



Quarterly Report on Telecom Sector Indicators

Q1, 2014

Competition and Tariffs Unit

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➤ Introduction

It is our pleasure to present Q1 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

Q1 / 2014

The penetration of different services stood at the following levels at the end of the Q1 2014:

- Fixed line 9 %,
- Mobile subscriptions 145%
- Internet 41.69% of households.

The Active Mobile Broadband Subscribers' Penetration rate reached 65.31% by the end of Q1 2014 with total active subscribers reaching 2,584,177.

The Blackberry Subscribers represent 1.8% of the total Mobile Subscribers base at the end of Q1/2014 as compared to 2.03% of total mobile subscribers as at the end of preceding quarter.

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

- 10 Tariff Plans for Revisions.
- 11 New tariff plans.
- Total of 34 promotional tariff offers

TRA type approved 332 telecom equipments, renewed 135 registrations of telecom dealers and registered 102 new dealers. TRA Issued 530 releases to customs for importing telecom equipments.

The TRA carried out 52 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

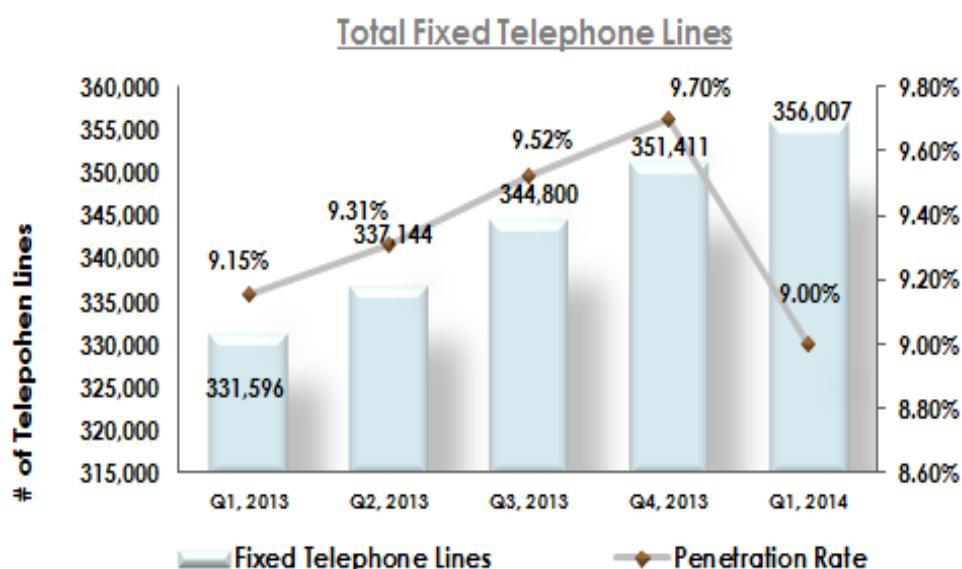
| Indicator | Fixed Telephony Service (other than Fixed Internet) | Fixed Internet Service | Mobile Service |
|---|--|------------------------|--|
| Subscribers | 356,007 | 167,724 | 5,727,127 |
| Penetration rate | 88.50% Of household | 41.69% of household | 145% of inhabitant |
| Revenue (Mln.RO) | 52.136 | 15.905 | 127.481 |
| International Outgoing Voice Minutes, (million) | 7.681 | NA | 194.069 |
| ARPU, (RO) | 6.48 | 31.61 | 7.42 |
| 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

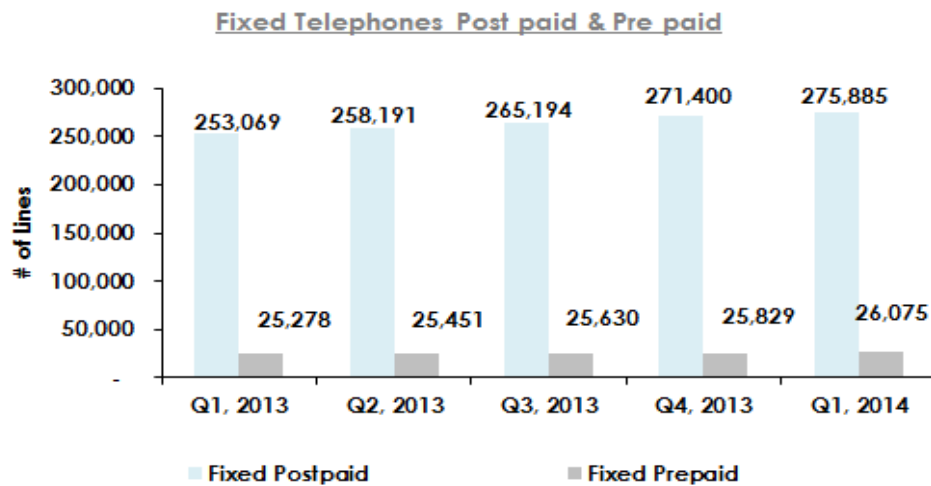
| Type of Service | Q1/2014 | Q4/2013 | % Change |
|---|----------------|----------------|--------------|
| 1. Fixed Telephone Lines: | | | |
| 1.1 Post Paid | 275,885 | 271,400 | 1.7% |
| 1.2 Pre-Paid | 26,075 | 25,829 | 1.0% |
| 1.3 Public Telephone – Payphone | 6,801 | 6,801 | 0.0% |
| 1.4 ISDN Equivalent Channels | 45,420 | 45,558 | -0.3% |
| 1.5 WLL Connections | 1,826 | 1,823 | 0.2% |
| Total Fixed Telephone Lines in Operation (1.1-1.5) | 356,007 | 351,411 | 1.3% |
| Fixed Line Penetration /100 Inhabitant | 9.00% | 9.70% | -0.7% |
| Fixed Line Penetration /100 household | 88.50% | 87.35% | 1.15% |

- Note: The penetration rate of Q1/ 2014 was calculated based on the new population which is (3,957,040) as on December 2013 as per latest statistics provided by NCSI. Accordingly the penetration rate dropped due to increase in the population as compared to the Q4 /2013 population (3,623,001).



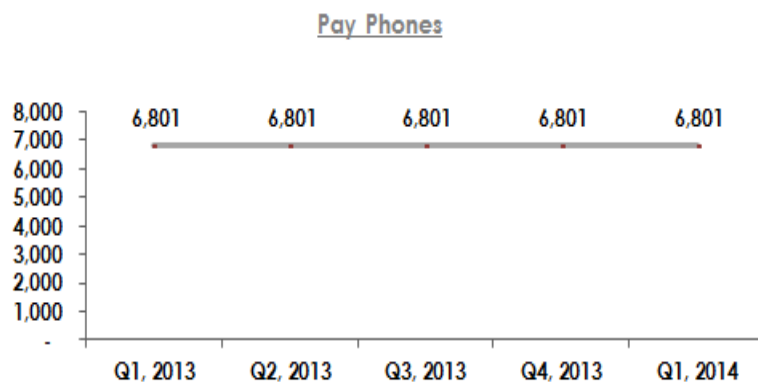
Note: the steep drop in penetration in Q1 was due to revised Population figure published by NCSI.

- Q1, 2014 ended with 356,007 fixed lines, with an increase of 1.3% compared to the previous quarter. The penetration rate in terms of inhabitants shrank from 9.7% to 9 %, whereas in terms of household it increased from 87.35% to 88.50%.



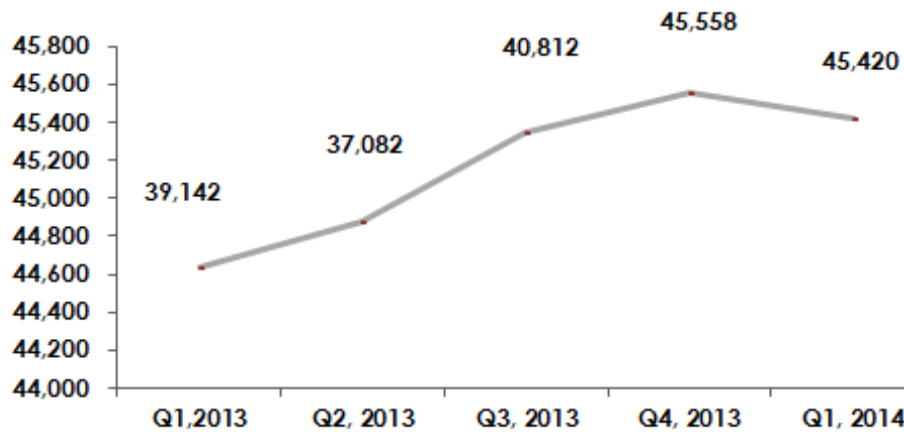
During the 1st quarter 2014, the fixed post-paid lines increased by 1.7%, resulting in total of 275,885 post-paid lines.

The number of prepaid connections increased by 1% during the same period.



