

Table of Content

➢ Introduction

It is our pleasure to present Q3 2014 Report for the indicators of Telecom Sector of Oman. The TRA has been compiling and publishing basic statistics on quarterly basis to provide market information 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.

This report has been compiled sourcing the data collected from the telecom operators and mobile resellers operating in Oman. The TRA would like to acknowledge and appreciate the service providers for their cooperation and support for providing these statistics to TRA, which helped in preparing and disseminating this information. The source data is sometimes delayed by the licensees, which ultimately cause some delays in publishing the report. We hope the publication timing will improve in future with the cooperation of service providers.

Any suggestion and comments for improvement of the contents and structure of this report are highly appreciated, which can be sent through letters, emails or fax to the Competition and Tariff Unit of TRA.

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

➢ Disclaimer

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Major Market Observations

Q3 / 2014

The penetration of different services stood at the following levels at the end of the Q3 2014:

- Fixed line 9.11% per inhabitants
- Mobile subscriptions 150.3% per inhabitants
- Internet 42.39% per households.

The Active Mobile Broadband Subscribers' Penetration rate reached 67.95% by the end of Q3/ 2014 with total active subscribers reaching 2,713,230.

The Blackberry Subscribers represent 1.5% of the total Mobile Subscribers base at the end of Q3/2014 as compared to 1.7% of total mobile subscribers as at the end of preceding quarter.

During the Third Quarter 2014, the TRA received and approved:

- 2 Tariff Plans for Revisions.
- 6 New tariff plans.
- Total of 43 promotional tariff offers

TRA type approved 242 telecom equipments, renewed 51 registrations of telecom dealers and registered 88 new dealers. TRA Issued 505 releases to customs for importing telecom equipments.

The TRA carried out 82 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

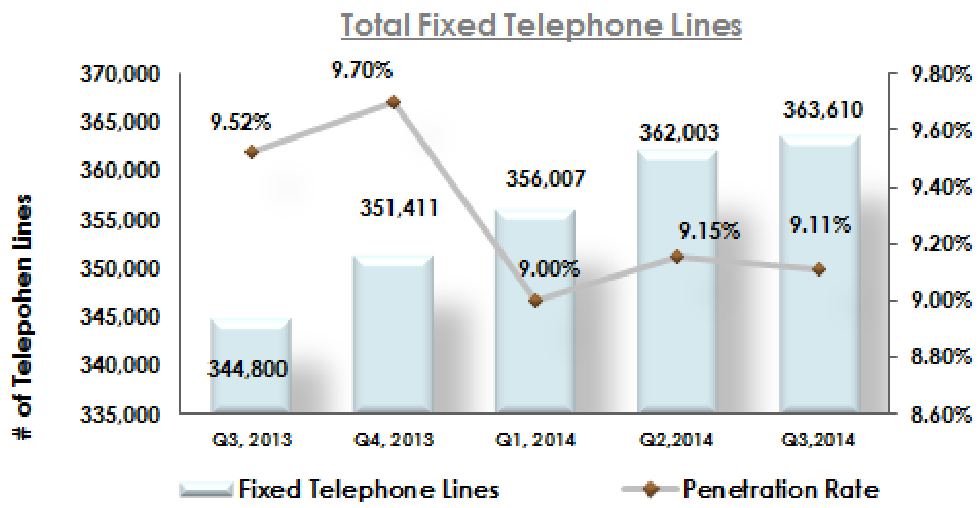
Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	**363,610**	**173,693**	**6,001,241**
Penetration rate	**90.39% of household**	**42.39% of household**	**150.30% of inhabitant**
Revenue (Mln.RO)	**46.952**	**17.257**	**138.714**
International Outgoing Voice Minutes, (million)	**7.067**	**NA**	**248.434**
ARPU, (RO)	**6.13**	**33.12**	**7.70**
Service Providers	Omantel, Nawras, Samatel	Omantel, Nawras	Oman Mobile, Nawras, Friendi, Renna, Samatel

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

Fixed Telephone Service

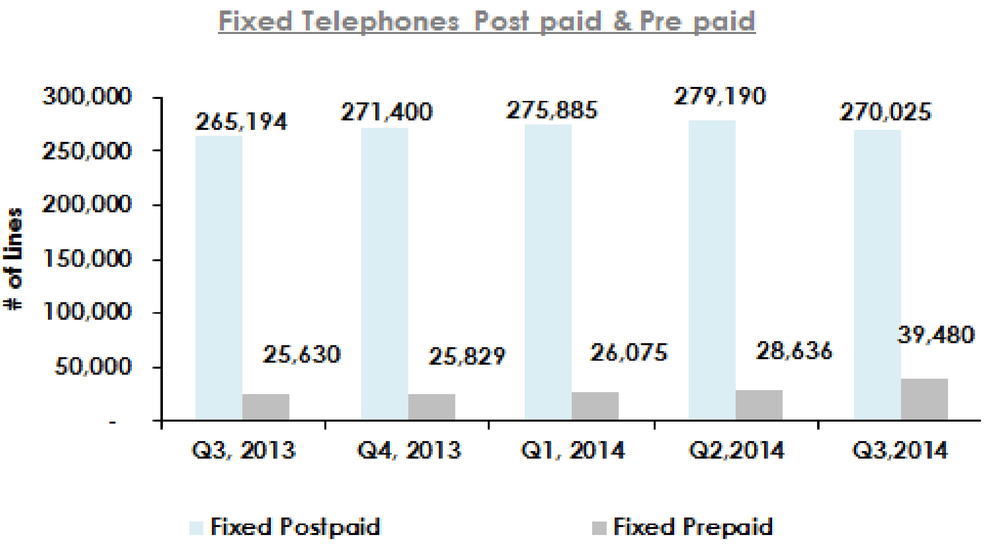
Type of Service	Q3/2014	Q2/2014	% Change
1. Fixed Telephone Lines:			
1.1 Post Paid	270,025	279,190	-3.3%
1.2 Pre-Paid	39,480	28,636	37.9%
1.3 Public Telephone – Payphone	6,801	6,801	0.0%
1.4 ISDN Equivalent Channels	45,496	45,552	-0.1%
1.5 WLL Connections	1,808	1,824	-0.9%
Total Fixed Telephone Lines in Operation (1.1-1.5)	363,610	362,003	0.4%
Fixed Line Penetration /100 Inhabitant	9.11%	9.15%	-0.04%
Fixed Line Penetration /100 household	90.39%	89.99%	0.4%

- **Note: The penetration rate of Q3/ 2014 was calculated based on the latest population which is (3,992,893) as per the latest population bulletin provided by NCSI.**
- **Households: 402,286 (as per census 2010)**



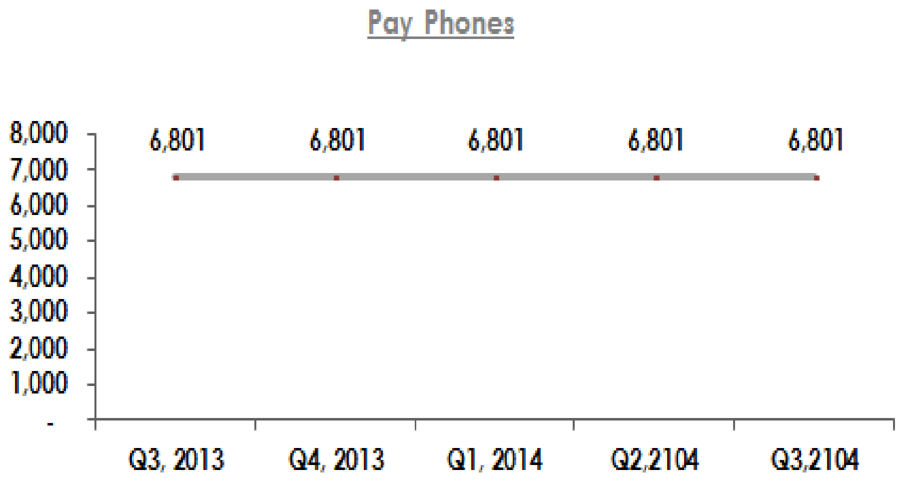
Note: the steep drop in penetration in Q3 was due to revised Population figure published by NCSI.

- Q3, 2014 ended with 363,610 fixed lines, with an increase of 0.4% compared to the previous quarter. The penetration rate in terms of inhabitants decreased slightly from 9.15% to 9.11%, however in terms of household it increased from 89.99% to 90.39%.

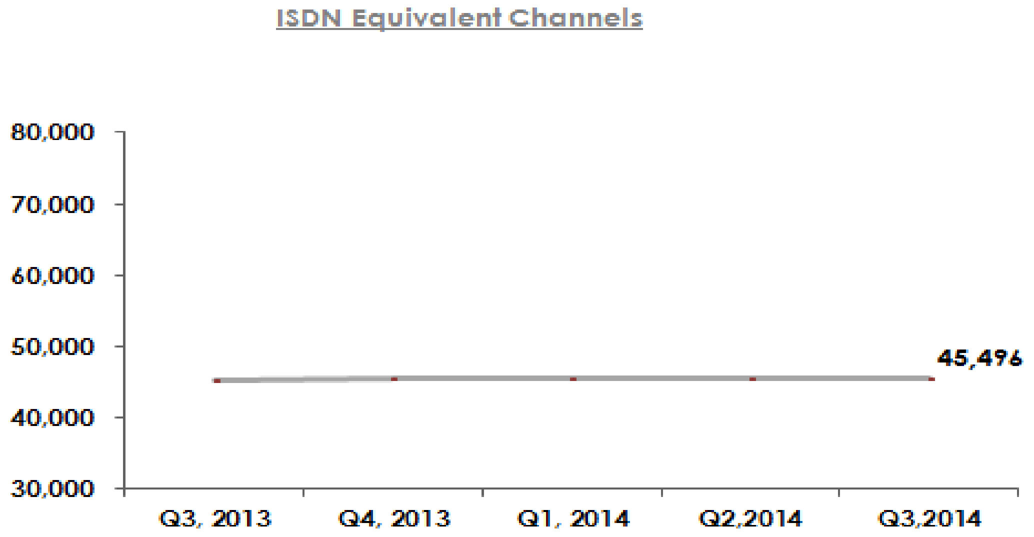


During the 3rd quarter 2014, the fixed post-paid lines decreased by 3.3%, resulting in total of 270,025 post-paid lines.

