سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

# Quarterly Report on Telecom Sector Indicators

## Q2, 2014

### Competition and Tariffs Unit

# Table of Content

## ➢ Introduction

It is our pleasure to present Q2 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

# Q2 / 2014

The penetration of different services stood at the following levels at the end of the Q2 2014:

- Fixed line 9.15%,
- Mobile subscriptions 149%
- Internet 42.69% of households.

The Active Mobile Broadband Subscribers' Penetration rate reached 66.98% by the end of Q2/ 2014 with total active subscribers reaching 2,650,609.

The Blackberry Subscribers represent 1.7% of the total Mobile Subscribers base at the end of Q2/2014 as compared to 1.8% of total mobile subscribers as at the end of preceding quarter.

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

- 3 Tariff Plans Revisions.
- 10 New tariff plans.
- 33 promotional tariff offers.

TRA type approved 447 telecom equipments, renewed 131 registrations of telecom dealers and registered 149 new dealers. TRA Issued 756 releases to customs for importing telecom equipments.

The TRA carried out 426 inspections of dealers to check compliance of TRA regulations.

## Summary of Main Telecommunications Indicators

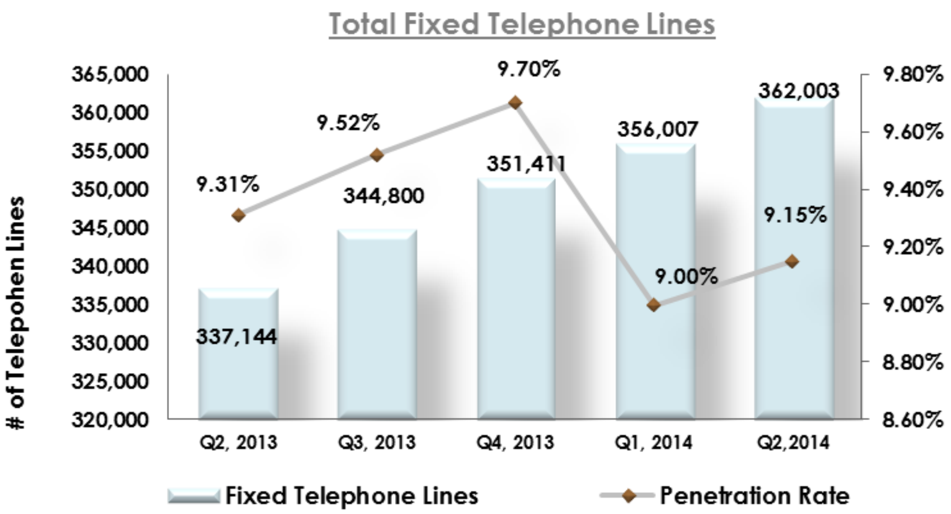
| Indicator | Fixed Telephony Service<br>*(other than Fixed Internet)* | Fixed Internet Service | Mobile Service |
|---|---|---|---|
| Subscribers | **362,003** | **171,725** | **5,896,265** |
| Penetration rate | **89.99% of household** | **42.69% of household** | **149.01% of inhabitant** |
| Revenue (Mln.RO) | **47.144** | **16.721** | **131.319** |
| International Outgoing Voice Minutes, (million) | **7.892** | **NA** | **207.479** |
| ARPU, (RO) | **6.98** | **32.46** | **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

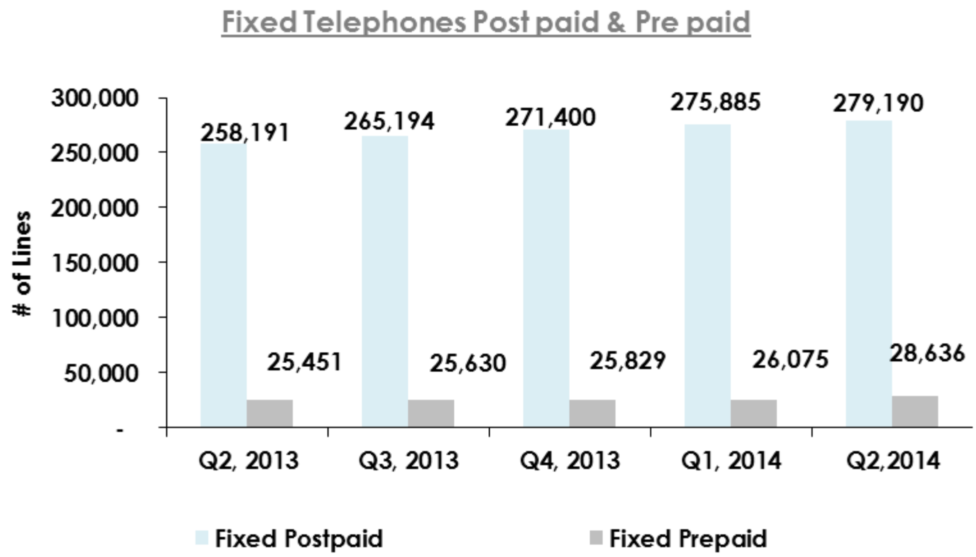
| Type of Service | Q2/2014 | Q1/2014 | % Change |
|---|---|---|---|
| **Fixed Telephone Lines:** | | | |
| 1.1 Post Paid | 279,190 | 275,885 | 1.20% |
| 1.2 Pre-Paid | 28,636 | 26,075 | 9.82% |
| 1.3 Public Telephone – Payphone | 6,801 | 6,801 | 0.00% |
| 1.4 ISDN Equivalent Channels | 45,552 | 45,420 | 0.29% |
| 1.5 WLL Connections | 1,824 | 1,826 | -0.11% |
| Total Fixed Telephone Lines in Operation (1.1-1.5) | 362,003 | 356,007 | 1.68% |
| Fixed Line Penetration /100 Inhabitant | 9.15% | 9.00% | 0.15% |
| Fixed Line Penetration /100 household | 89.99% | 88.50% | 1.49% |

- **Note: The penetration rate of Q2/ 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.**
- **Households: 402,286 (as per census 2010)**



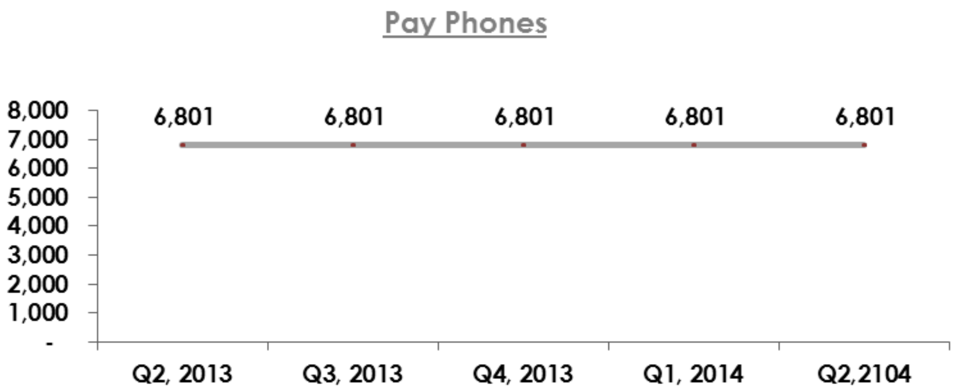

***Note: the steep drop in penetration in Q2 was due to revised Population figure published by NCSI.***

- Q2, 2014 ended with 362,003 fixed lines, with an increase of 1.68% compared to the previous quarter. The penetration rate in terms of inhabitants increased slightly from 9% to 9.15%, also in terms of household it increased from 88.5 to 89.99%.

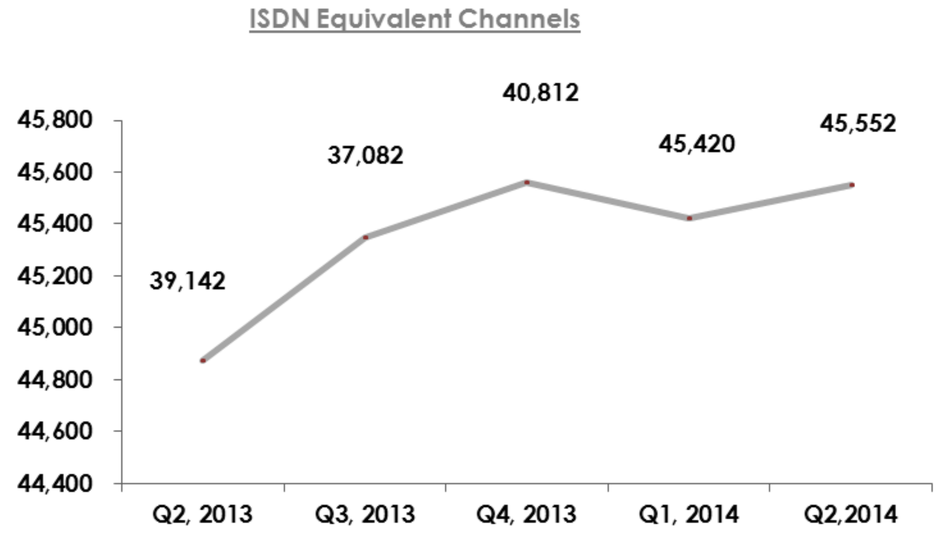



During the 2nd quarter 2014, the fixed post-paid lines increased by 1.2%, resulting in total of 279,190 post-paid lines.