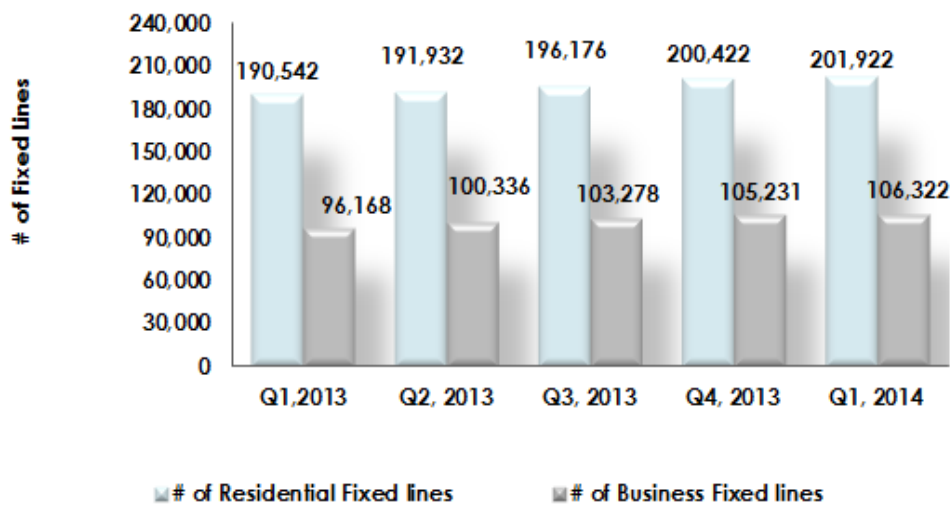
Public payphones remained static since last year with the total of 6,801 pay phones in service.

ISDN Equivalent Channels



The ISDN equivalent channels showed a negative growth of 0.3% during the first quarter of 2014.

Residential Vs Business Fixed Line Subscribers



Total residential fixed lines recorded a slight increase of 0.75% to reach to 201,922 during the 1st quarter.

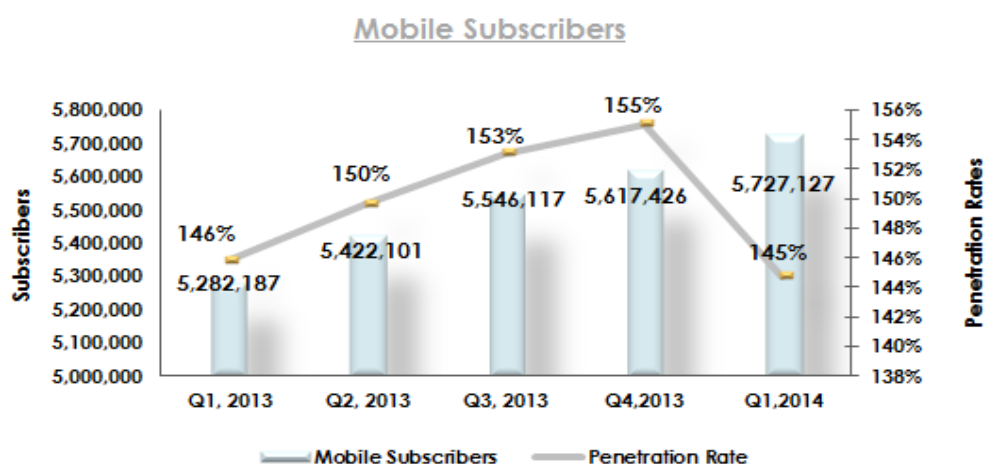
The split between fixed residential and business lines stands at 65.5% and 34.5% respectively.

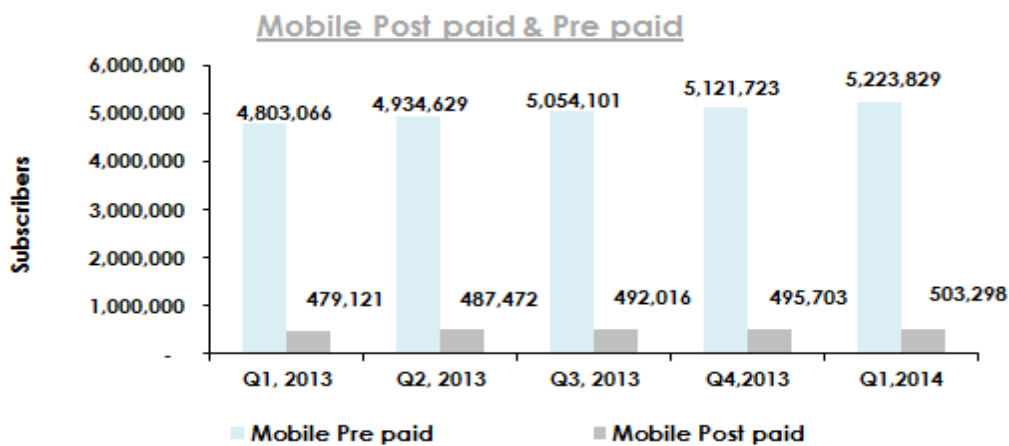
Mobile Service

| 2. Mobile Subscribers | As of Mar 2014 | As of Dec 2013 | % change |
|---|------------------|------------------|----------------|
| 2.1 Post Paid | | | |
| 2.1.1 Operators | 503,298 | 495,703 | 2% |
| 2.1.2 Resellers | | | |
| Total Postpaid Subscribers | 503,298 | 495,703 | 2% |
| 2.2 Pre-Paid | | | |
| 2.2.1 Operators | 4,622,277 | 4,553,279 | 1.5% |
| 2.2.2 Resellers | 601,552 | 568,444 | 6% |
| Total Prepaid Subscribers | 5,223,829 | 5,121,723 | 2% |
| Total Mobile Subscribers: (2.1+2.2) | 5,727,127 | 5,617,426 | 2% |
| Mobile Penetration/100 Inhabitant | 144.73% | 155.05% | -10.32% |
| BlackBerry Subscribers: | | | |
| 3.1 Post Paid | 12,009 | 13,423 | -11% |
| 3.2 Pre-Paid | 91,106 | 100,965 | -10% |
| Total BlackBerry Subscribers (3.1+3.2) | 103,115 | 114,388 | -10% |
| % of BlackBerry Mobile Subscribers of total Base in Oman | 1.8% | 2.04% | -0.24% |

- Note: The penetration rate of Q1/ 2014 was calculated based on the new population which is (3,957,040) as on December 2013 as per latest statistics provided by NCSI. Accordingly the penetration rate dropped due to increase in the population as compared to the Q4 /2013 population (3,623,001).

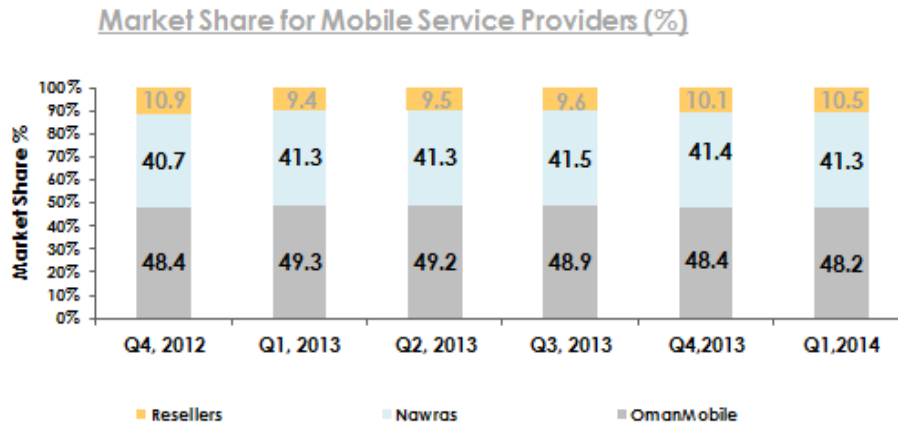
- By end of Q1, 2014 total mobile subscribers rose to 5,727,127 with an increase of 109,701 subscribers during quarter.
- Due to the increase in the population, the penetration rate of mobile subscribers dropped from 155.05% to 144.73%.