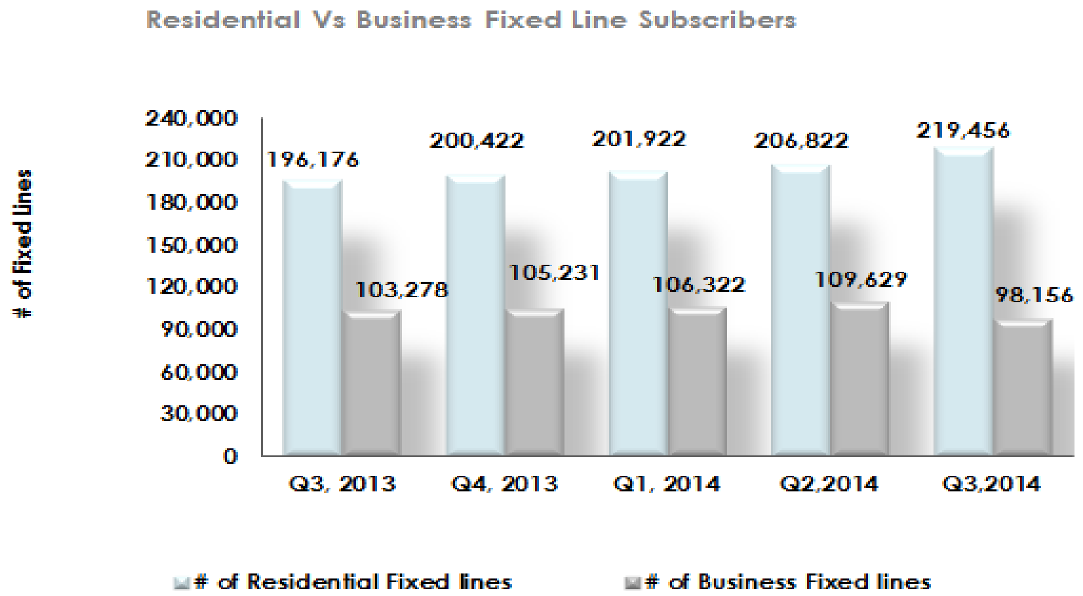
The number of prepaid connections continuous its growth during the last quarter with 37.9%.



Public payphones remained static since last year with the total of 6,801 pay phones in service.



The ISDN equivalent channels showed a slight decline of 0.1% during the third quarter of 2014.



Total residential fixed lines recorded an increase of 6.1% to reach to 219,456 during the 3rd quarter.

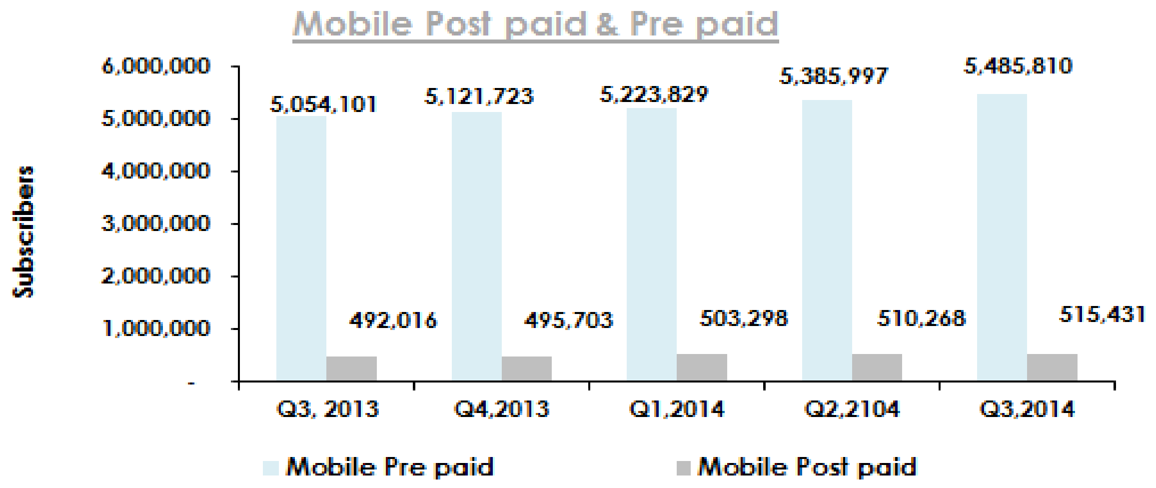
The split between fixed residential and business lines stands at 69.1 % and 30.9% respectively.

Mobile Service

2. Mobile Subscribers	As of Sept 2014	As of Jun 2014	% change
2.1 Post Paid			
2.1.1 Operators	515,431	510,268	**1%**
2.1.2 Resellers			
Total Postpaid Subscribers	**515,431**	**510,268**	**1%**
2.2 Pre-Paid			
2.2.1 Operators	4,799,931	4,740,393	**1.2%**
2.2.2 Resellers	685,879	645,604	**6%**
Total Prepaid Subscribers	**5,485,810**	**5,385,997**	**1.9%**
Total Mobile Subscribers: (2.1+2.2)	**6,001,241**	**5,896,265**	**1.8%**
Mobile Penetration/100 Inhabitant	**150.30%**	**149.01%**	**0.86%**
3. BlackBerry Subscribers			
3.1 Post Paid	9,553	10,581	-9.7%
3.2 Pre-Paid	81,236	88,689	-8.4%
Total BlackBerry Subscribers (3.1+3.2)	**90,789**	**99,270**	**-8.5%**
% of BlackBerry Mobile Subscribers of total Base in Oman	**1.5%**	**1.7%**	**-0.20%**

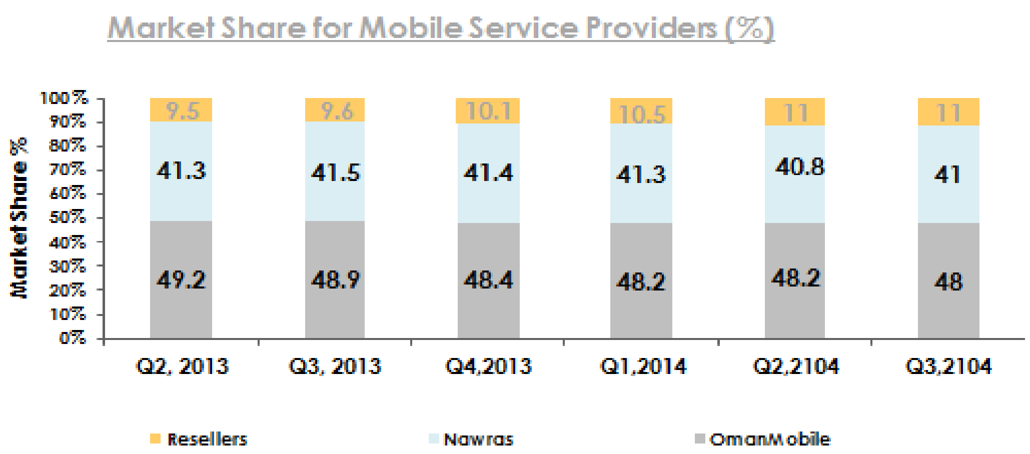
- **Note: The penetration rate of Q3/ 2014 was calculated based on the latest population which is (3,992,893) as per the latest population bulletin provided by NCSI.**

- By end of Q3, 2014 total mobile subscribers grew to 6,001,241 with an increase of 104,976 subscribers during quarter.
- The penetration rate of mobile subscribers increased also to 150.3% during the third quarter.

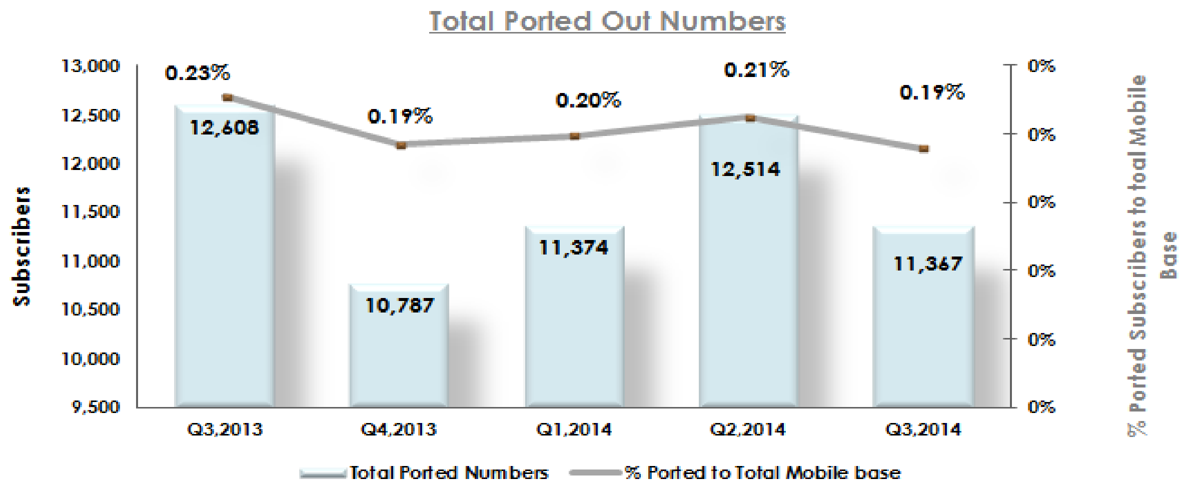


Post-paid mobile subscribers stood at 515,431 at the end of 3rd Quarter 2014 showing an increase of 1%.

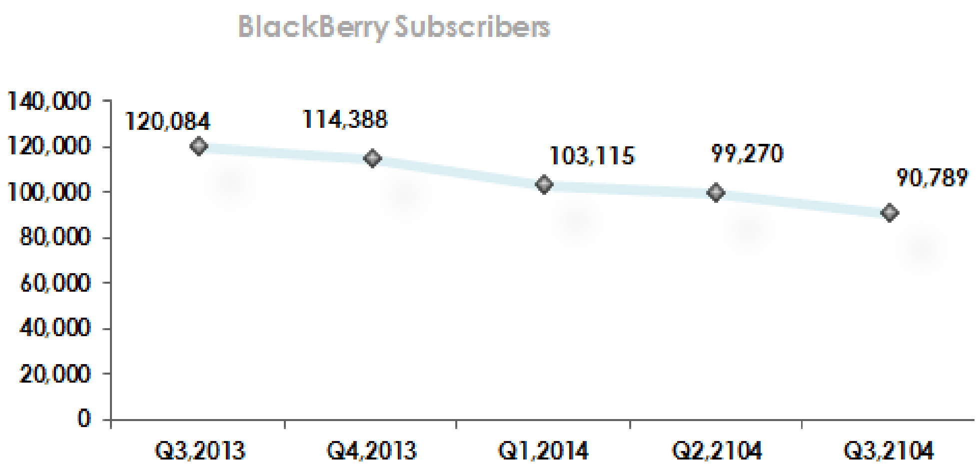
Prepaid mobile subscribers were 5,485,810 at the end of Q3 showing the growth of 1.9% compared to 2nd quarter.