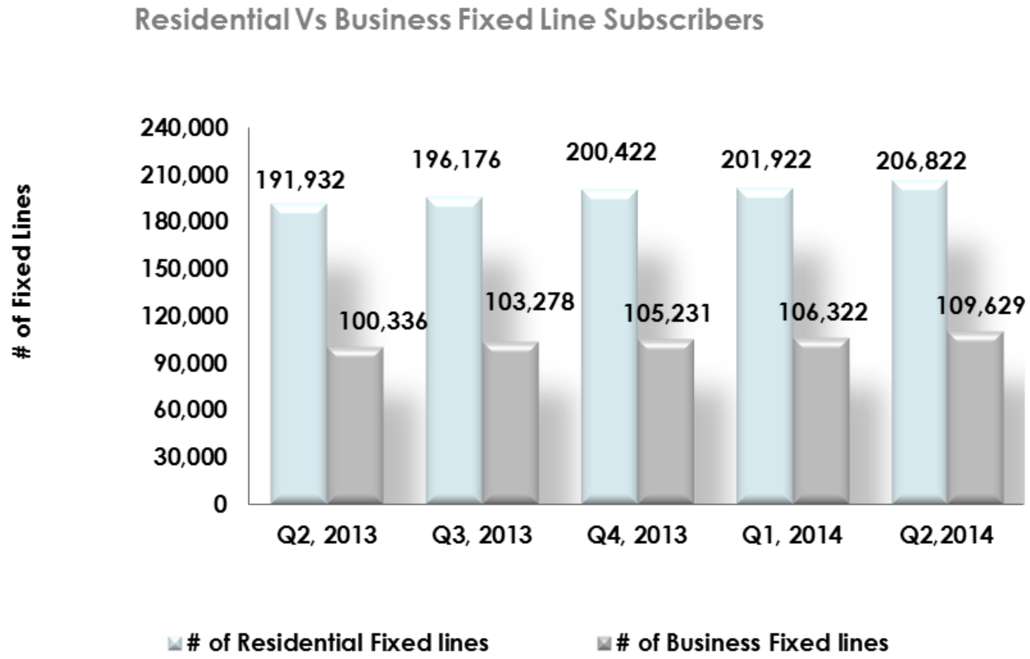
The number of prepaid connections increased by 9.82% during the same period.




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




The ISDN equivalent channels showed a slight growth of 0.29% during the second quarter of 2014.




Total residential fixed lines recorded an increase of 2.4% to reach to 206,822 during the 2nd quarter.

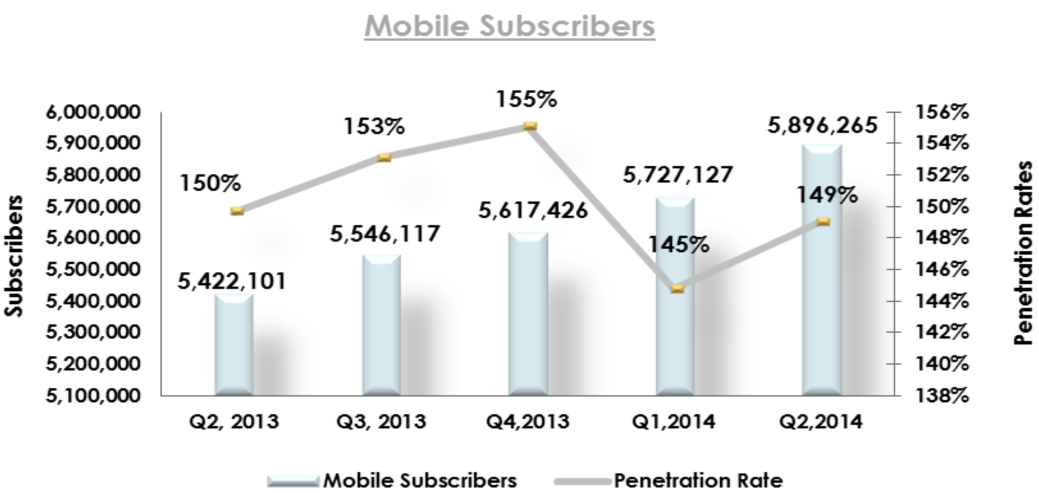
The split between fixed residential and business lines stands at 65 % and 35% respectively.

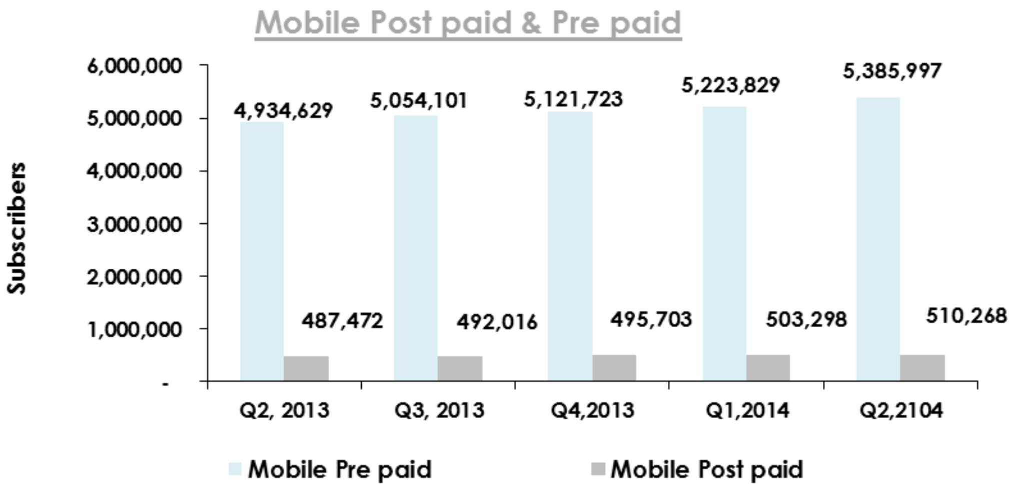
# Mobile Service

| Mobile Subscribers | As of Jun 2014 | As of Mar 2014 | % change |
|---|---|---|---|
| **1. Post Paid** | | | |
| 1.1 Operators | 510,268 | 503,298 | 1% |
| 1.2 Resellers | | | |
| **Total Postpaid Subscribers: (1.1+1.2)** | **510,268** | **503,298** | **1%** |
| **2. Pre-Paid** | | | |
| 2.1 Operators | 4,740,393 | 4,622,277 | 2.56% |
| 2.2 Resellers | 645,604 | 601,552 | 7.32% |
| **Total Prepaid Subscribers: (2.1+2.2)** | **5,385,997** | **5,223,829** | **3.10%** |
| **Total Mobile Subscribers: (1+2)** | **5,896,265** | **5,727,127** | **2.95%** |
| **Mobile Penetration/100 Inhabitant** | **149.01%** | **144.73%** | **4.28%** |
| **BlackBerry Subscribers:** | | | |
| 3.1 Post Paid | 10,581 | 12,009 | -12% |
| 3.2 Pre-Paid | 88,689 | 91,106 | -3% |
| **Total BlackBerry Subscribers (3.1+3.2)** | **99,270** | **103,115** | **-4%** |
| **% of BlackBerry Mobile Subscribers of total Base in Oman** | **1.7%** | **1.8%** | **-0.1%** |

- **Note: The penetration rate of Q2/ 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.**

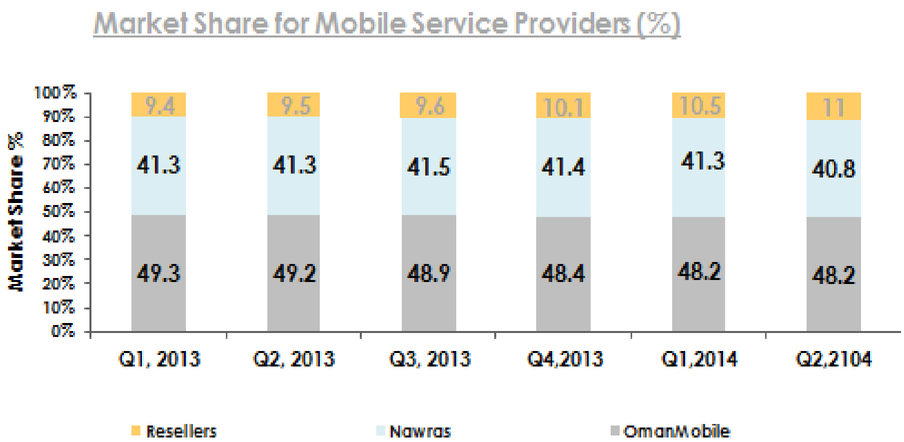
- By end of Q2, 2014 total mobile subscribers rose to 5,896,265 with an increase of 169,138 subscribers during quarter.
- Due to the increase in the population, the penetration rate of mobile subscribers reached to 149%.



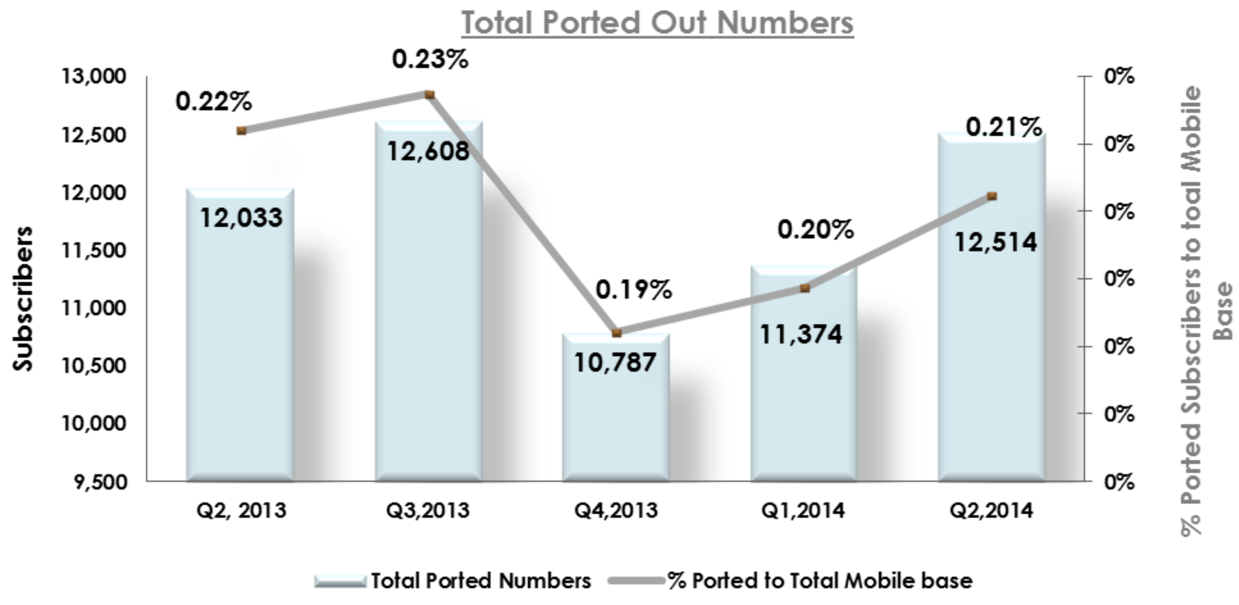



Post-paid mobile subscribers stood at 510,268 at the end of 2nd Quarter 2014 showing an increase of 2%.