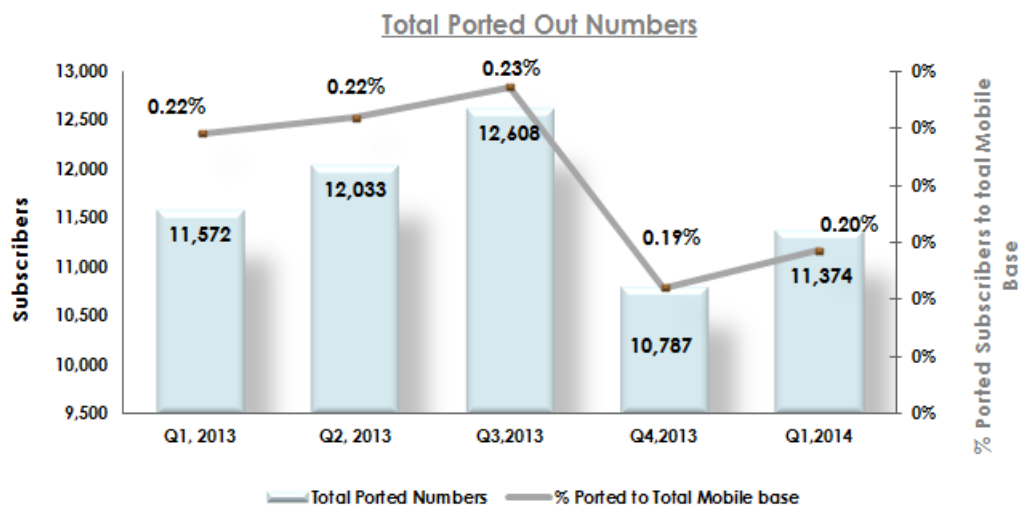


Post-paid mobile subscribers stood at 503,298 at the end of 1st Quarter 2014 showing an increase of 2%.

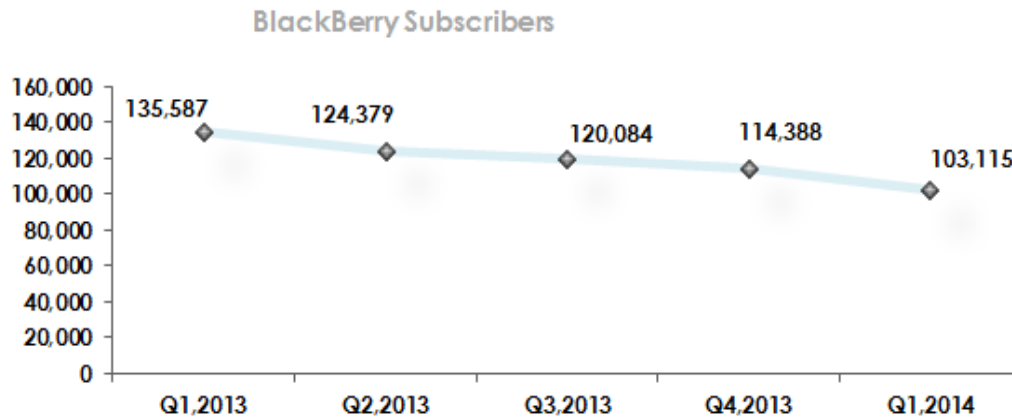
Prepaid mobile subscribers were 5,223,829 at the end of Q1 showing the growth of 2% compared to 4th quarter.



As of end of Q1, 2014, Oman Mobile possessed a market share of 48.2% while Nawras had 41.3%. The resellers achieved 10.5% market share during the reported quarter.



Total numbers ported out during Q1, 2014 were 11,374 as compared to 10,787 numbers during Q4, 2013. This translates a growth of 5.4% over the previous quarter. During the quarter the ported numbers represented 0.20% of the total mobile subscribers' base.

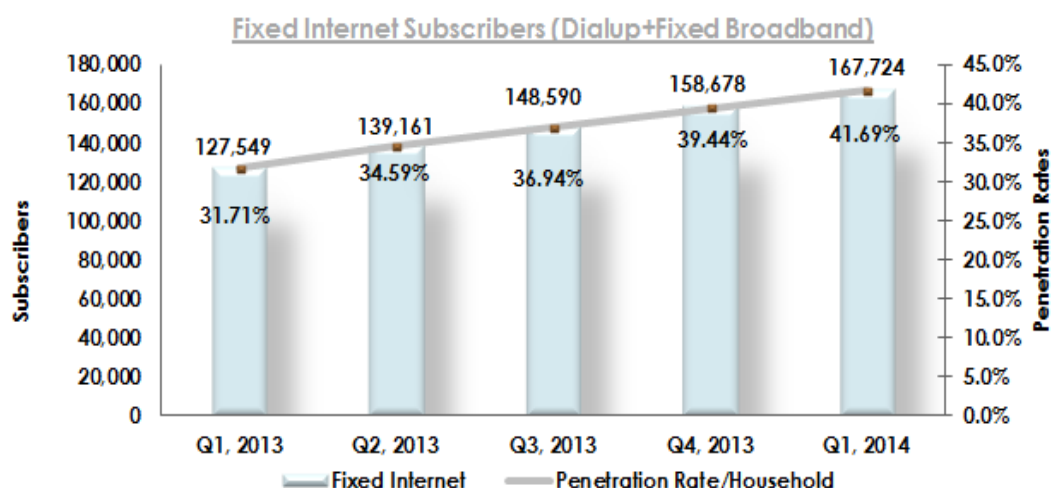


Blackberry Subscribers at the end of Q1, 2014 represented 1.8% of the total Mobile Subscribers base with the total of 103,115 subscribers.

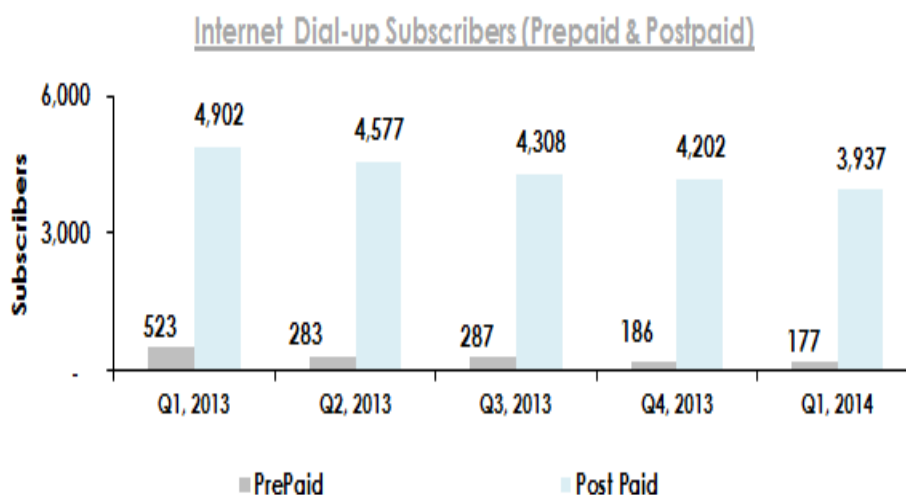
This has registered a drop of 10% over the previous quarter when it was 2% of the total mobile subscriber base in Oman.

Internet Services

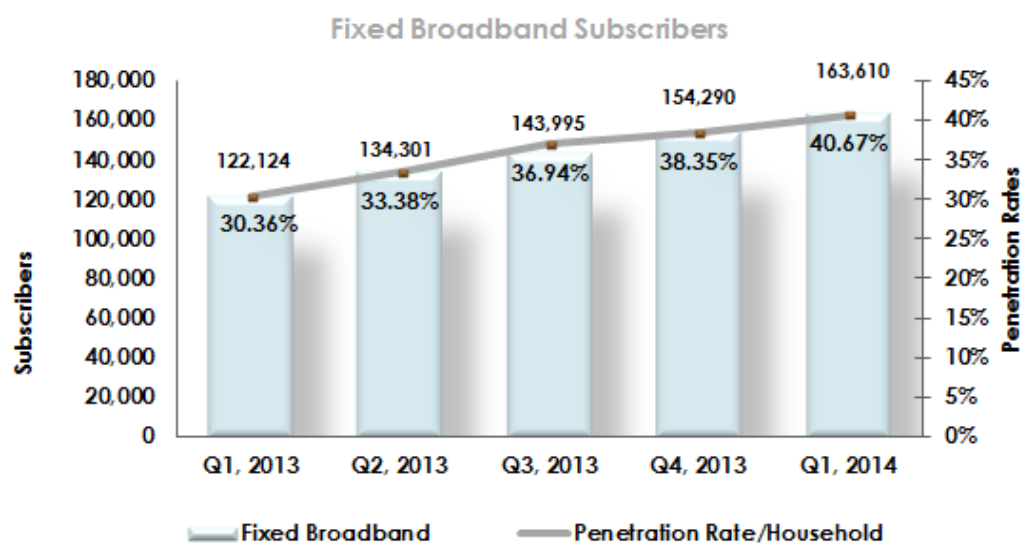
| Type of Service | As of March 2014 | As of Dec 2013 | |
|--|---------------------|-------------------|---------------|
| Dial Up Subscribers | | | |
| 1.1 Post Paid | 3,937 | 4,202 | -6.3% |
| 1.2 Pre-Paid | 177 | 186 | -4.8% |
| 1. Total Dial-Up Subscribers: (1.1+1.2) | 4,114 | 4,388 | -6.2% |
| Fixed Broadband Subscribers | | | |
| 2. Total Fixed Broadband Subscribers | 163,610 | 154,290 | 6.0% |
| Total Fixed Broadband Subscribers Penetration/100 Household | 40.67% | 38.35% | 2.32% |
| Total Fixed Internet Subscribers (1+2) | 167,724 | 158,678 | 5.7% |
| Total Fixed Internet Penetration /100 Household | 41.69% | 39.44% | 2.25% |
| 3. Active Mobile Broadband Subscribers | | | |
| 3.1 Dedicated mobile-broadband Subscribers | 1,731,771 | 1,675,631 | 3.4% |
| 3.2 Standard mobile-broadband Subscribers | 852,406 | 767,665 | 11.0% |
| Total Active Mobile Broadband Subscribers (3.1+3.2) | 2,584,177 | 2,443,296 | 5.8% |
| Active Mobile Penetration Rate /100 Inhabitant | 65.31% | 67.44% | -2.13% |