As of end of Q3, 2014, Oman Mobile possessed a market share of 48% while Nawras had 41%. The resellers achieved 11% market share during the reported quarter.



Total numbers ported out during Q3, 2014 were 11,367 as compared to 12,514 numbers during Q3, 2014. This translates a reduction of 9.2% over the previous quarter. During the quarter the ported numbers represented 0.19% of the total mobile subscribers' base.



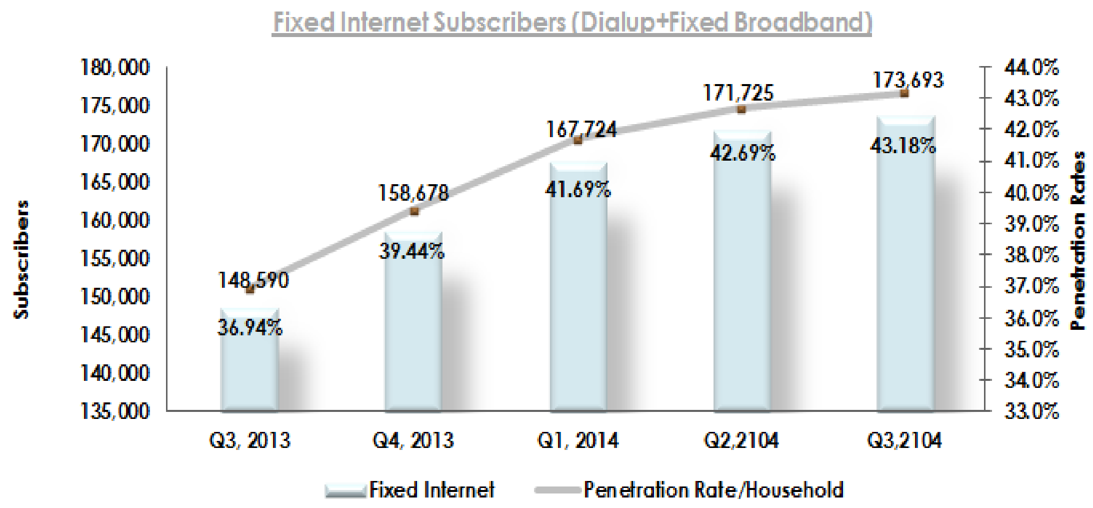
Blackberry Subscribers at the end of Q3, 2014 represented 1.5% of the total Mobile Subscribers base with the total of 90,789 subscribers.

This has registered a drop of 0.2 % over the previous quarter when it was 1.7% of the total mobile subscriber base in Oman.

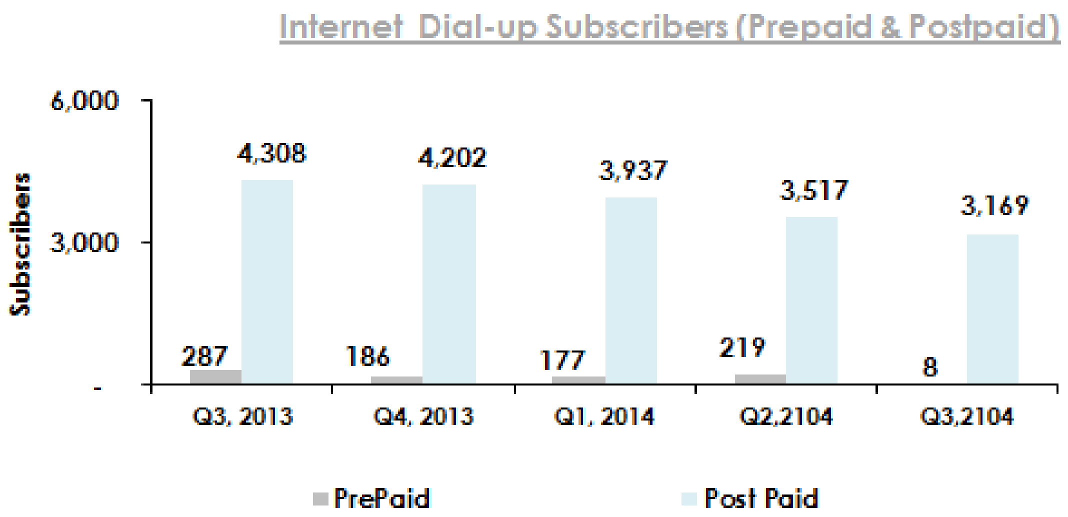
Internet Services

Type of Service	As of September 2014	As of June 2014	
Dial Up Subscribers			
1.1 Post Paid	3,169	3,517	-10%
1.2 Pre-Paid	8	219	-96%
1. Total Dial-Up Subscribers: (1.1+1.2)	***3,177***	**3,736**	**-15%**
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	170,516	167,989	-1.5%
Total Fixed Internet Subscribers (1+2)	**173,693**	**171,725**	**1.1%**
Fixed Internet Penetration /100 Household	**42.18%**	**42.69%**	**-0.51**
Fixed Broadband Subscribers Penetration/100 Household	**42.39%**	**41.76%**	**0.63%**
3. Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers	1,885,319	1,834,882	3%
3.2 Standard mobile-broadband Subscribers	827,911	815,727	1.5%
Total Active Mobile Broadband Subscribers (3.1+3.2)	**2,713,230**	**2,650,609**	**2.4%**
Active Mobile Penetration Rate /100 Inhabitant	**67.95%**	**66.98%**	**0.97%**

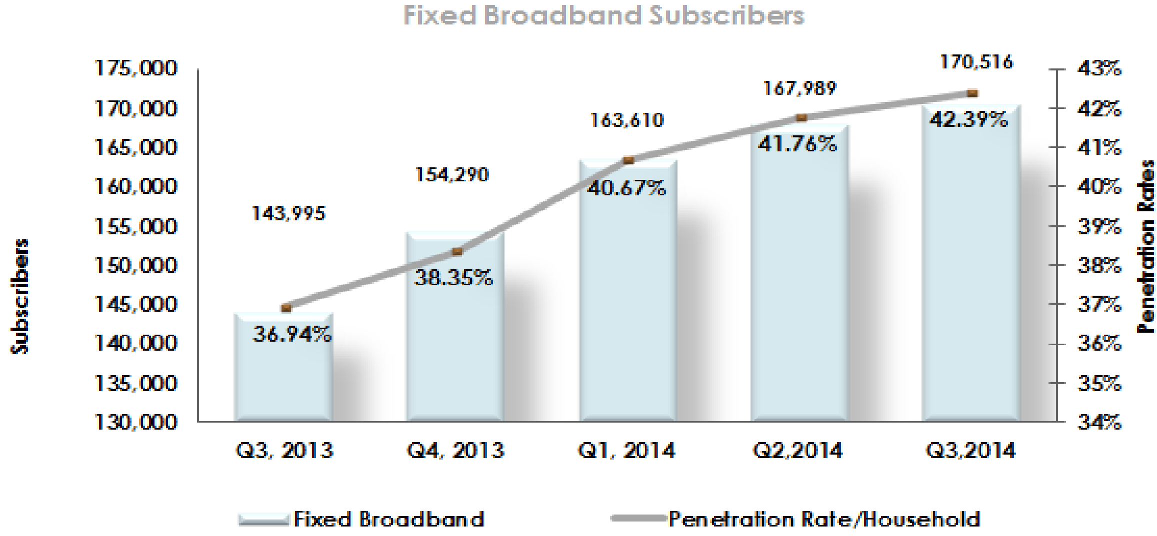
- **Note: The penetration rate of Q3/ 2014 was calculated based on the latest population which is (3,992,893) as per the latest population bulletin provided by NCSI.**
- **Households: 402,286 (as per census 2010)**



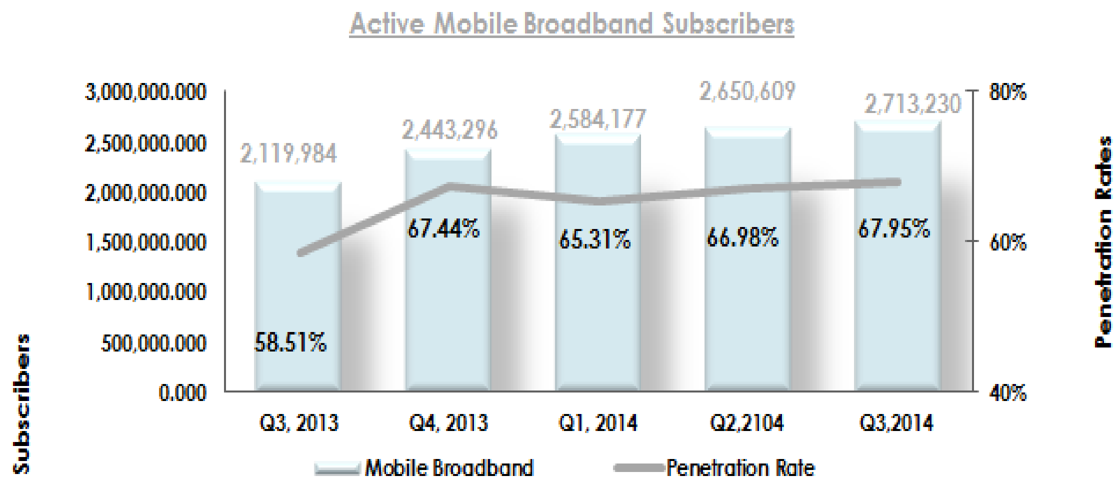
- At the end of Q3, 2014 there were 173,693 total fixed Internet subscribers showing an increase of 1.2% against the previous quarter.
- Fixed internet subscribers' penetration rate in terms of Households increased to 43.18% by end of the third quarter.