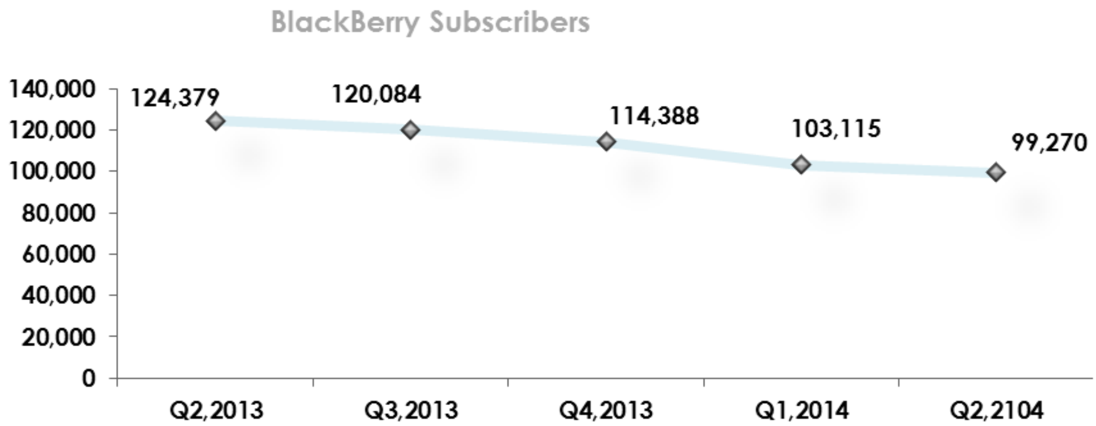
Prepaid mobile subscribers were 5,385,997 at the end of Q2 showing the growth of 3.1% compared to 1st quarter.




As of end of Q2, 2014, Oman Mobile possessed a market share of 48.2% while Nawras had 40.8%. The resellers achieved 11% market share during the reported quarter.




Total numbers ported out during Q2, 2014 were 12,514 as compared to 11,374 numbers during Q1, 2014. This translates a growth of 10% over the previous quarter. During the quarter the ported numbers represented 0.21% of the total mobile subscribers' base.



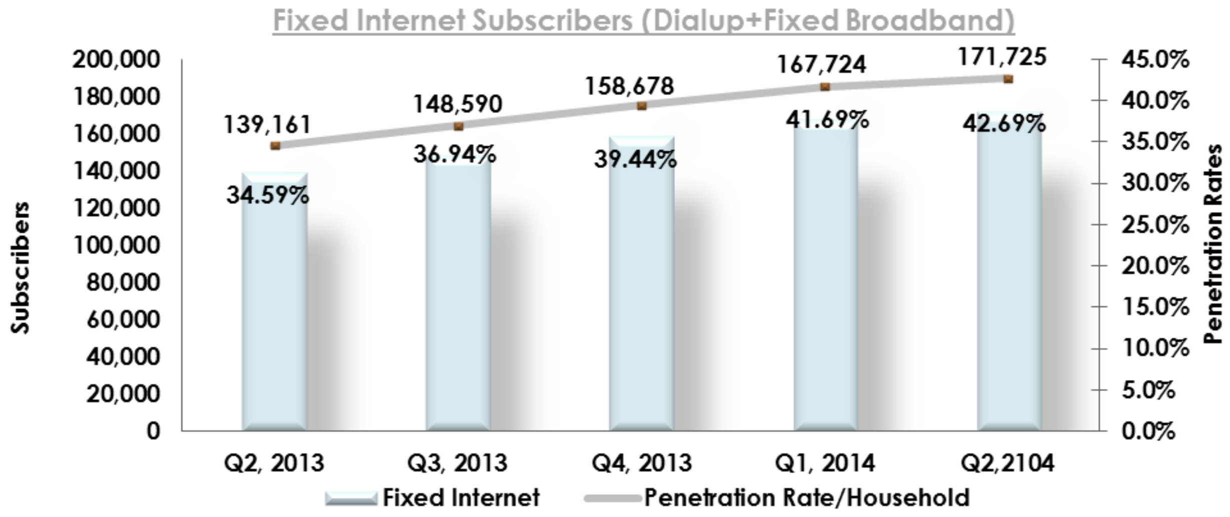

Blackberry Subscribers at the end of Q2, 2014 represented 1.7% of the total Mobile Subscribers base with the total of 99,270 subscribers.

This has registered a drop of 5.6% over the previous quarter when it was 1.8% of the total mobile subscriber base in Oman.

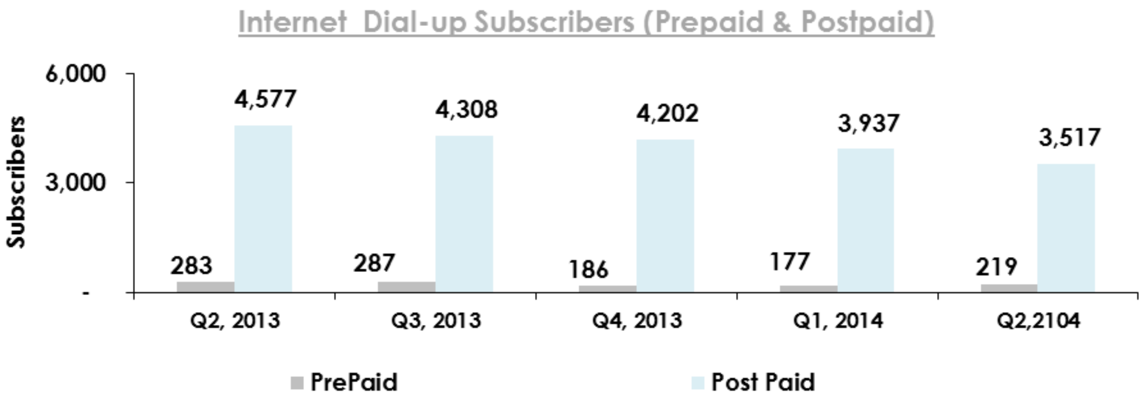
# Internet Services

| Type of Service | As of June 2014 | As of March 2014 | |
|---|---|---|---|
| **Dial Up Subscribers** | | | |
| 1.1 Post Paid | 3,517 | 3,937 | -10.67% |
| 1.2 Pre-Paid | 219 | 177 | 23.73% |
| **1. Total Dial-Up Subscribers: (1.1+1.2)** | ***3,736*** | ***4,114*** | **-9.19%** |
| **Fixed Broadband Subscribers** | | | |
| **Total Fixed Broadband Subscribers** | 167,989 | 163,610 | 2.68% |
| **Total Fixed Broadband Subscribers Penetration/100 Household** | **41.76%** | **40.67%** | **2.68%** |
| **2. Total Fixed Internet Subscribers (1+2)** | **171,725** | **167,724** | **2.39%** |
| **Total Fixed Internet Penetration /100 Household** | **42.69%** | **41.69%** | **1.0%** |
| **Active Mobile Broadband Subscribers** | | | |
| 3.1 Dedicated mobile-broadband Subscribers | 1,834,882 | 1,731,771 | 5.95% |
| 3.2 Standard mobile-broadband Subscribers | 815,727 | 852,406 | -4.30% |
| **3. Total Active Mobile Broadband Subscribers (3.1+3.2)** | **2,650,609** | **2,584,177** | **2.57%** |
| **Active Mobile Penetration Rate /100 Inhabitant** | **66.98%** | **65.31%** | **1.67%** |

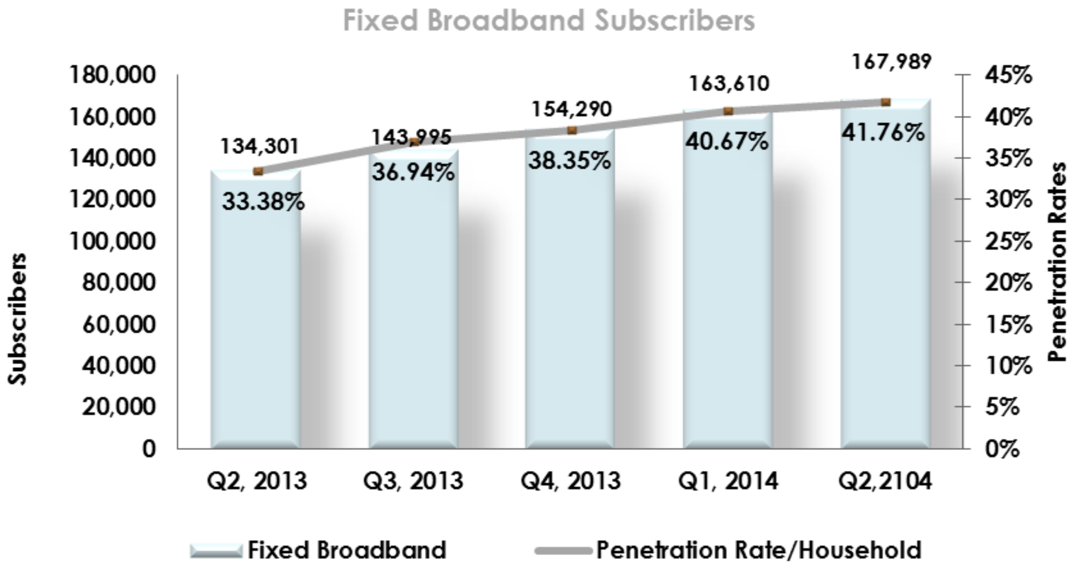
- **Note: The penetration rate of Q2/ 2014 was calculated based on the new population which is (3,957,040) as on December 2013 as per latest statistics provided by NCSI. Accordingly the penetration rate dropped due to increase in the population.**
- **Households: 402,286 (as per census 2010)**