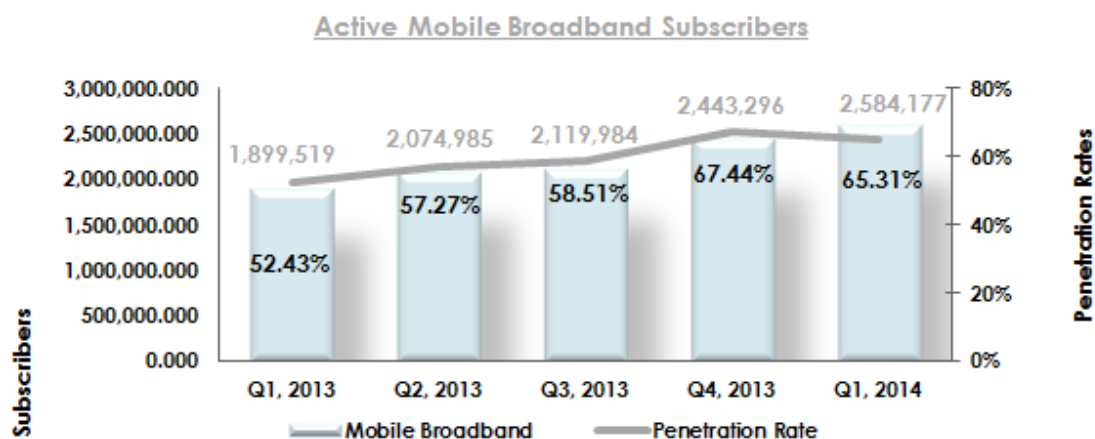
- At the end of Q1, 2014 there were 167,724 total fixed Internet subscribers showing an increase of 5.7% against the previous quarter.
- Fixed internet subscribers' penetration rate in terms of Households increased to 41.69% by end of the first quarter.



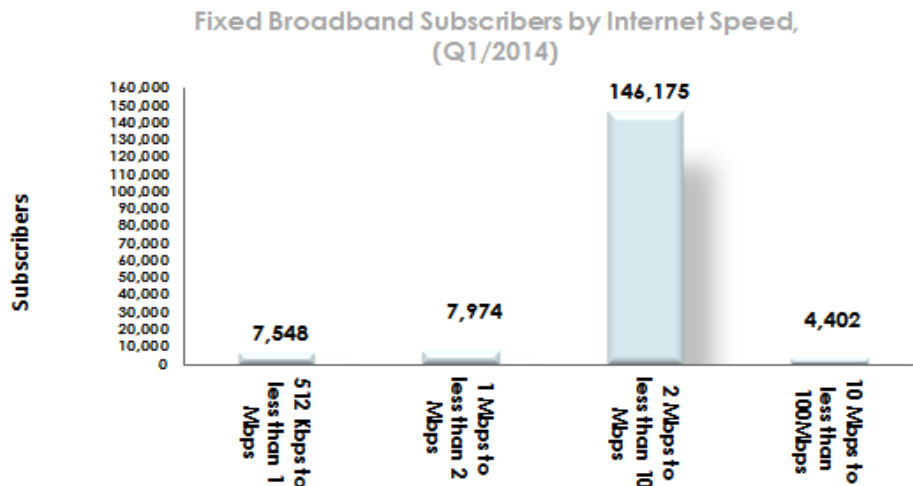
The Dial up subscribers are showing continuous decline since the last year. The Q1, 2014 shows a decline of 6.2% from Q4, 2013.



Fixed Broadband subscription increased by 6% (from 154,290 to 163,610). Penetration rate in terms of Household also increased to 40.67% from 38.35% during Q1, 2014.

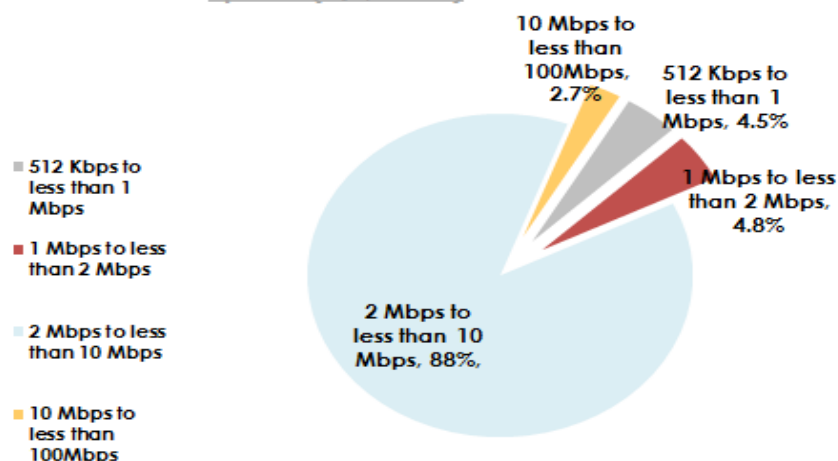


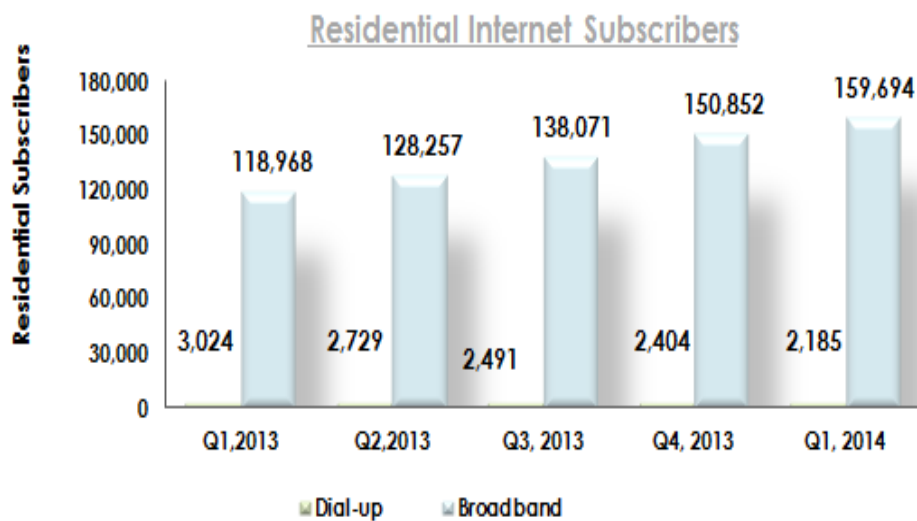
- At the end of Q4, 2013 the Total Active Mobile Broadband subscribers (measured as per ITU definition) increased to 2,584,177 from 2,443,296 of Q4, 2013. The penetration rate stands at 65.31% by end of the quarter.



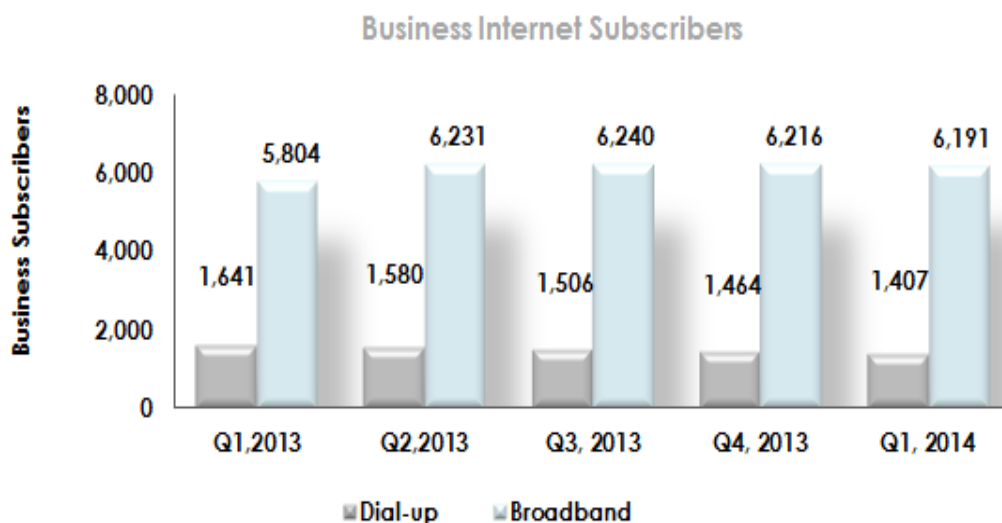
- 4.5% of Fixed Broadband subscribers during Q1, 2014 had access speed of 512 Kbps to less than 1 Mbps.
- 4.8% of Fixed Broadband subscribers during Q1, 2014 had access speed of 1 Mbps to less than 2 Mbps.
- 88% of Fixed Broadband subscribers during Q1, 2014 had access speed of 2 Mbps to less than 10 Mbps.
- 2.7% of Fixed broadband subscribers have access of 10 Mbps and to less than 100 Mbps.