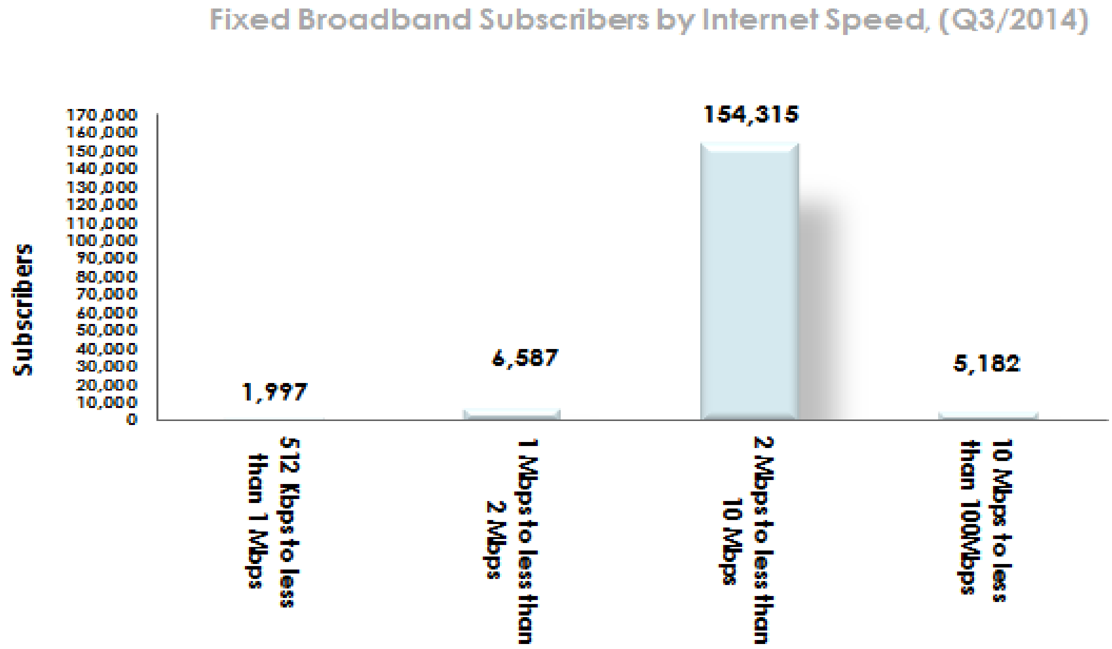
The Dial up subscribers have been showing continuous decline since the last year in the postpaid with 10% reduction against the last quarter. Similarly the pre-paid subscribers showed a sharp drop of 96% in the third quarter of 2014.



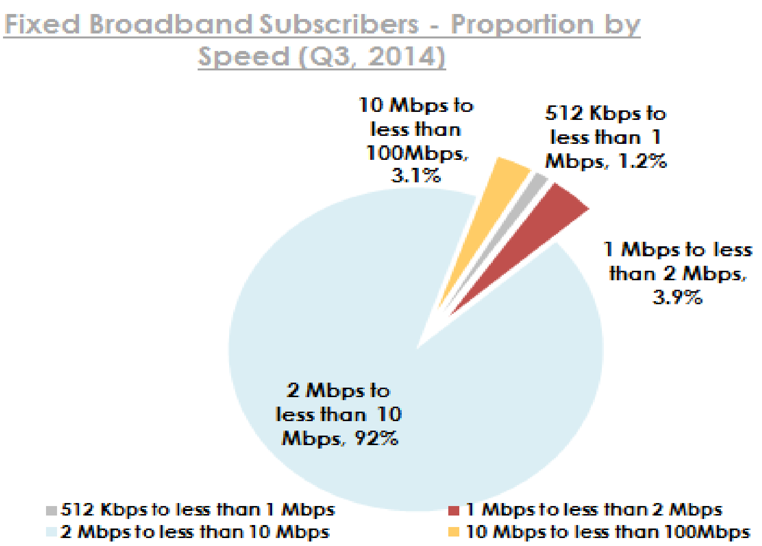
Fixed Broadband subscription increased slightly by 1.5% (from 167,989 to 170,516). Penetration rate in terms of Household also increased to 42.39% from 41.76% during Q3, 2014.

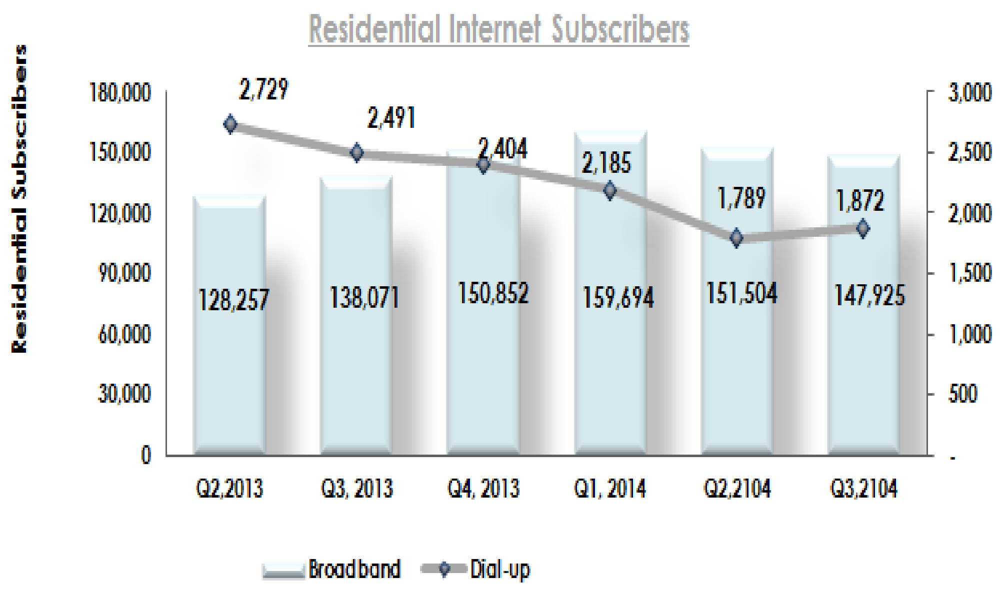


- At the end of Q3, 2014 the Total Active Mobile Broadband subscribers (*measured as per ITU definition*) increased to 2,713,230 from 2,650,609 of Q2, 2014. The penetration rate stands at 67.95 % by end of the quarter.



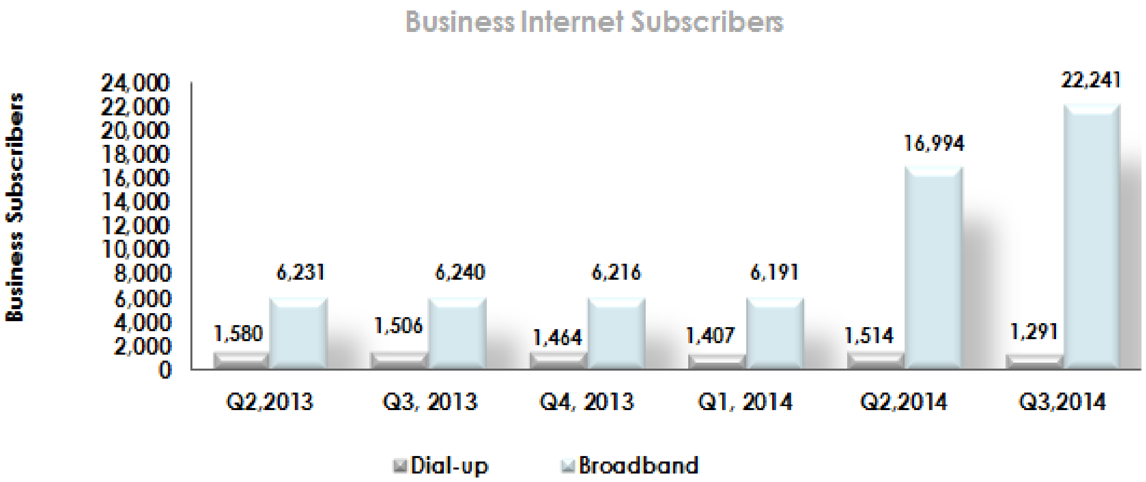
- 1.2% of fixed Broadband subscribers during Q3, 2014 had access speed of 512 Kbps to less than 1 Mbps.
- 3.9% of fixed Broadband subscribers during Q3, 2014 had access speed of 1Mbps to less than 2 Mbps.
- 92% of fixed Broadband subscribers during Q2, 2014 had access speed of 2 Mbps to less than 10 Mbps.
- 3.1% of fixed broadband subscribers have access of 10 Mbps and to less than 100 Mbps.

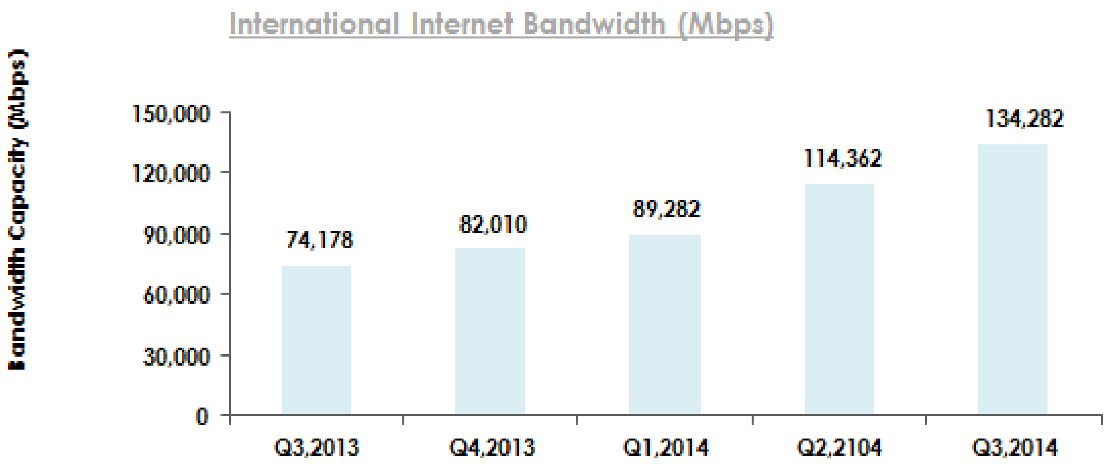




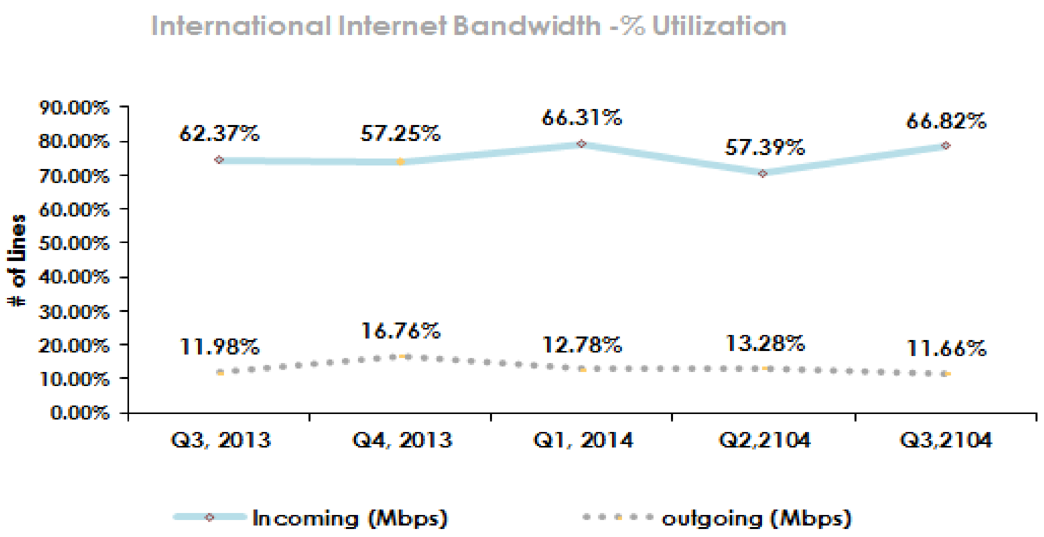
- The residential broadband subscribers in the above chart experienced reduction during the Third Quarter 2014 by 2.4%, while the residential Dial up subscribers scored 4.6% growth over the 2nd quarter 2014.