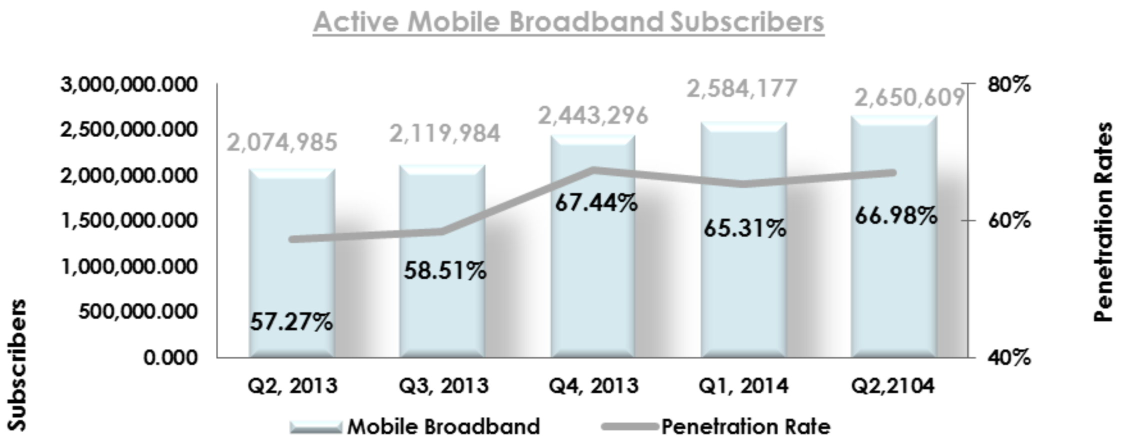

- At the end of Q2, 2014 there were 171,725 total fixed Internet subscribers showing an increase of 2.39% against the previous quarter.
- Fixed internet subscribers' penetration rate in terms of Households increased to 42.69% by end of the second quarter.



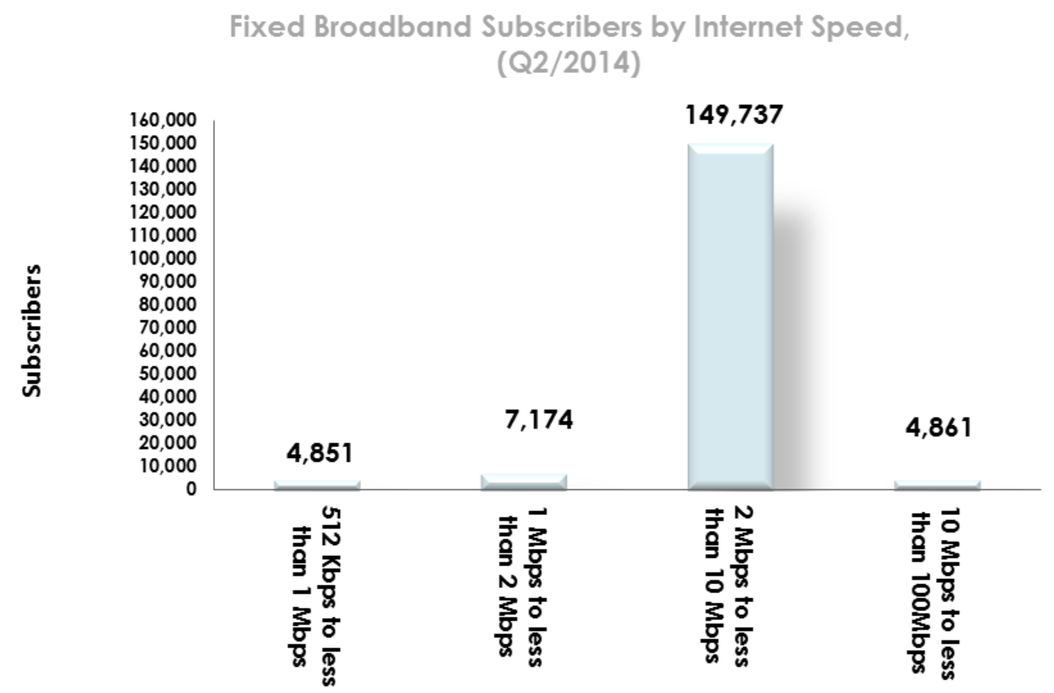

The Dial up subscribers are showing continuous decline since the last year. The Q2, 2014 shows a decline of 9.19% from Q1, 2014.



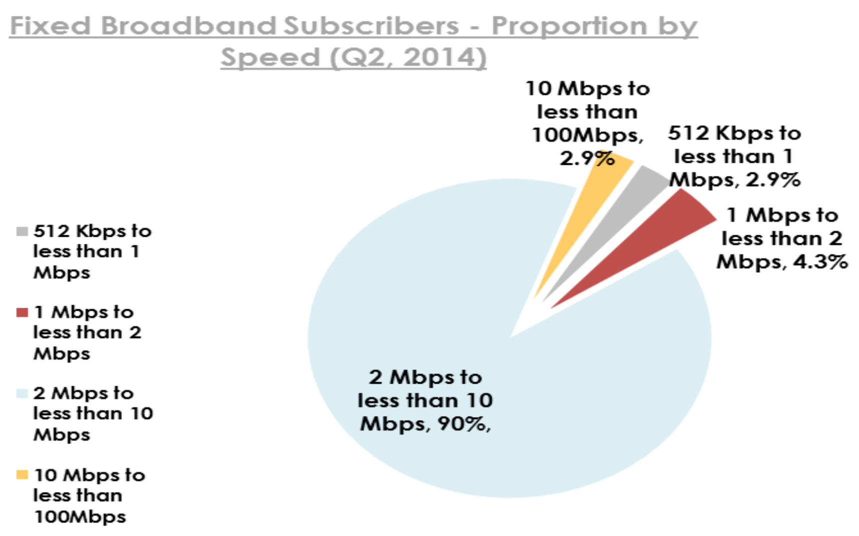

Fixed Broadband subscription increased by 2.68% (from 163,610 to 167,989). Penetration rate in terms of Household also increased to 41.76% from 40.67% during Q2, 2014.

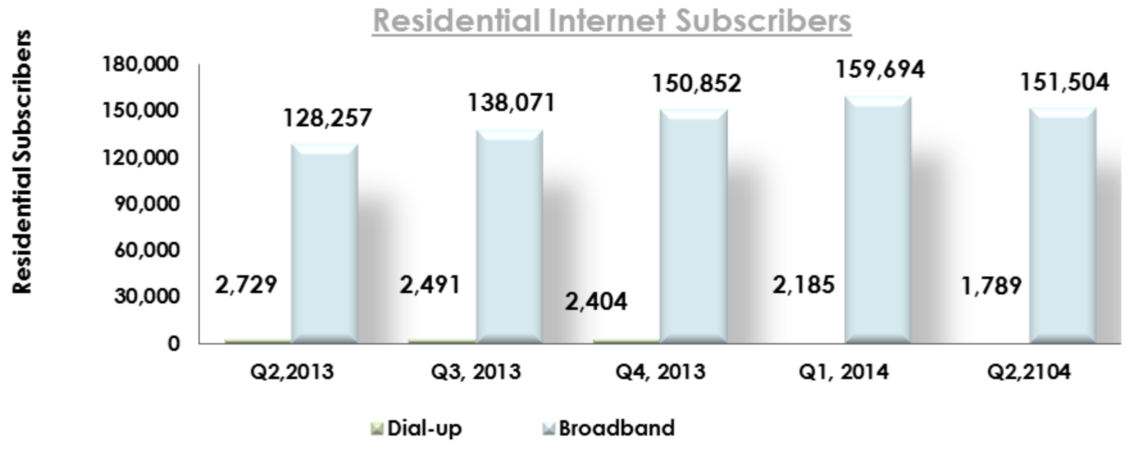



- At the end of Q2, 2014 the Total Active Mobile Broadband subscribers (*measured as per ITU definition*) increased to 2,650,609 from 2,584,177 of Q1, 2014. The penetration rate stands at 66 .98% by end of the quarter.




- 2.9% of Fixed Broadband subscribers during Q2, 2014 had access speed of 512 Kbps to less than 1 Mbps.
- 4.3% of Fixed Broadband subscribers during Q2, 2014 had access speed of 1Mbps to less than 2 Mbps.
- 90% of Fixed Broadband subscribers during Q2, 2014 had access speed of 2 Mbps to less than 10 Mbps.
- 2.9% of Fixed Broadband subscribers have access of 10 Mbps and to less than 100 Mbps.

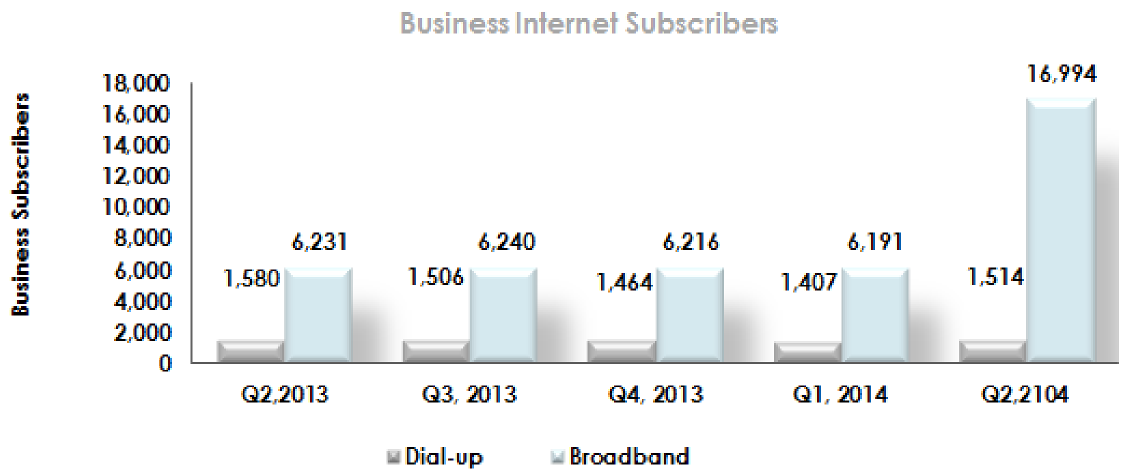


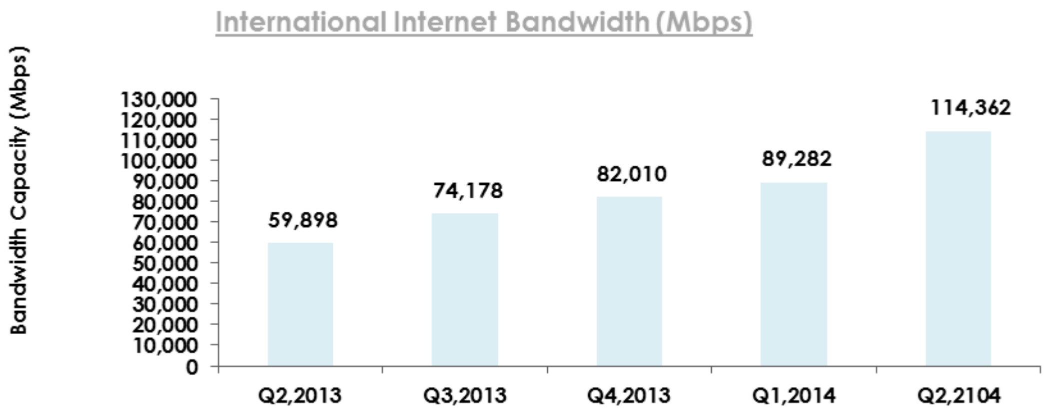



- The residential internet broadband subscribers in the above chart decreased during the Second Quarter 2014 by 5.12%.