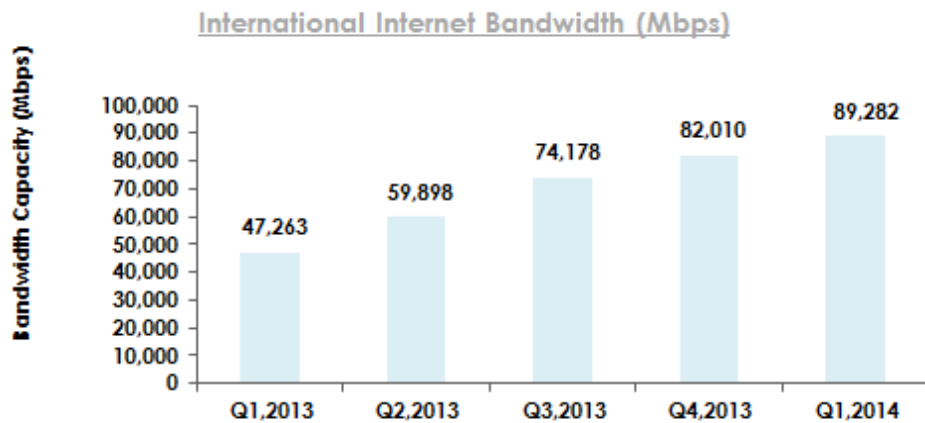
**Fixed Broadband Subscribers - Proportion by
Speed (Q1, 2014)**



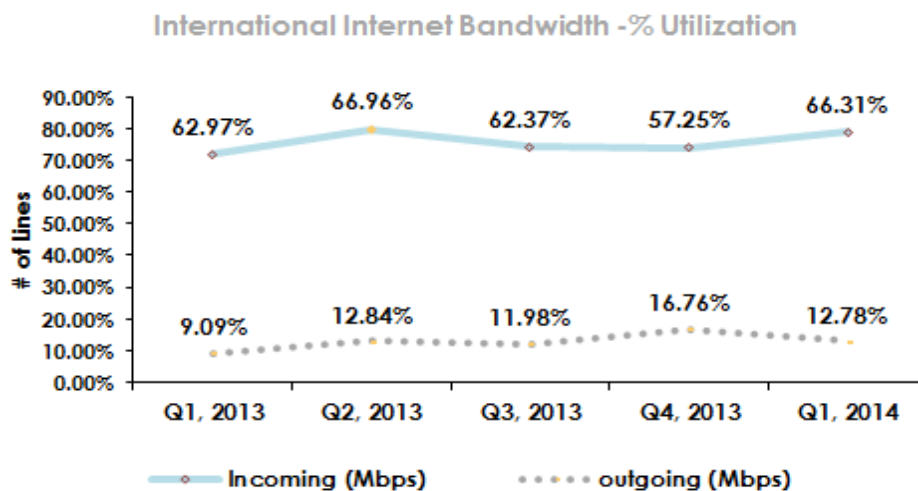


- The residential internet broadband subscribers in the above chart increased during the First Quarter 2014 by 5.9%, while in the below chart the Business internet broadband subscribers slightly reduced by 0.40%.
- On the other hand, the Dial up was showing continuous drop since the last year.





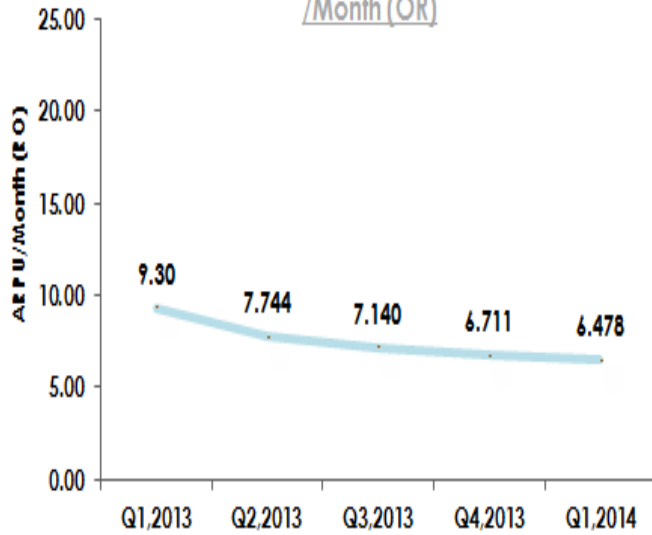
- Q1, 2014 recorded 89,282 Mbps as total of international internet bandwidth capacity in the market, which shows an increase of 8.87% over the previous quarter.



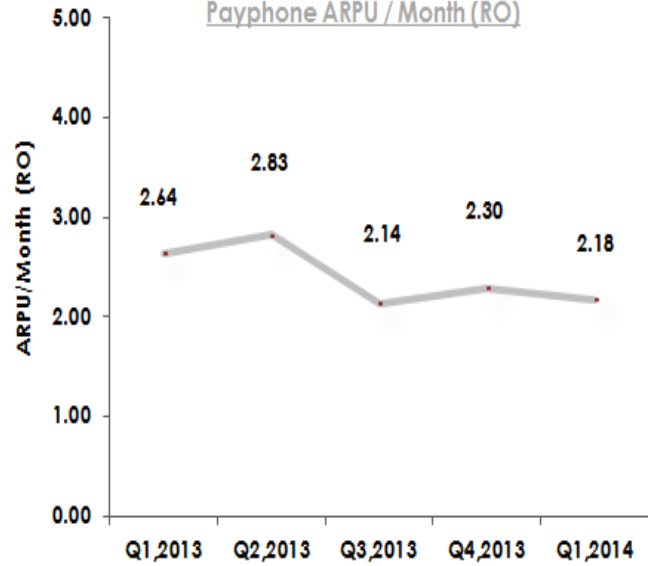
- Out of 89,282 Mbps capacity, on average 12.78% was utilized for the outgoing and 66.31% for the incoming traffic.

ARPUs

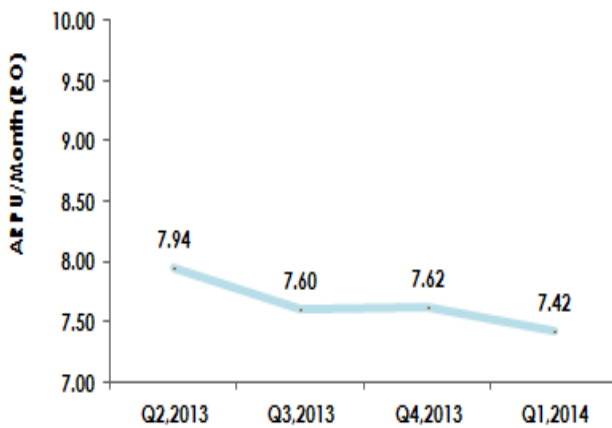
Fixed Telephone (Postpaid + Prepaid) ARPU /Month (OR)



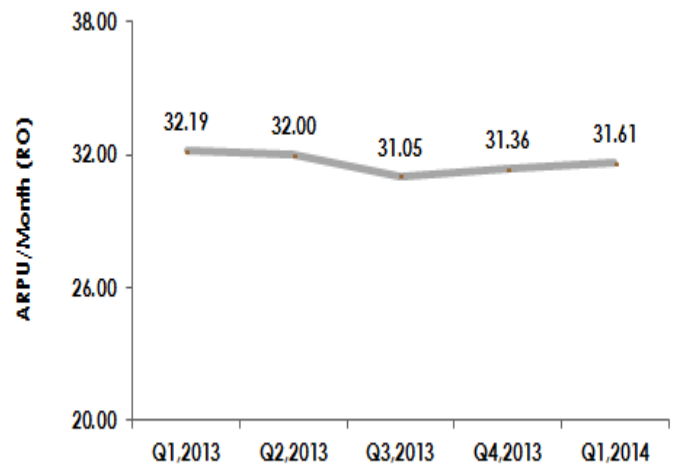
Payphone ARPU / Month (RO)



Total Mobile ARPU / Month



Fixed Internet ARPU/month (OR)