- In the below chart, the Business Dial up internet subscribers dropped by 14.7% during the third quarter, whereas the Business Broadband subscribers grew by 30.9%.



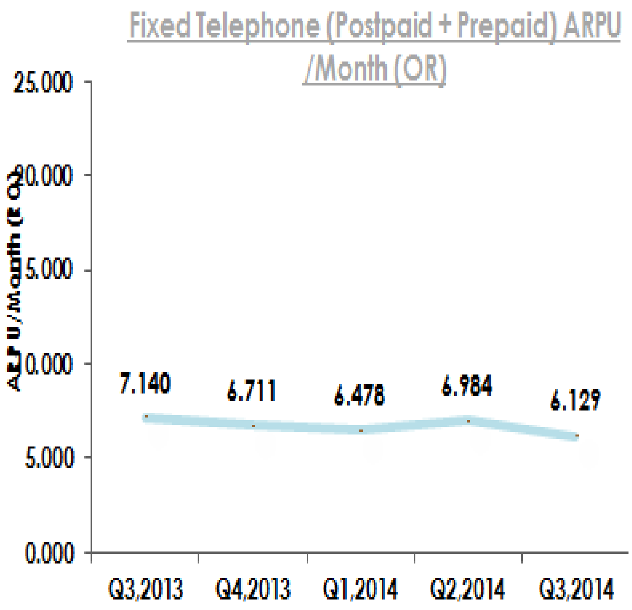


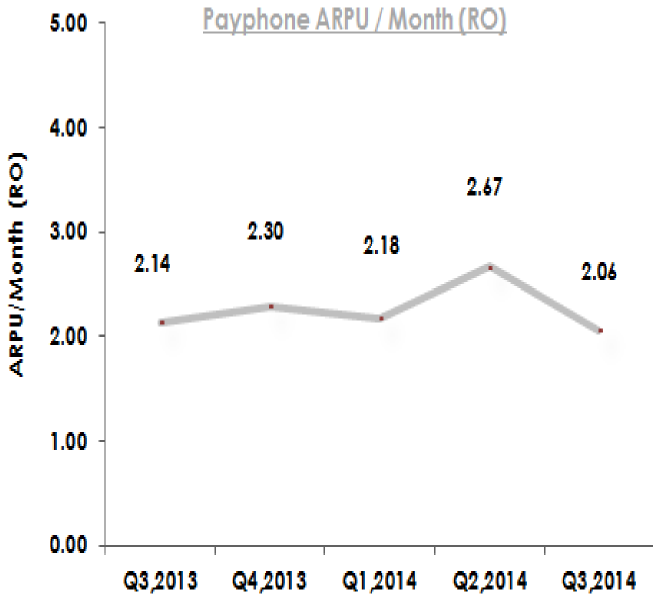
➢ Q3, 2014 recorded 134,282 Mbps as total of international internet bandwidth capacity in the market, which shows an increase of 17.4% over the previous quarter.

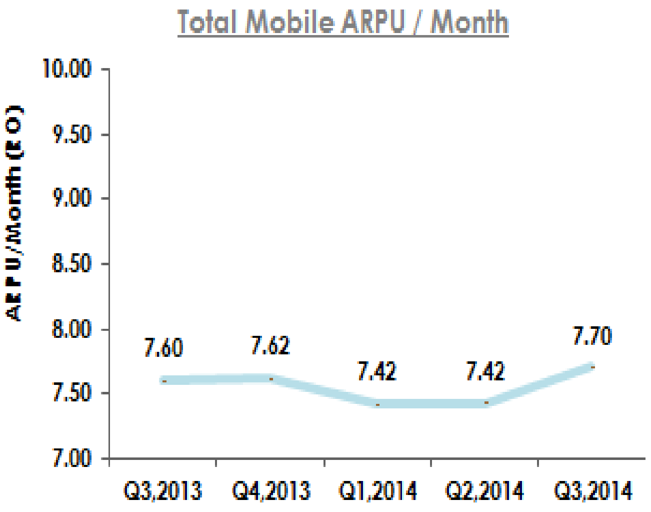


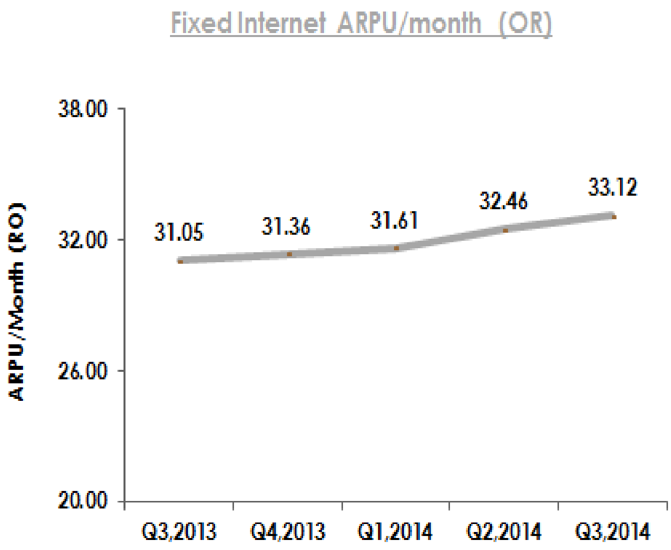
➢ Out of 134,282 Mbps capacity, on average 11.66% was utilized for the outgoing and 66.82% for the incoming traffic.

ARPUs









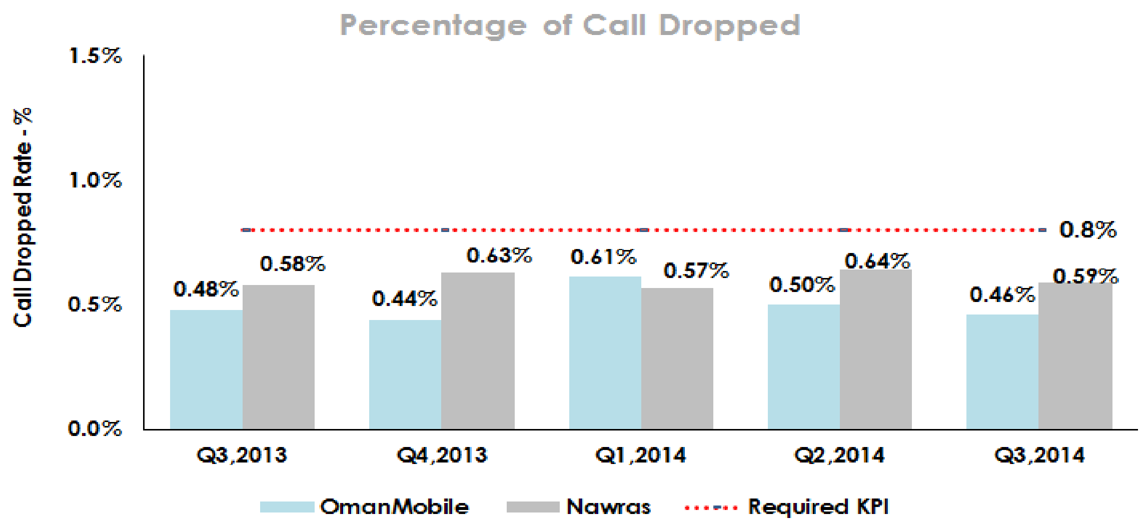
Note: (Calculation of the ARPUs is to divide the total revenue of a service on number of subscribers of that service divide by 3).

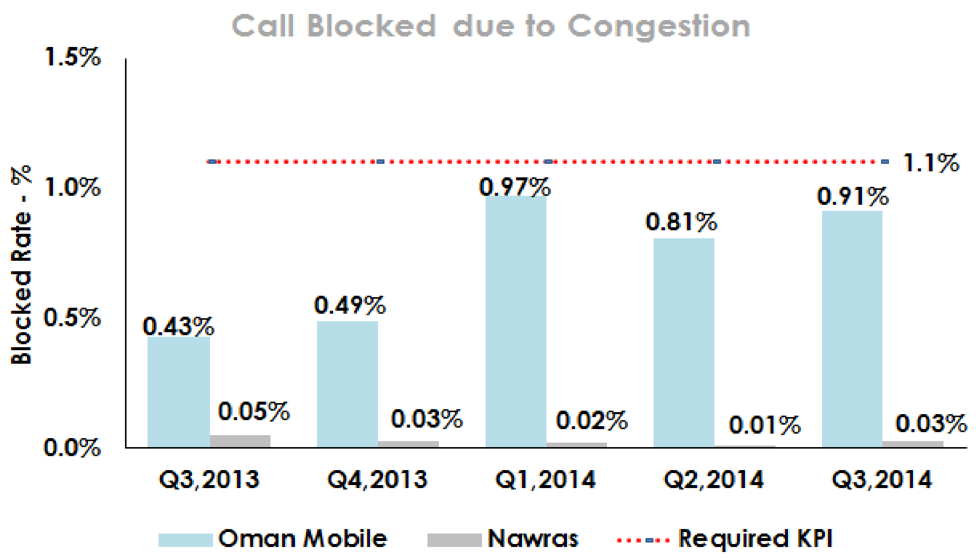
Quality of Service

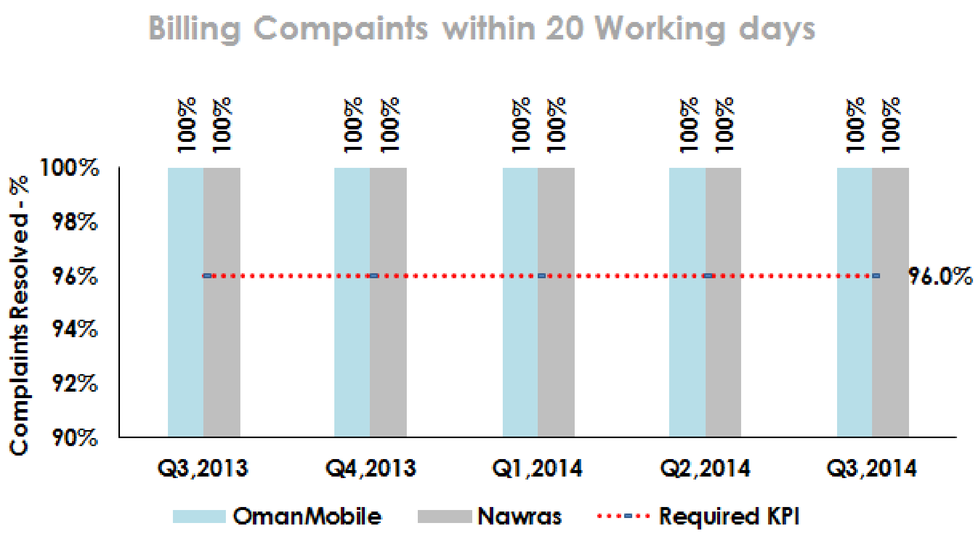
Mobile Services KPIs*

(As measured and reported by the operators. These are not audited or verified figures.)