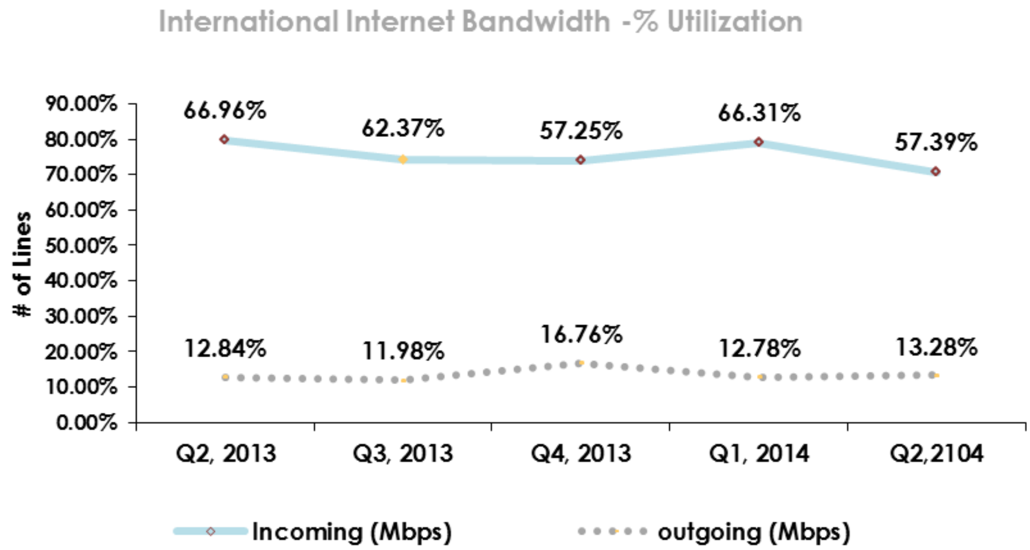
- While in the below chart the Business internet broadband subscribers showed sudden increase of 174.5% during the same quarter. As per Omantel confirmation this sharp increase due to the incorrect data extraction query which mistakenly categorized the business broadband as residential subscribers for the reports prior to May 2014 and the data pertaining to the category residential business category of ADSL subscribers.

- On the other hand, the Dial up was showing continuous drop since the last year.



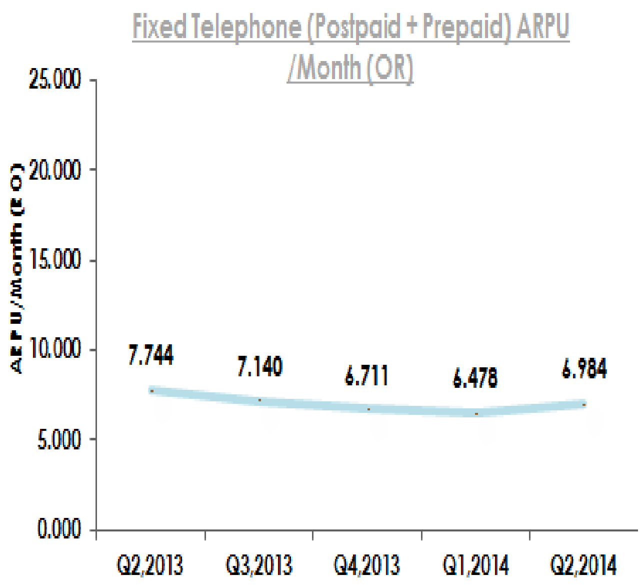


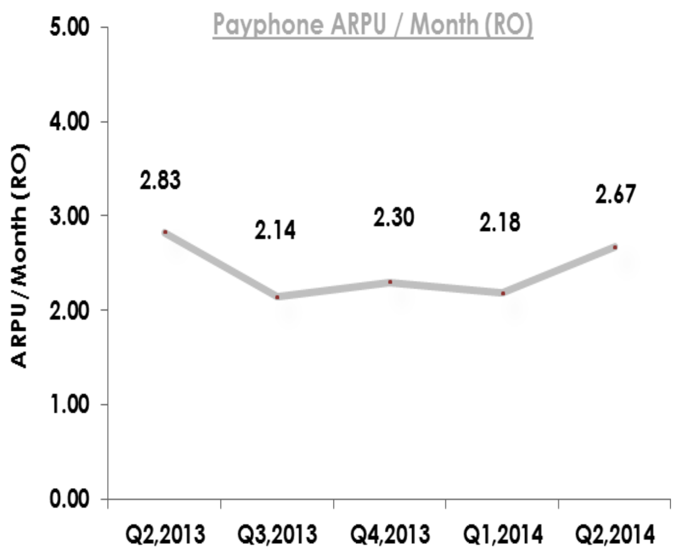

- Q2, 2014 recorded 114,362 Mbps as total of international internet bandwidth capacity in the market, which shows an increase of 28.1% over the previous quarter.

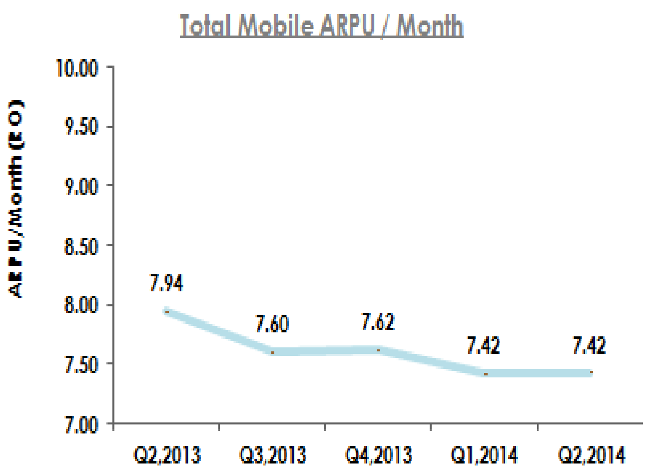


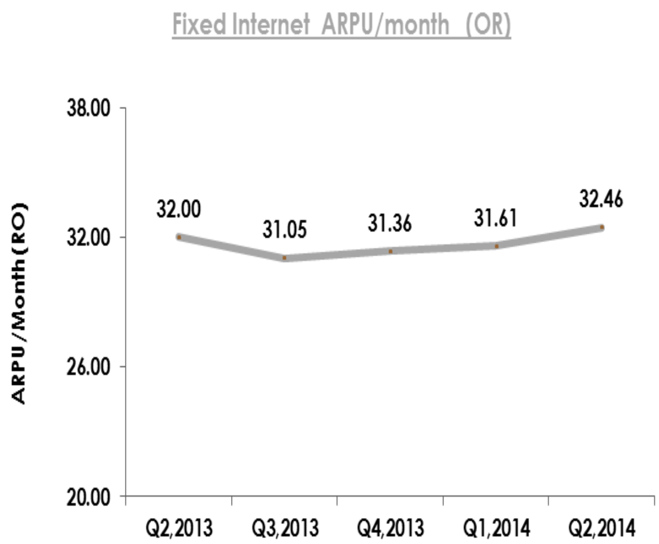

- Out of 114,362 Mbps capacity, on average 13.28% was utilized for the outgoing and 57.39% for the incoming traffic.

# ARPUs



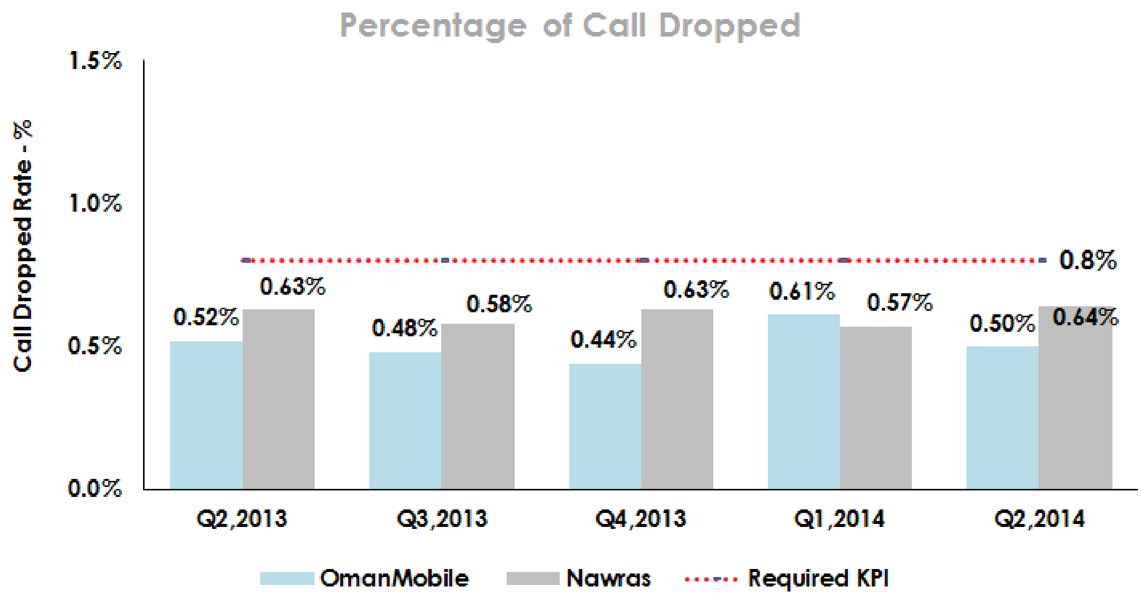

Note: (Calculation of the ARPUs is to divide the total revenue of a service on number of subscribers of that service divide by 3).