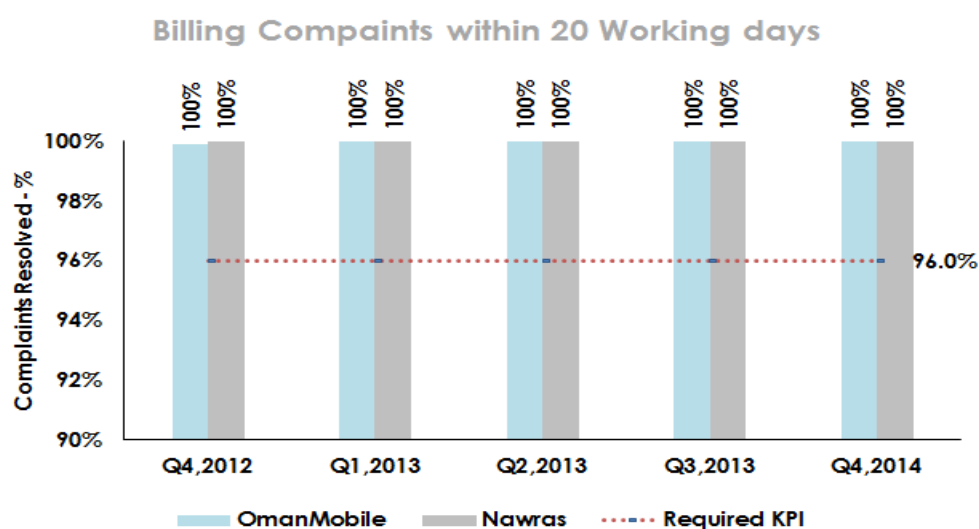
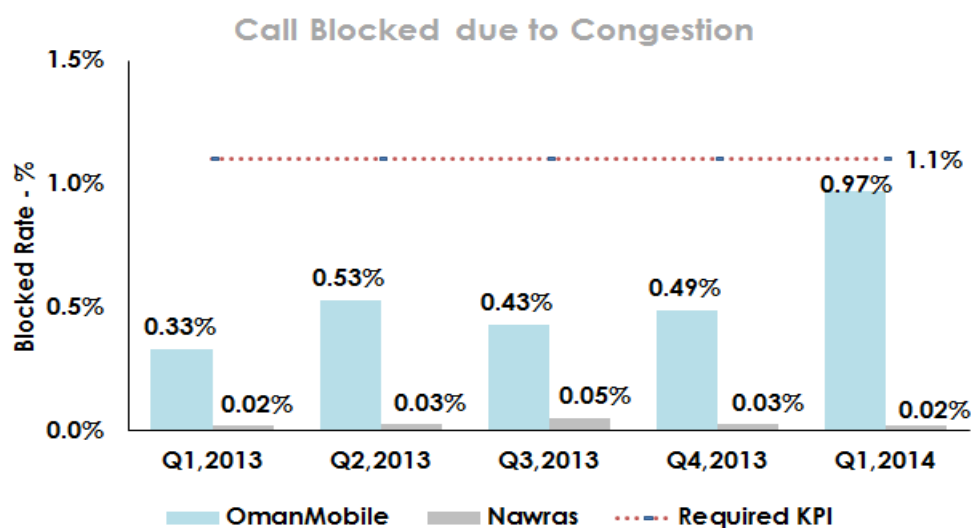
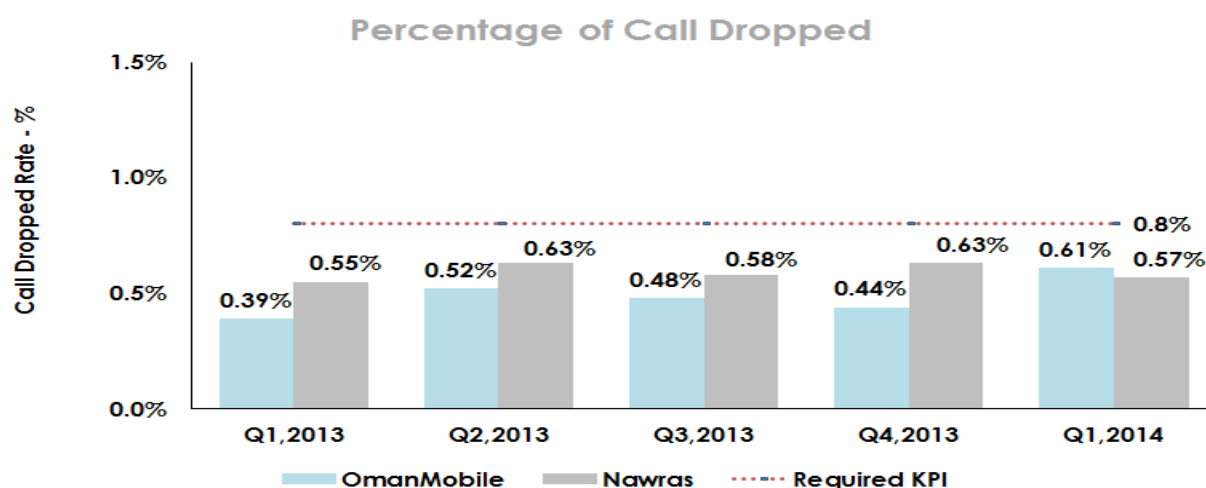
Note: (Calculation of the ARPUs is to divide the total revenue of a service on number of subscribers of that service divide by 3).

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) | Q1/2014 | | Q4/2013 | |
|---|-----------------------------|-------------|--------|-------------|--------|
| | | Oman Mobile | Nawras | Oman Mobile | Nawras |
| 1. Percentage of Calls Dropped | Less than 0.8% | 0.61% | 0.57% | 0.44% | 0.63% |
| 2. Percentage of Calls Blocked due to Congestion | Less than 1.1% | 0.97% | 0.02% | 0.49% | 0.03% |
| 3. Percentage of billing complaints resolved within 20 working days | More than 96% | 100% | 100% | 100% | 100% |