Mobile Services KPIs	Required KPI (Bi-Annual)	Q3/2014		Q2/2014	
		Oman Mobile %	Nawras %	Oman Mobile %	Nawras %
1. Percentage of Calls Dropped	Less than 0.8%	0.46	0.59	0.50	0.64
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.91	0.03	0.81	0.01
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100	100	100	100


Percentage of Call Dropped
Call Dropped Rate - %
1.5%
1.0%
0.5%
0.0%
0.8%
0.48%
0.58%
0.44%
0.63%
0.61%
0.57%
0.50%
0.64%
0.46%
0.59%
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
OmanMobile
Nawras
Required KPI


Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
1.1%
0.43%
0.05%
0.49%
0.03%
0.97%
0.02%
0.81%
0.01%
0.91%
0.03%
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Oman Mobile
Nawras
Required KPI

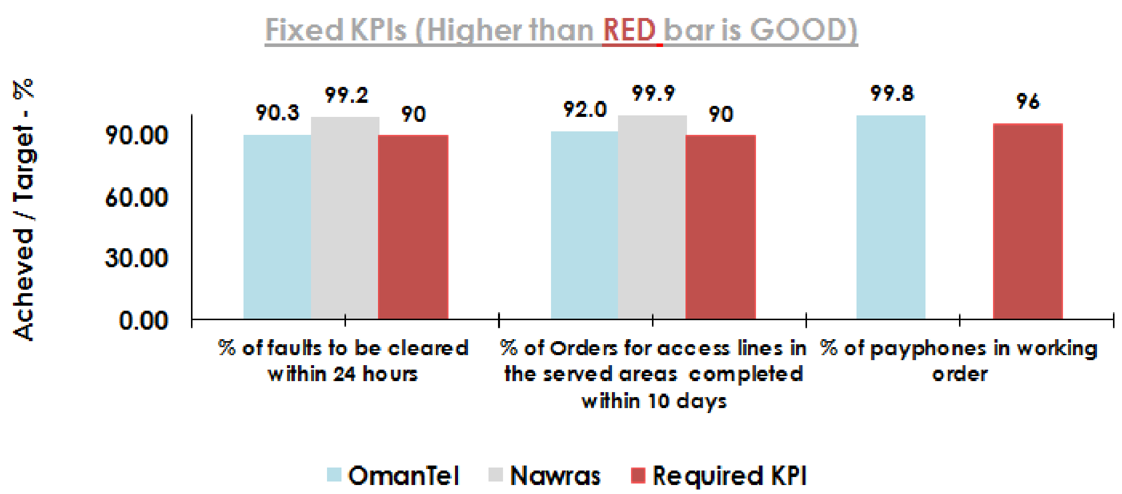

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
96.0%
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
OmanMobile
Nawras
Required KPI

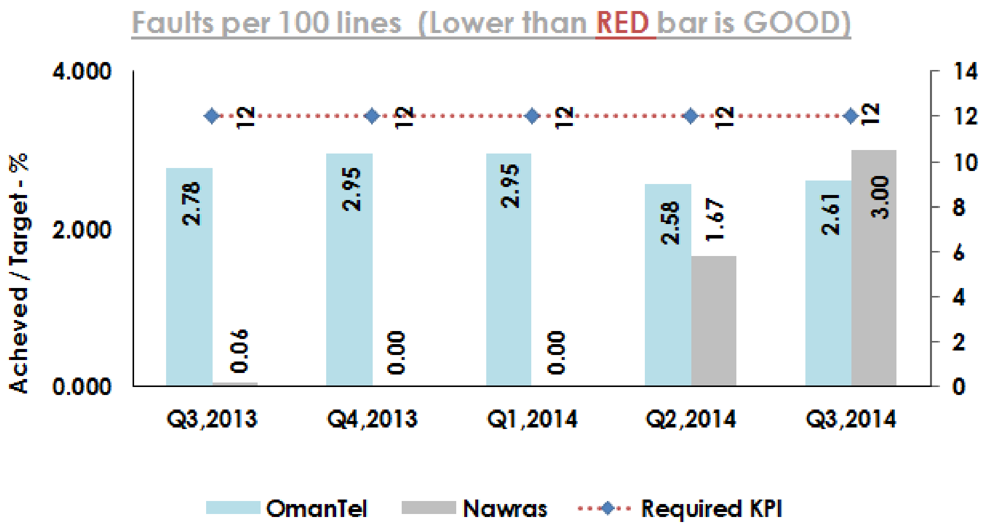
Fixed Services KPIs

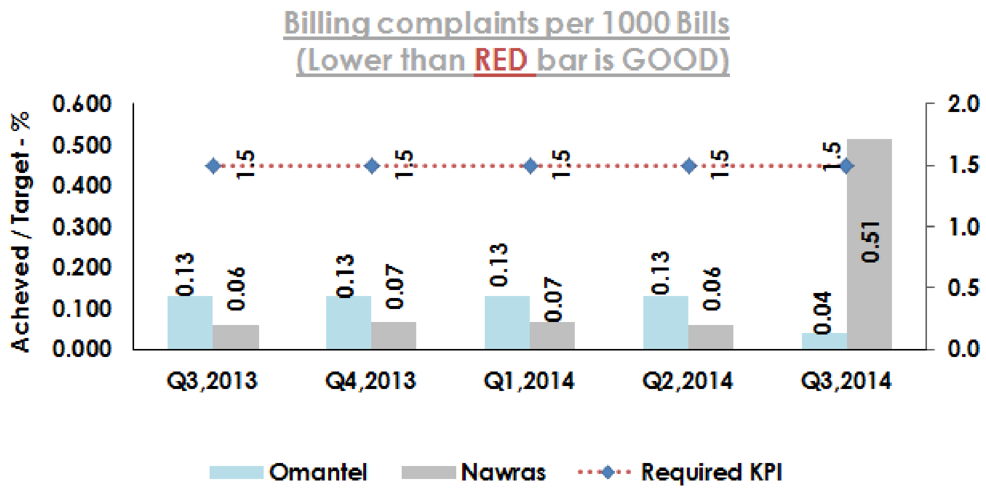
(As measured and reported by the operators. These are not audited/verified KPIs)

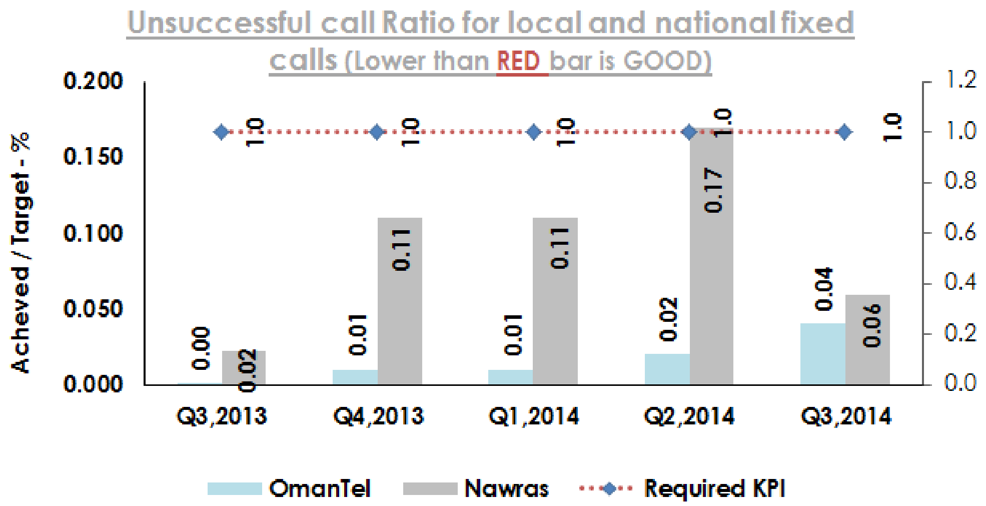
Fixed Services KPIs	Required KPI (Bi-Annual)	Q3/2014		Q2/2014	
		Omantel	Nawras	Omantel	Nawras
1. Faults per 100 lines	Less than 12	2.61	3.00	2.58	1.67
2. % of faults to be cleared within 24 hours	More than 90%	90.3	99.2	81.7	97.8
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.04	0.06	0.02	0.17
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	92.0	99.9	94.7	99.8
5. Percentage of payphones in working order	More than 96%	99.8	0	99.8	0
6. Billing complaints per 1000 Bills	Less than 1.5	0.04	0.51	0.13	0.22
7. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100

*The figures are not audited by TRA.