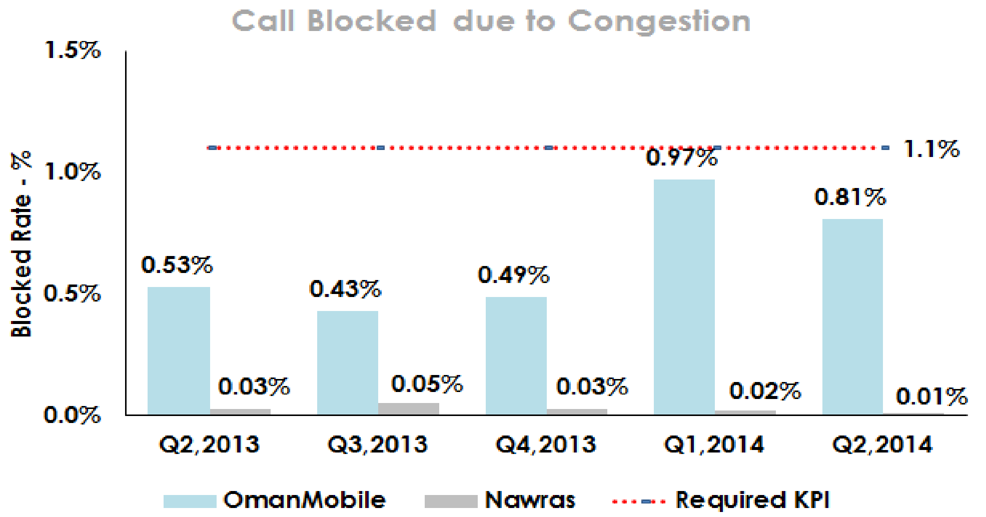
# Quality of Service

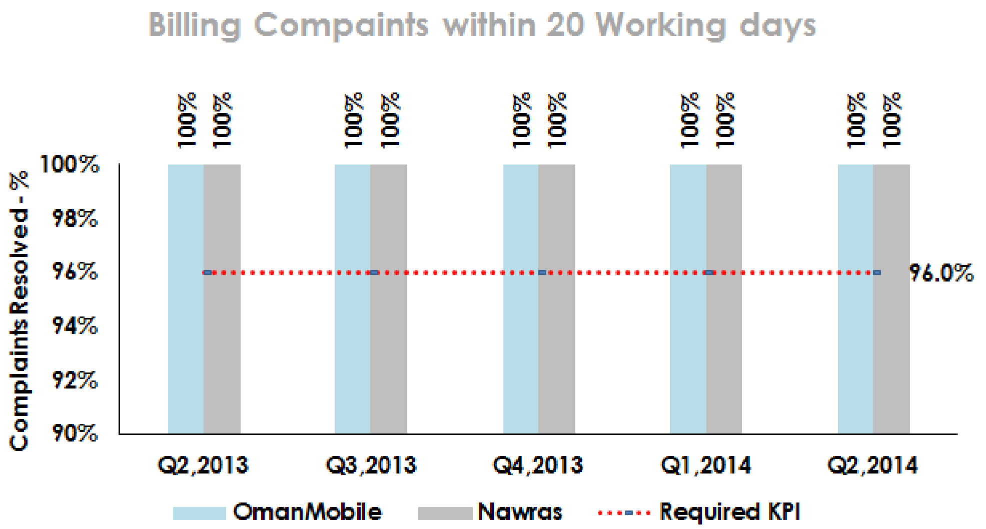
## Mobile Services KPIs*

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

| Mobile Services KPIs | Required KPI (Bi-Annual) | Q2/2014 | | Q1/2014 | |
|---|---|---|---|---|---|
| | | Oman Mobile | Nawras | Oman Mobile | Nawras |
| 1. Percentage of Calls Dropped | Less than 0.8% | 0.50 | 0.64 | 0.61 | 0.57 |
| 2. Percentage of Calls Blocked due to Congestion | Less than 1.1% | 0.81 | 0.01 | 0.97 | 0.02 |
| 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%
0.52%
0.63%
0.48%
0.58%
0.44%
0.63%
0.61%
0.57%
0.50%
0.64%
0.8%
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanMobile
Nawras
Required KPI


Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
0.53%
0.03%
0.43%
0.05%
0.49%
0.03%
0.97%
0.02%
0.81%
0.01%
1.1%
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanMobile
Nawras
Required KPI

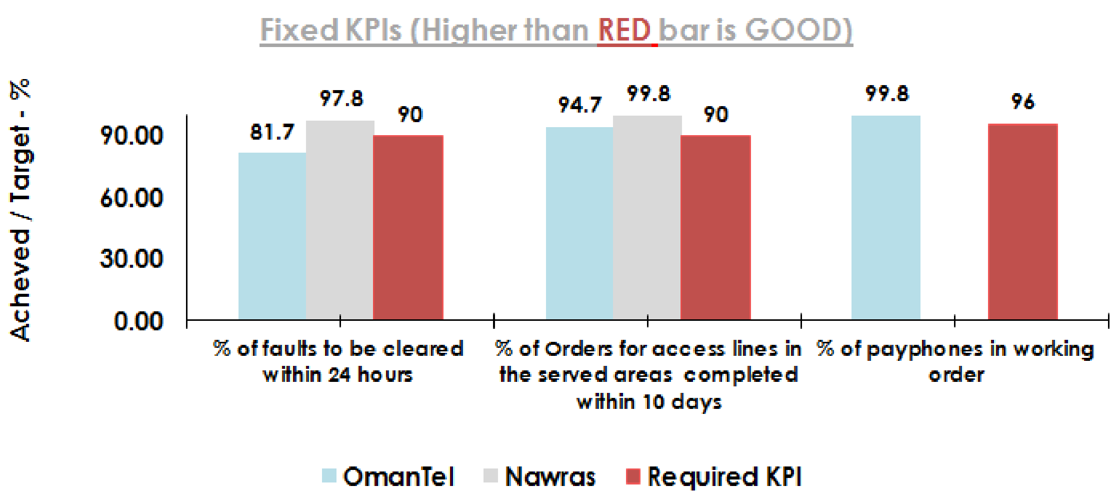

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
100%
100%
100%
100%
100%
100%
100%
100%
100%
96.0%
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanMobile
Nawras
Required KPI

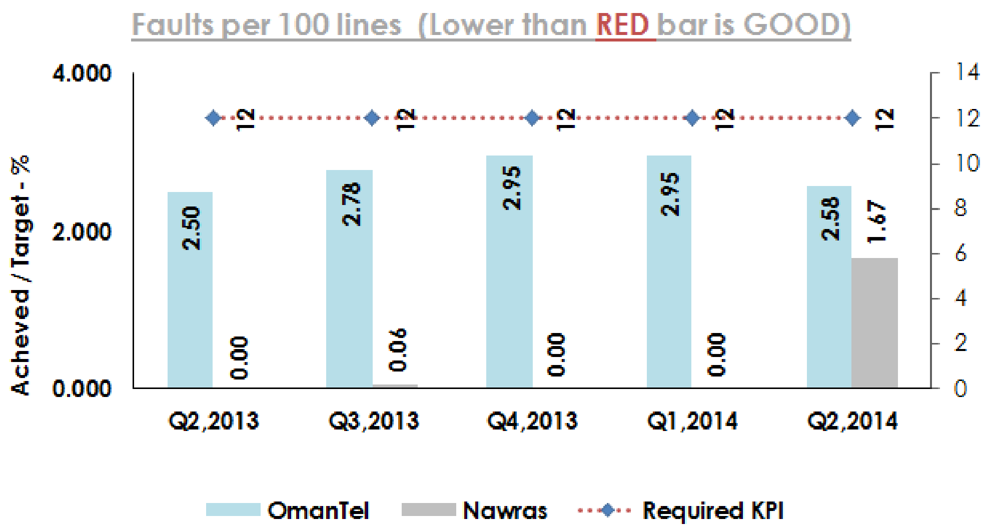
# Fixed Services KPIs

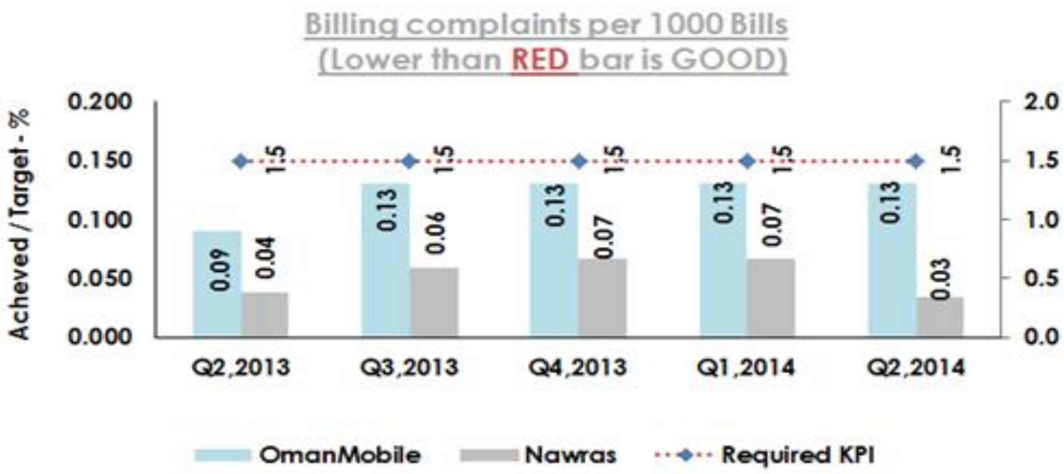
**(As measured and reported by the operators. These are not audited/verified KPIs)**