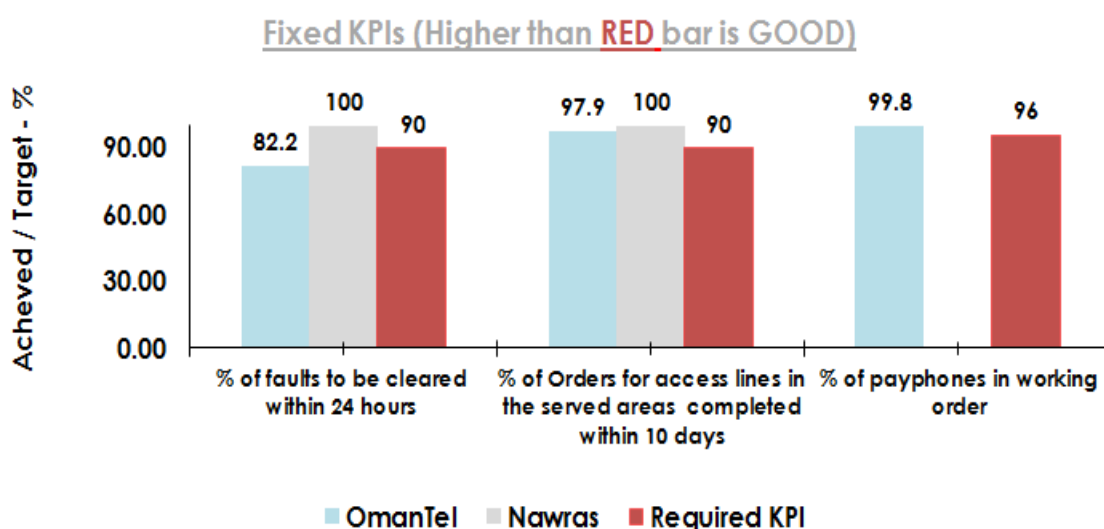


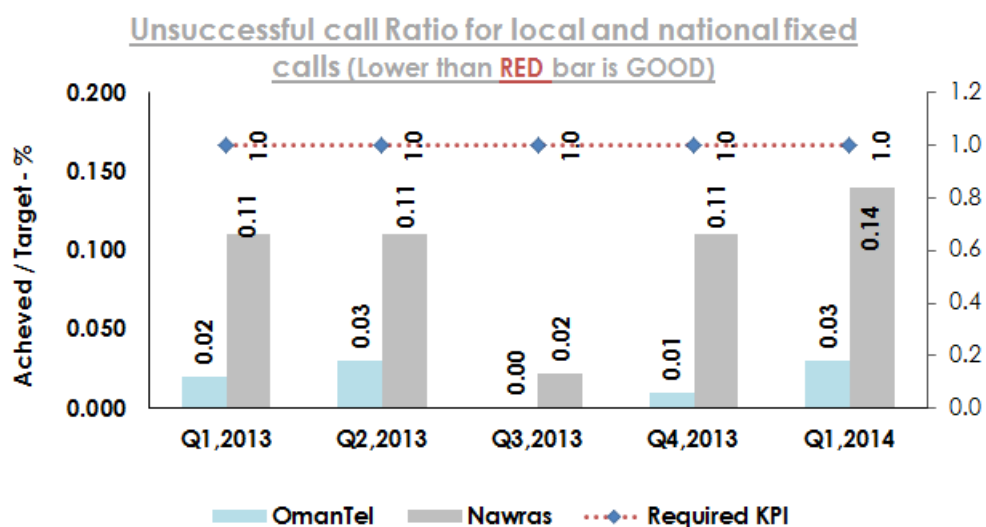
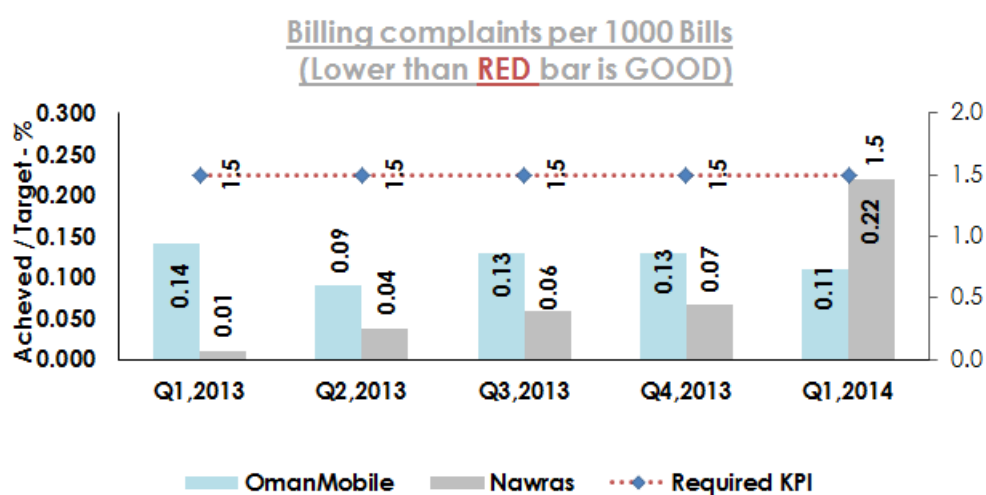
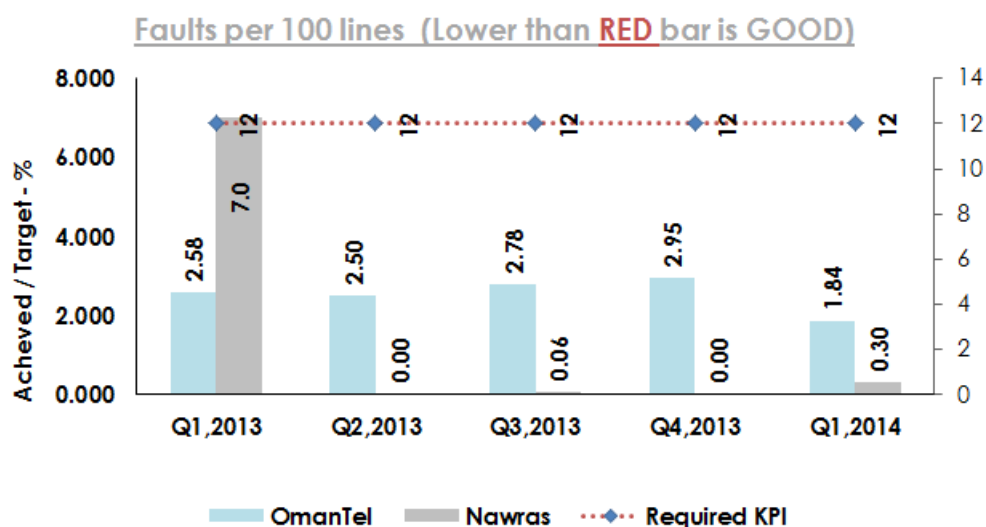
Fixed Services KPIs

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

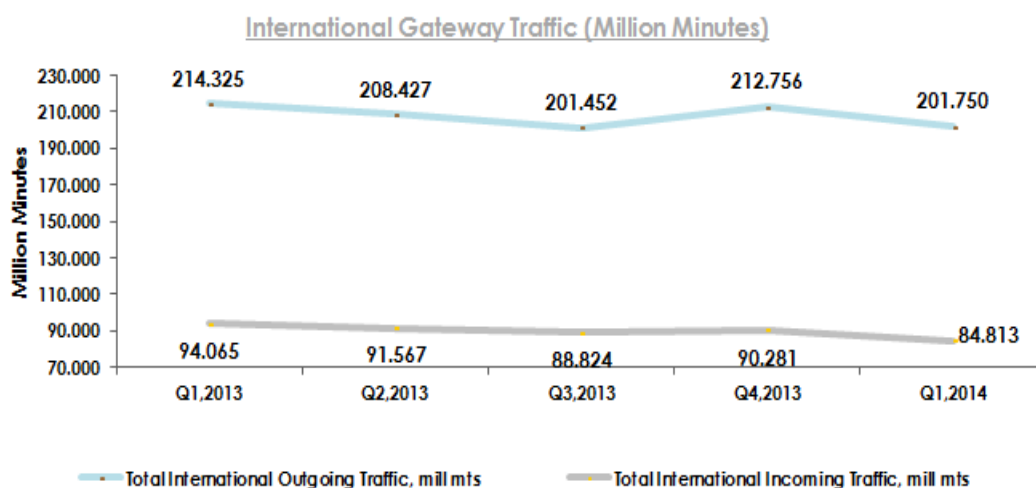
| Fixed Services KPIs | Required KPI (Bi-Annual) | Q1/2014 | | Q4/2013 | |
|---|-----------------------------|---------|--------|---------|--------|
| | | Omantel | Nawras | Omantel | Nawras |
| 1. Faults per 100 lines | Less than 12 | 1.84% | 0.03% | 2.95% | 0.00% |
| 2. % of faults to be cleared within 24 hours | More than 90% | 82.16% | 100% | 96.56% | 100% |
| 3. Unsuccessful call Ratio for local and national fixed calls | Less than 1% | 0.03% | 0.14% | 0.01% | 0.11% |
| 4. Percentage of Orders for access lines in the served areas completed within 10 days | More than 90% | 97.94% | 100% | 99.61% | 100% |
| 5. Percentage of payphones in working order | More than 96% | 99.82% | NA | 99.85% | NA |
| 6. Billing complaints per 1000 Bills | Less than 1.5 | 0.11% | 0.22% | 0.13% | 0.066% |
| 7. Percentage of billing complaints resolved within 20 working day | More than 96% | 100% | 100% | 100% | 100% |

*The figures are not audited by TRA.

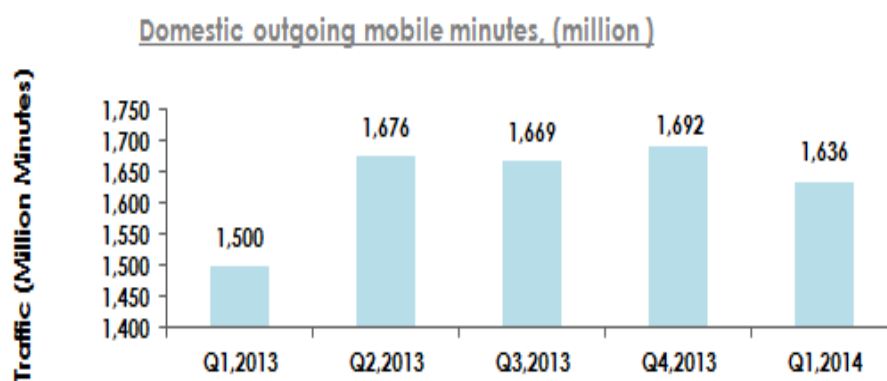




Traffic

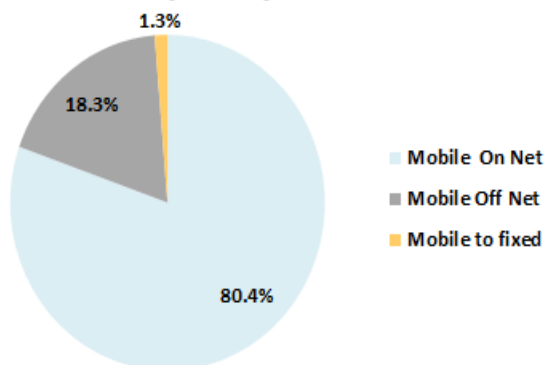


During the first quarter of 2014, both the outgoing and incoming minutes from the international gateway dropped by 5.2% and 6.1% respectively.