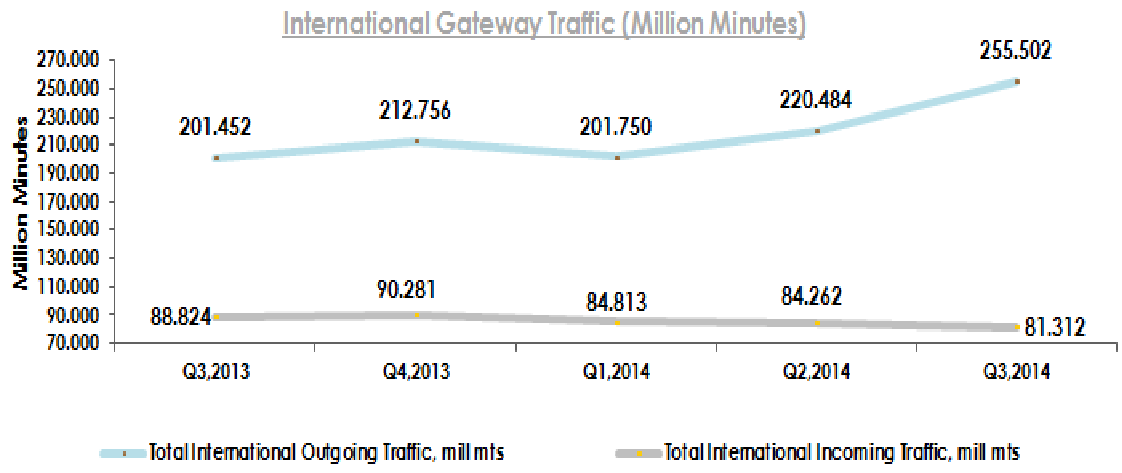



Faults per 100 lines (Lower than RED bar is GOOD)
Acheved / Target - %
4.000
2.000
0.000
14
12
10
8
6
4
2
0
12
2.78
0.06
2.95
0.00
2.95
0.00
2.58
1.67
2.61
3.00
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
OmanTel
Nawras
Required KPI

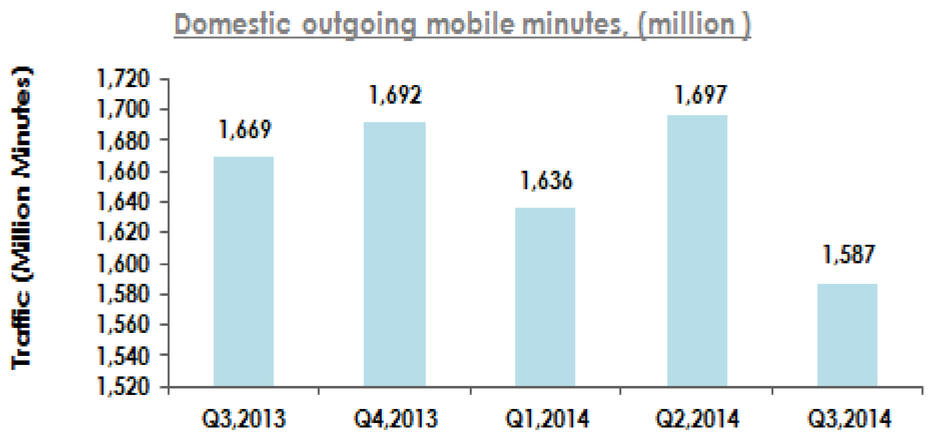

Billing complaints per 1000 Bills
(Lower than RED bar is GOOD)
Acheved / Target - %
0.600
0.500
0.400
0.300
0.200
0.100
0.000
2.0
1.5
1.0
0.5
0.0
1.5
0.13
0.06
0.13
0.07
0.13
0.07
0.13
0.06
0.04
0.51
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Omantel
Nawras
Required KPI


Unsuccessful call Ratio for local and national fixed calls (Lower than RED bar is GOOD)
Acheved / Target - %
0.200
0.150
0.100
0.050
0.000
1.2
1.0
0.8
0.6
0.4
0.2
0.0
1.0
0.00
0.02
0.01
0.11
0.01
0.11
0.02
0.17
0.04
0.06
Q3,2013
Q4,2013
Q1,2014
Q2,2014
Q3,2014
OmanTel
Nawras
Required KPI

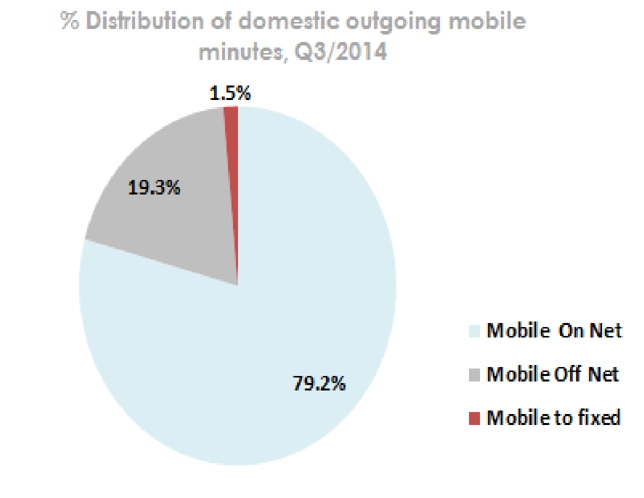
Traffic

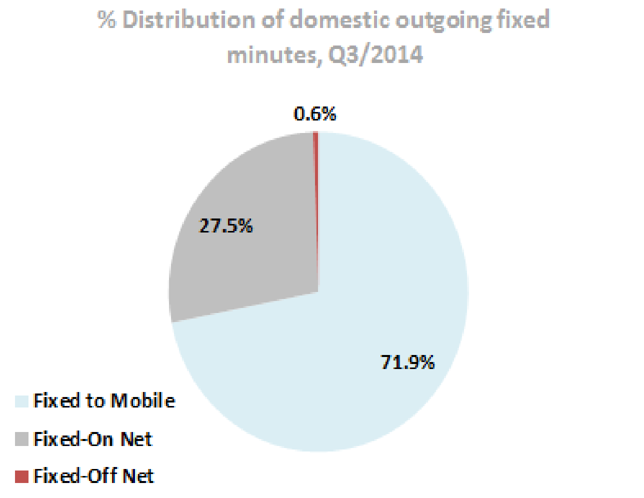


During the third quarter of 2014, the outgoing minutes from the international gateway increased by 15.9% while the incoming minutes from the international gateway dropped by 3.5%.



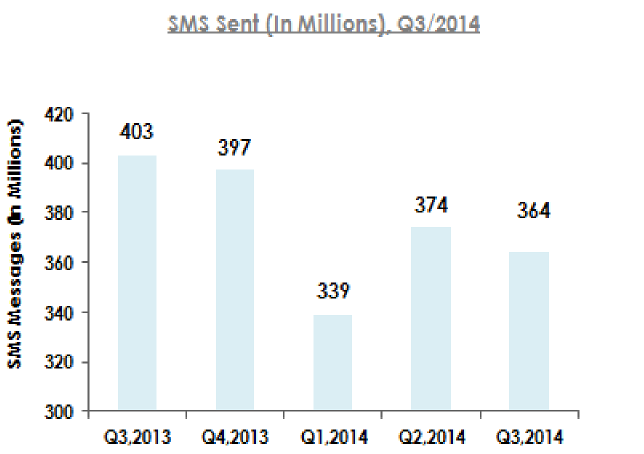
The domestic outgoing mobile minutes reduced during the third quarter 2014 by 6.5% as compared to the second quarter 2014.

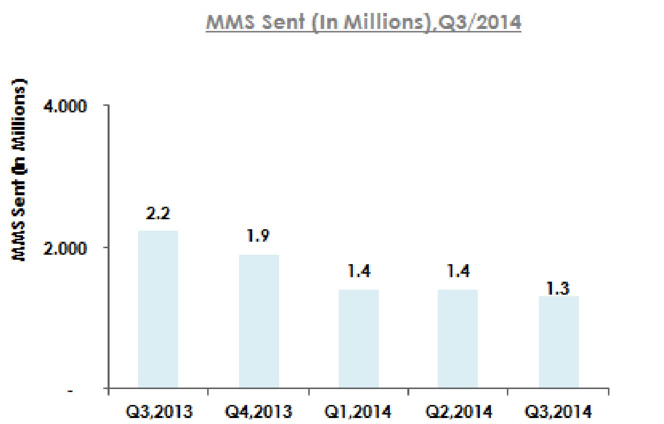




On Net domestic outgoing mobile traffic represents 79.2% of the total, while Off Net is 19.3% of the total. The mobile to fixed minutes are 1.5% of the total.

The fixed to mobile traffic registered the highest score of 71.9% of the total domestic outgoing fixed traffic. Then, fixed On Net traffic is 27.5% while the fixed off net traffic is 0.6% of the total domestic traffic.





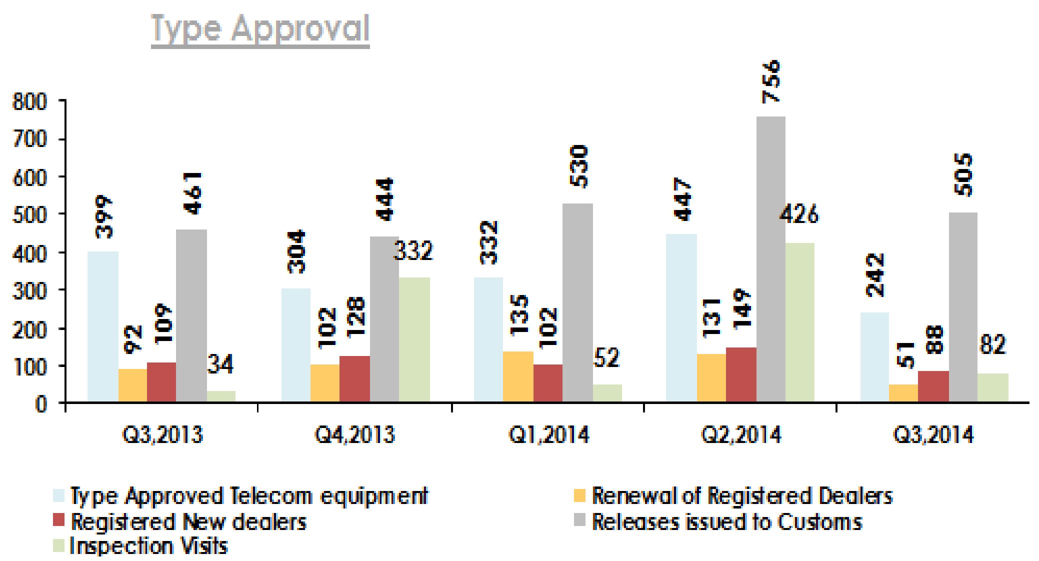
During the reported quarter, the total volume of Sent SMS messages dropped to 364 million from 374 million SMS which is 2.7% less compared to Q2, 2014.