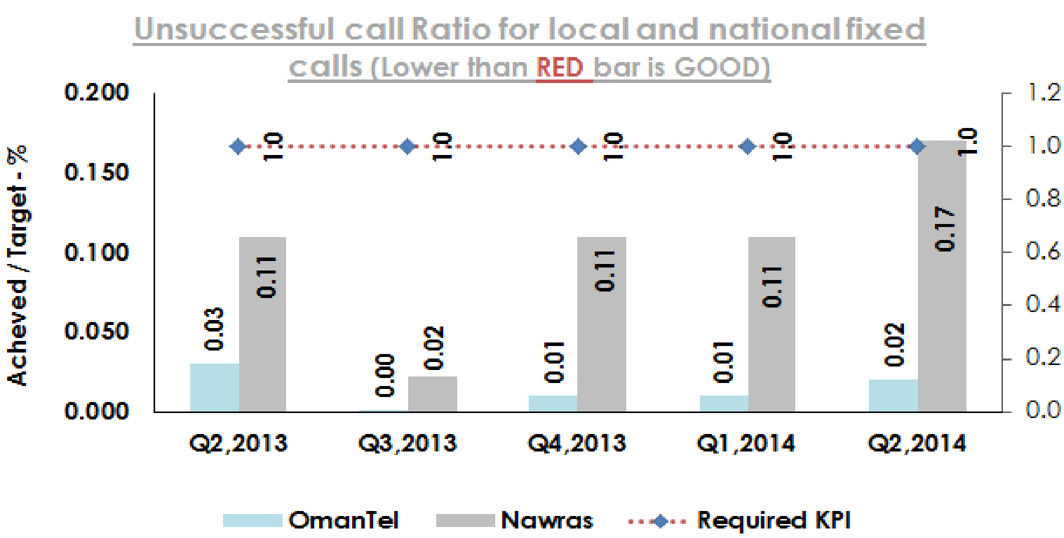
| Fixed Services KPIs | Required KPI (Bi-Annual) | Q2/2014 | | Q1/2014 | |
|---|---|---|---|---|---|
| | | Omantel | Nawras | Omantel | Nawras |
| 1. Faults per 100 lines | Less than 12 | 2.58 | 1.67 | 1.84 | 0.03 |
| 2. % of faults to be cleared within 24 hours | More than 90% | 81.7 | 97.8 | 82.16 | 100 |
| 3. Unsuccessful call Ratio for local and national fixed calls | Less than 1% | 0.02 | 0.17 | 0.03 | 0.14 |
| 4. Percentage of Orders for access lines in the served areas completed within 10 days | More than 90% | 94.7 | 99.8 | 97.94 | 100 |
| 5. Percentage of payphones in working order | More than 96% | 99.8 | 0 | 99.82 | NA |
| 6. Billing complaints per 1000 Bills | Less than 1.5 | 0.13 | 0.22 | 0.11 | 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.

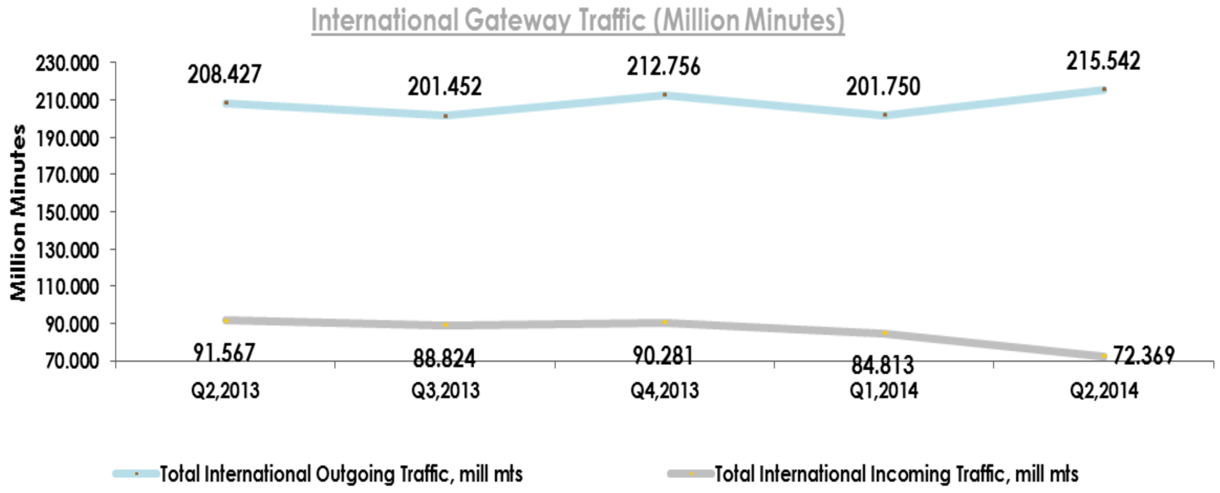



Faults per 100 lines (Lower than RED bar is GOOD)
Acheved / Target - %
4.000
2.000
0.000
14
12
10
8
6
4
2
0
12
2.50
0.00
2.78
0.06
2.95
0.00
2.95
0.00
2.58
1.67
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanTel
Nawras
Required KPI

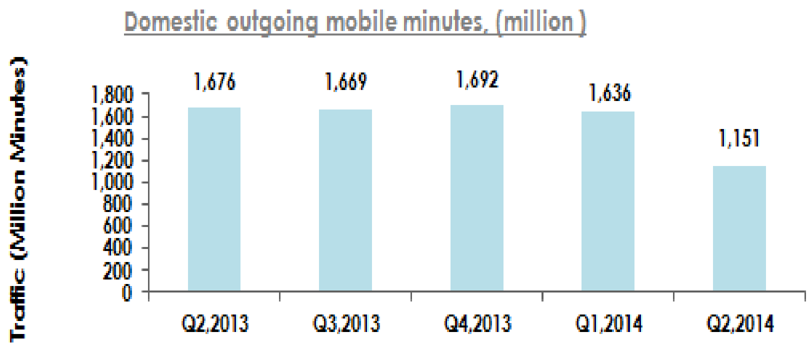

Billing complaints per 1000 Bills
(Lower than RED bar is GOOD)
Acheved / Target - %
0.200
0.150
0.100
0.050
0.000
2.0
1.5
1.0
0.5
0.0
1.5
0.09
0.04
0.13
0.06
0.13
0.07
0.13
0.07
0.13
0.03
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanMobile
Nawras
Required KPI


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
0.03
0.11
0.00
0.02
0.01
0.11
0.01
0.11
0.02
0.17
Q2,2013
Q3,2013
Q4,2013
Q1,2014
Q2,2014
OmanTel
Nawras
Required KPI

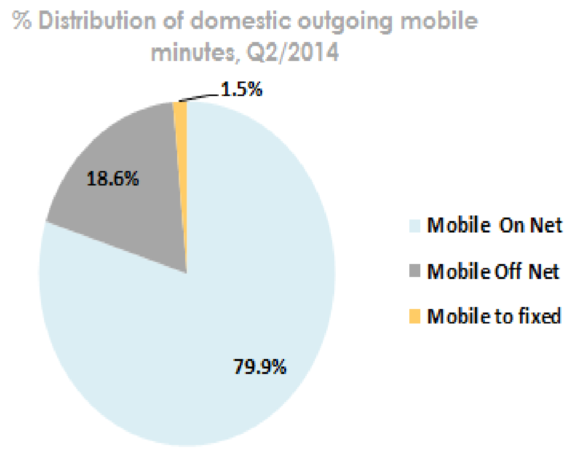
# Traffic

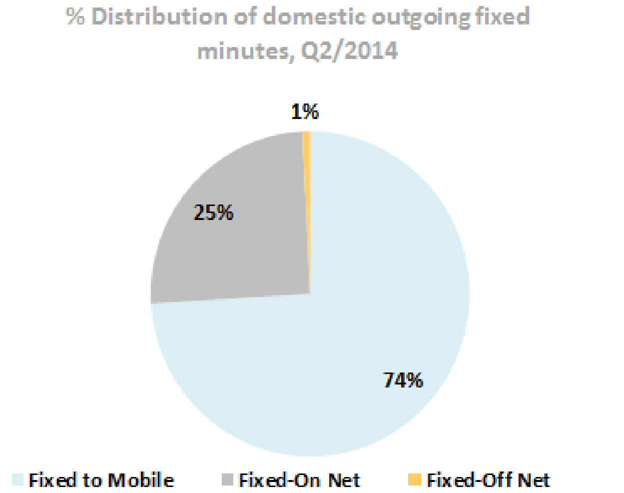



During the second quarter of 2014, the outgoing minutes from the international gateway increased by 6.8% while the incoming minutes from the international gateway dropped by 14.7%.



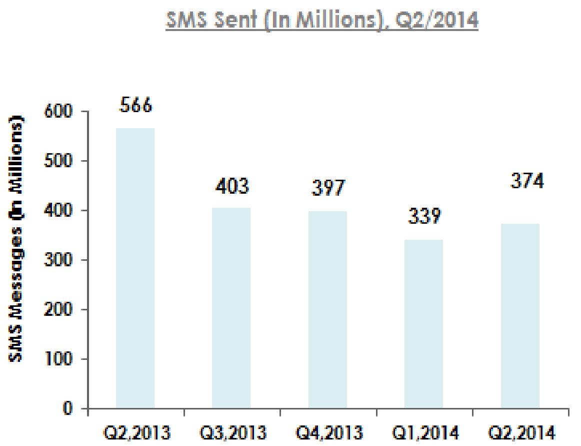

The domestic outgoing mobile minutes reduced during the second quarter 2014 by 29.6% as compared to the first quarter 2014.