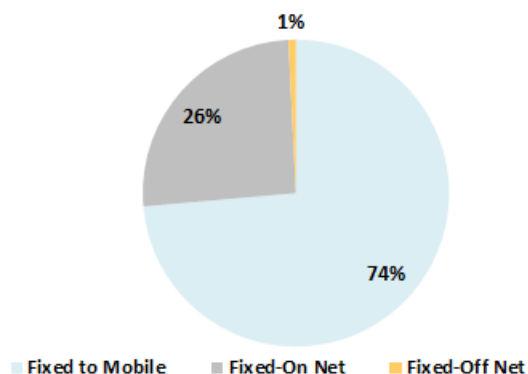


The domestic outgoing mobile minutes has been fluctuating during the previous quarters. The first quarter of 2014 has shown a decline of 3.30% against the fourth quarter of 2013.

Distribution of domestic outgoing mobile minutes (millions), Q1 2014



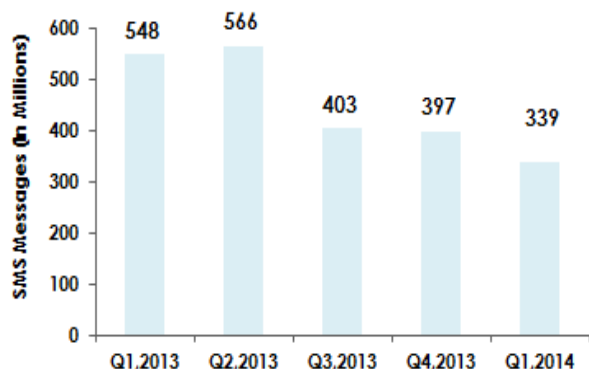
Distribution of domestic outgoing fixed minutes (millions), Q1/2014



On Net domestic outgoing mobile traffic represents 80.4% of the total, while Off Net is 18.3% of the total. The mobile to fixed minutes are 1.3% of the total.

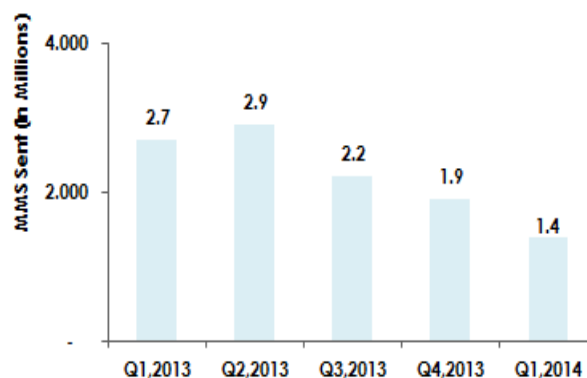
The fixed to mobile traffic registered the highest score of 74% of the total domestic outgoing fixed traffic. Then, fixed On Net traffic is 26% and the fixed off net traffic is 1% of the total domestic traffic.

SMS Sent (In Millions)



During the quarter, the total volume of Sent SMS messages decreased to 339 million from 397 million SMS which is 14.6% less compared to Q4, 2013.

MMS Sent (In Millions)

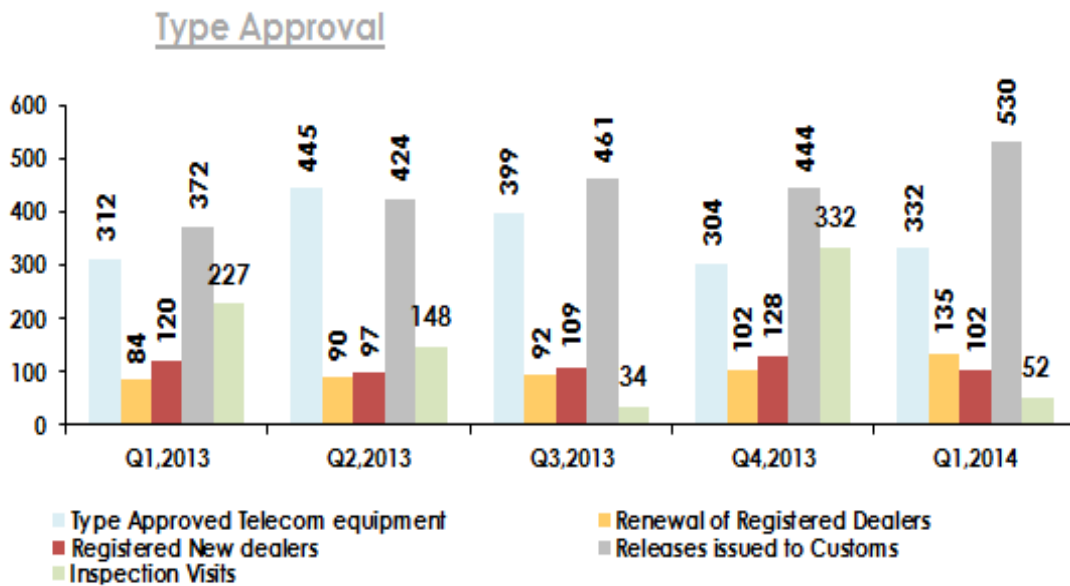


The number of MMS declined by 26.3% during the Q1, 2014 against Q4, 2013 reaching to a total of 1.4 million.

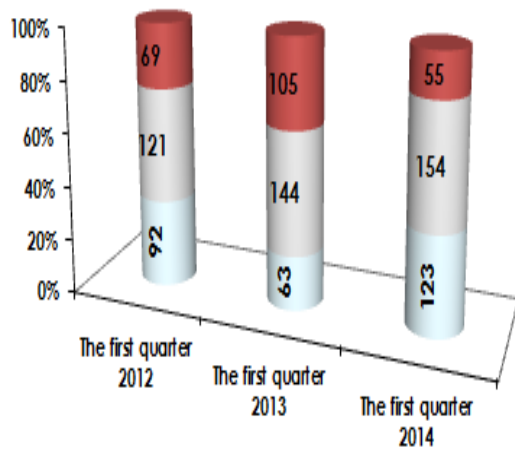
Type Approval

During the first Quarter 2014, TRA :

- Approved a total number of 332 (Previous Quarter 304) Telecom Equipment.
- Renewed 135 (Previous Quarter: 102) registrations of Telecom Dealers.
- Registered 102 (Previous Quarter: 128) new dealers.
- Issued 530 (Previous Quarter: 444) Releases to Customs for Imported Telecom equipment.
- Inspected 52 (Previous month 332) dealerships.

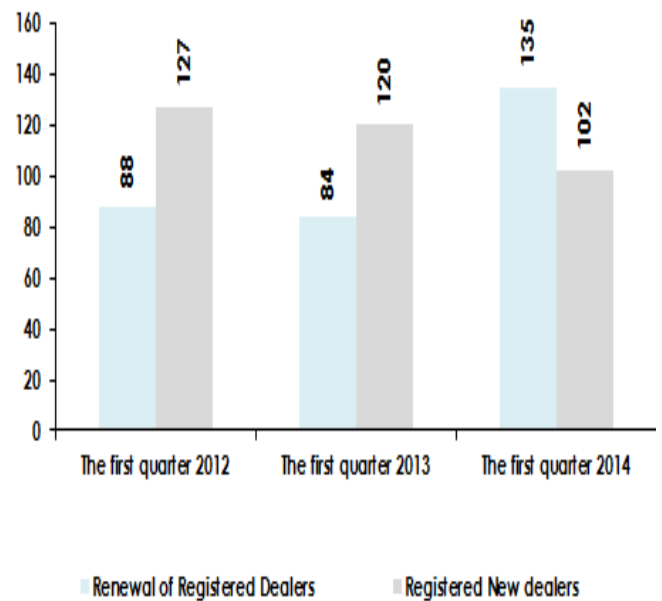


Type Approved Telecom equipment

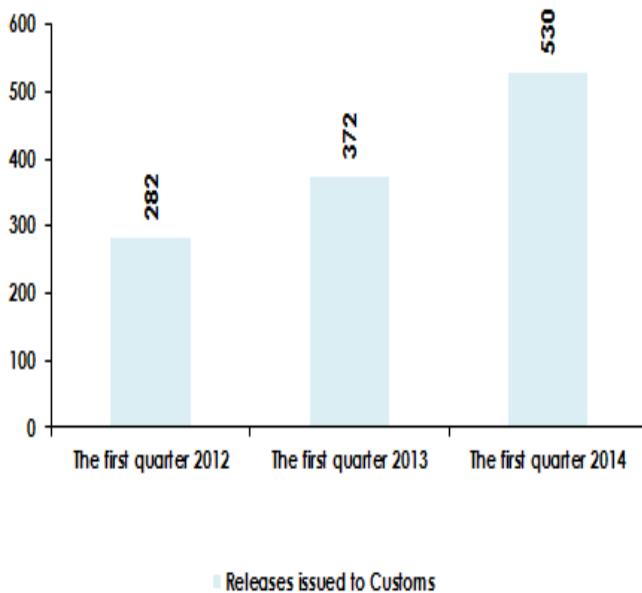


- Terminal
- Radio
- Mobile Phones

Dealers' Registration



Releases issued to Customs



- Releases issued to Customs

Inspection Visits



- Inspection Visits