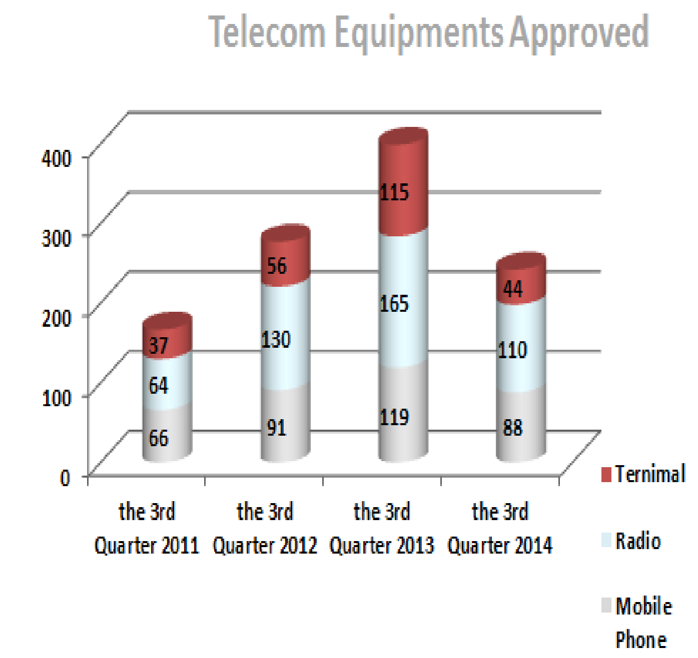
The number of sent MMS shrank by 7.1% against the previous quarter.

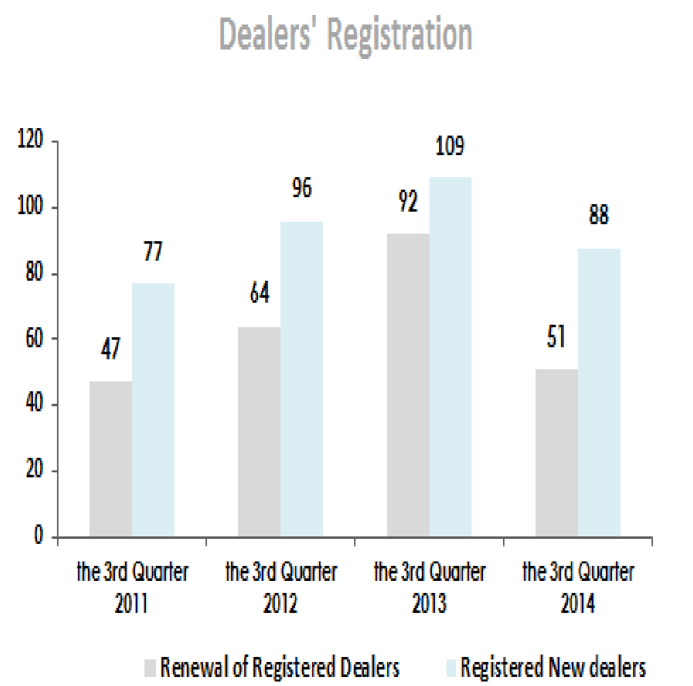
Type Approval

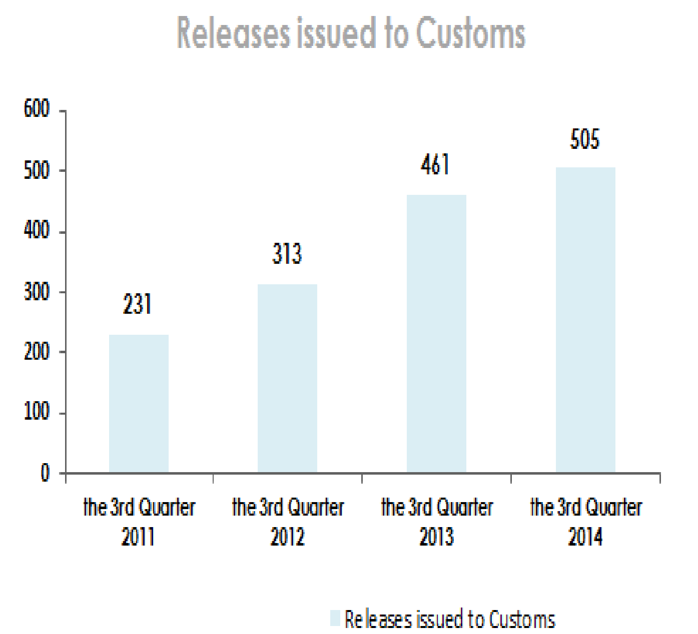
During the Third Quarter 2014, TRA :

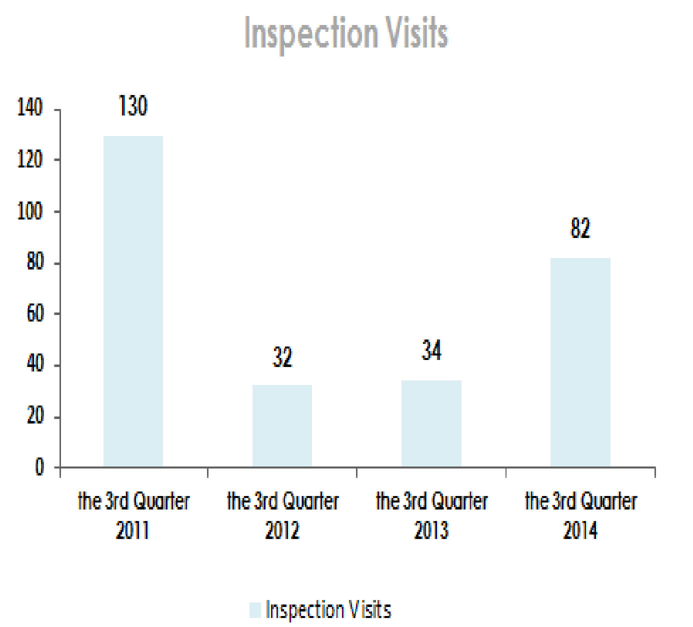
- Approved a total number of 242 (Previous Quarter 447) Telecom Equipment.
- Renewed 51 (Previous Quarter: 131) registrations of Telecom Dealers.
- Registered 88 (Previous Quarter: 149) new dealers.
- Issued 505 (Previous Quarter: 756) Releases to Customs for Imported Telecom equipment.
- Inspected 82(Previous month 426) dealerships.




Telecom Equipments Approved
400
300
200
100
0
37
64
66
56
130
91
115
165
119
44
110
88
the 3rd Quarter 2011
the 3rd Quarter 2012
the 3rd Quarter 2013
the 3rd Quarter 2014
Ternimal
Radio
Mobile Phone


Dealers' Registration
120
100
80
60
40
20
0
47
77
64
96
92
109
51
88
the 3rd Quarter 2011
the 3rd Quarter 2012
the 3rd Quarter 2013
the 3rd Quarter 2014
Renewal of Registered Dealers
Registered New dealers


Releases issued to Customs
600
500
400
300
200
100
0
231
313
461
505
the 3rd Quarter 2011
the 3rd Quarter 2012
the 3rd Quarter 2013
the 3rd Quarter 2014
Releases issued to Customs


Inspection Visits
140
120
100
80
60
40
20
0
130
32
34
82
the 3rd Quarter 2011
the 3rd Quarter 2012
the 3rd Quarter 2013
the 3rd Quarter 2014
Inspection Visits

Tariffs & Promotions

Summary of Promotion's Statistics in the Third Quarter 2014:

NO of promotions as per service and Licensee											
Licensee	Voice	Bundles	International calls	MBB	HBB	Roaming	Value Added Service	Starter Pack	Top-Up	Leased Line	Total
Renna			4					1			5
Friendi			4	1					1		6
Teo			2								2
Omantel		5	1		1	3	3		1		14
Ooredoo	1	3	2	1		1		1			9
Total	**1**	**8**	**13**	**2**	**1**	**4**	**3**	**2**	**2**		**36**

NO of new services per Licensee											
Licensee	Voice	Bundles	International calls	MBB	HBB	Roaming	Value Added Service	Starter Pack	Top-Up	Leased Line	Total
Ooredoo				1	1	1			1		4
Omantel							5	1		0	6
Renna											0
Friendi											0
Teo											0
Total	**0**	**0**	**0**	**1**	**1**	**1**	**5**	**1**	**1**	**0**	**10**

NO of new Revisions per Licensee											
Licensee	Voice	Bundles	International calls	MBB	HBB	Roaming	Value Added Service	Starter Pack	Top-Up	Leased Line	Total
Ooredoo	1					1					2
Omantel							1			1	2
Renna											0
Friendi											0
Teo											0
Total	**1**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**1**	**4**

During the Third Quarter 2014 :

- 36% of the promotion was on international calls and 62% of them were conducted by the mobile resellers.
- 22% of the promotions held in Q3 were on bundled mobile services for examples: Ooredoo Special Smartphone offer which provides subscribers with a discount on the smartphone when they subscribe to a Shahry plan, Mada Silver Number Promotion offers subscribers an exemption from the Silver number fee is they subscribe to a Mada plan.
- Omantel ran 38% of the promotions conducted in Q3, they focused on bundled promotions, roaming promotions and value added service promotion.
- There were 4 roaming promotions approved and launched during Q3 due to it being the summer season and many of the subscribers would be travelling.
- Hajj season was also a contributor on the roaming and international calls promotions.
- Ooredoo focused on promoting their bundled services such as (Shahry Khareef Salalah Festival Promotion and Special Smartphone Offer) as 33% were on bundled services and 22% were on international call promotions.

New services and Revision of existing services:

- There were 9 new services/ plans launched.
- 44% of the new services launched were value added services.
- Examples of the most important new services launched during the 3rd quarter 2014: Ooredoo Musafir roaming offer and Ooredoo More Credit Option

Revisions

- There were four revisions in Q3 by Omantel, two by Omantel and two by Ooredoo.
- Omantel revised the tariff for Madrasati a value added service and the Leased Line services
- Ooredoo revised a voice plan and a roaming plan.

Monitoring the Market

- The TRA regularly conducts market checks on the launched services and promotions to ensure that the Licenses are complying with the approval conditions and TRA issued Regulations and Guidelines. In some cases, some violations are found and the TRA requests the Licensees to immediately rectify the violations and in other cases further regulatory action is carried out by the TRA.

- In July it has been raised to the TRA that one of the operators were sending promotional SMS to the subscribers of the ported subscribers. The TRA communicated to the operators informing them that approaching the competitors subscribers and providing them with special offers is against the spirit of Article (4a) of Decision (113/2008) issuing the Promotions Regulations. All Licensees were instructed to refrain from such activities.

- In addition to that, the TRA spotted a number of violations on the Licensees website where some information was included in a misleading manner or the information was not accurate or not all the details were included on the website and these violations were immediately rectified by the Licensees.