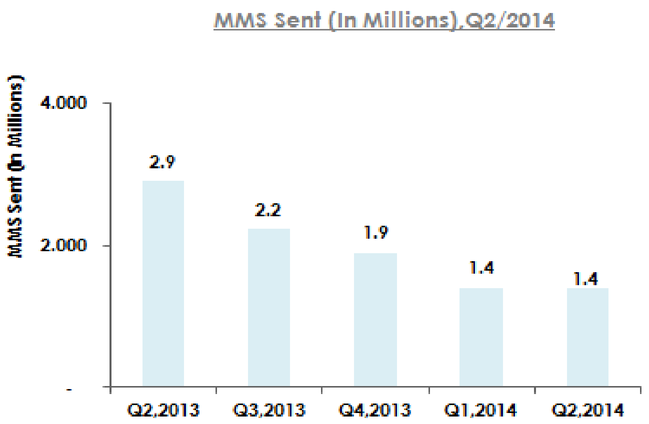



On Net domestic outgoing mobile traffic represents 79.9% of the total, while Off Net is 18.6% of the total. The mobile to fixed minutes are 1.5% of the total.

The fixed to mobile traffic registered the highest score of 74% of the total domestic outgoing fixed traffic. Then, fixed On Net traffic is 25% while the fixed off net traffic is 1% of the total domestic traffic.



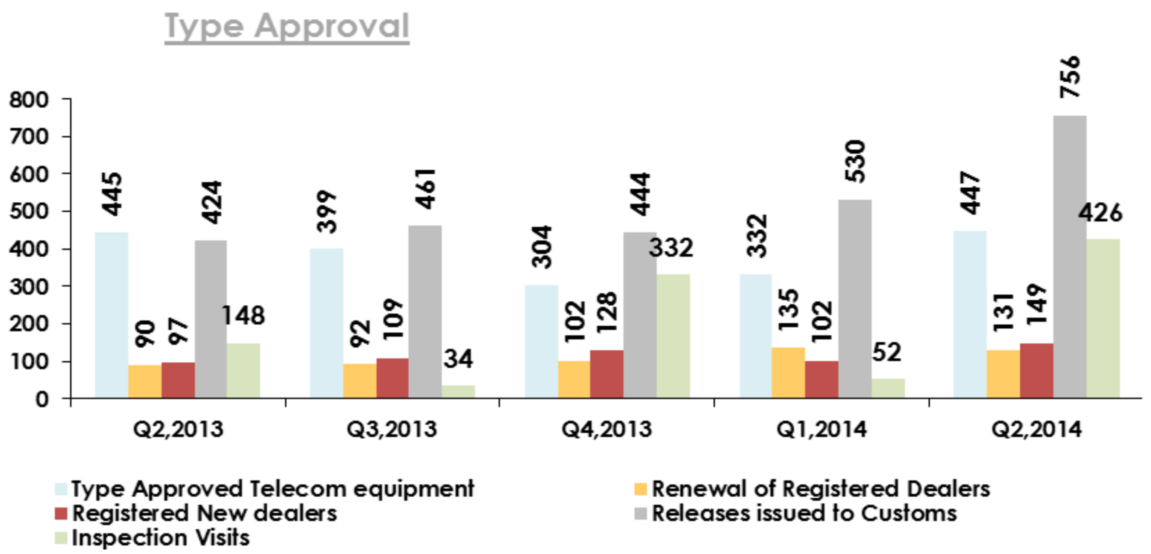

During the reported quarter, the total volume of Sent SMS messages decreased to 374 million from 339 million SMS which is 10.3% less compared to Q1, 2014.

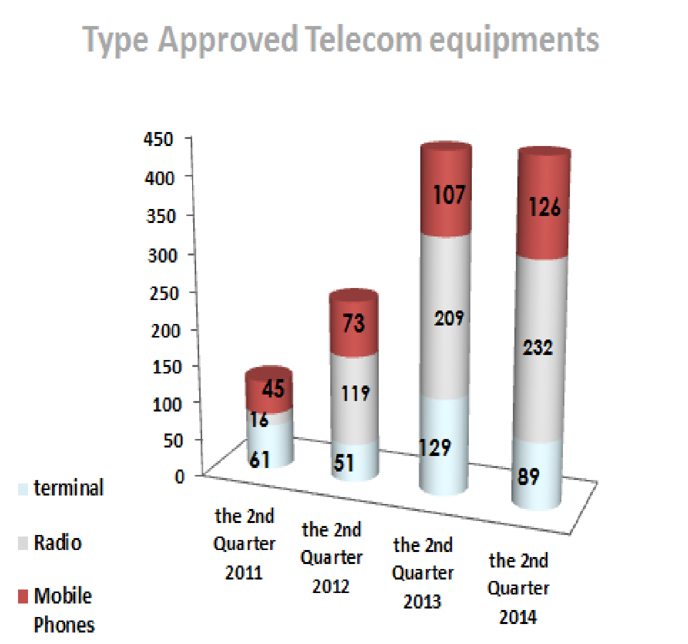
The number of sent MMS has stayed at 1.4 million for the last two quarters.

# Type Approval

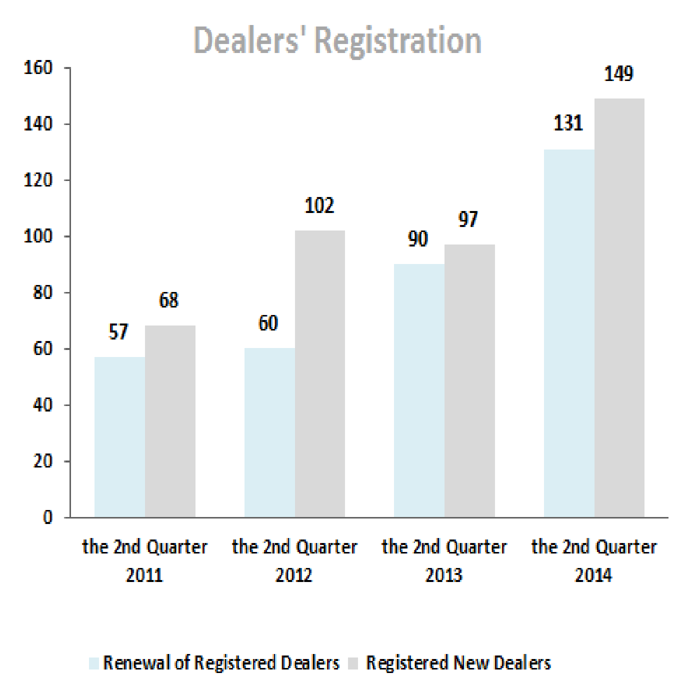
**During the Second Quarter 2014, TRA :**

- Approved a total number of 447 (Previous Quarter 332) Telecom Equipment.
- Renewed 131 (Previous Quarter: 135) registrations of Telecom Dealers.
- Registered 149 (Previous Quarter: 102) new dealers.
- Issued 756 (Previous Quarter: 530) Releases to Customs for Imported Telecom equipment.
- Inspected 426(Previous month 52) dealerships.

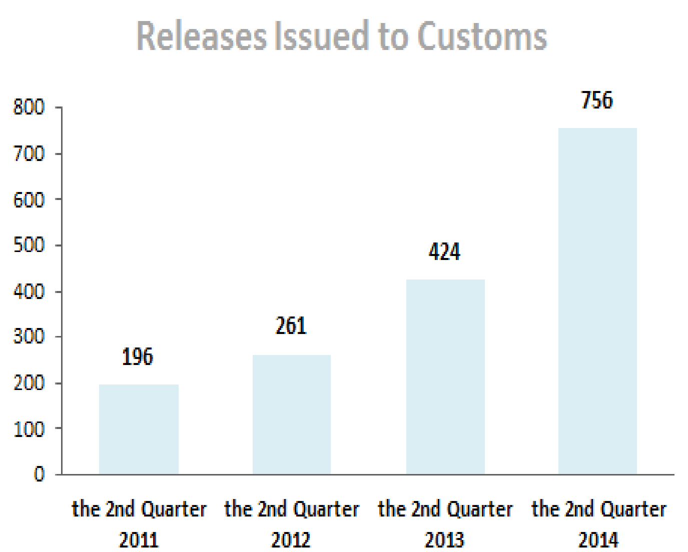




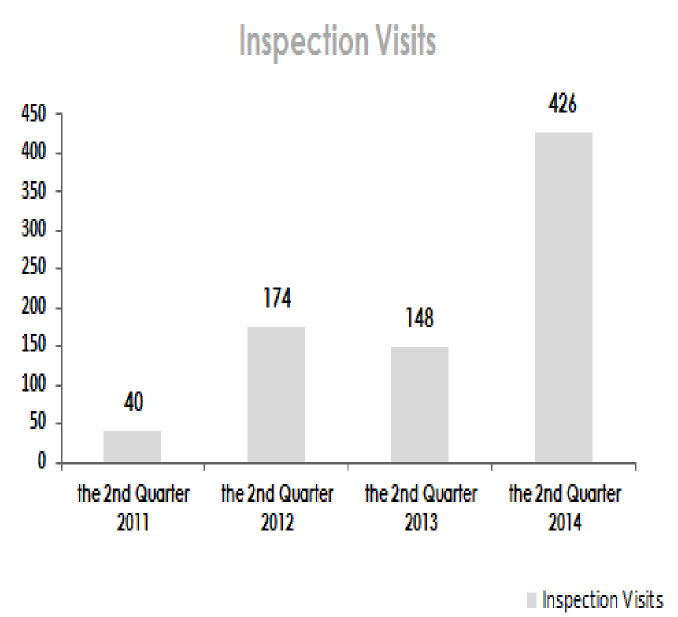
Type Approved Telecom equipments
450
400
350
300
250
200
150
100
50
0
107
126
73
209
232
45
119
16
129
61
51
89
terminal
Radio
Mobile Phones
the 2nd Quarter 2011
the 2nd Quarter 2012
the 2nd Quarter 2013
the 2nd Quarter 2014

Dealers' Registration
160
140
120
100
80
60
40
20
0
57
68
60
102
90
97
131
149
the 2nd Quarter 2011
the 2nd Quarter 2012
the 2nd Quarter 2013
the 2nd Quarter 2014
Renewal of Registered Dealers
Registered New Dealers

Releases Issued to Customs
800
700
600
500
400
300
200
100
0
196
261
424
756
the 2nd Quarter 2011
the 2nd Quarter 2012
the 2nd Quarter 2013
the 2nd Quarter 2014

Inspection Visits
450
400
350
300
250
200
150
100
50
0
40
174
148
426
the 2nd Quarter 2011
the 2nd Quarter 2012
the 2nd Quarter 2013
the 2nd Quarter 2014
Inspection Visits