سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q4, 2014

Competition and Tariffs Unit

Table of Content

➢ Introduction

It is our pleasure to present Q4 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.

The quarterly report has been compiled collecting data from the telecom service providers operating in Oman. The TRA would like to acknowledge and appreciate the service providers for their cooperation and support for providing statistics to TRA, which helped in preparing and disseminating this information. 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 readers are welcome for improvement of the contents and structure.

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

Disclaimer

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Major Market Observations

Q4, 2014

The penetration of different services stood at the following levels at the end of the Q4 2014:

- Fixed line 9.4% per inhabitants
- Mobile subscriptions 155.13% per inhabitants
- Internet 44.78% per households.

The Active Mobile Broadband Subscribers' Penetration rate reached 72.46% by the end of Q4/ 2014 with total active subscribers reaching 2,893,561.

The Blackberry Subscribers represent 1.4% of the total Mobile Subscribers base at the end of Q4/2014 as compared to 1.5% of total mobile subscribers as at the end of preceding quarter.

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

- 1 Tariff Plans for Revisions.
- 6 New tariff plans.
- 42 promotional tariff offers

TRA type approved 304 telecom equipments, renewed 51 registrations of telecom dealers and registered 98 new dealers. TRA Issued 519 releases to customs for importing telecom equipments.

TRA carried out 100 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q4, 2014

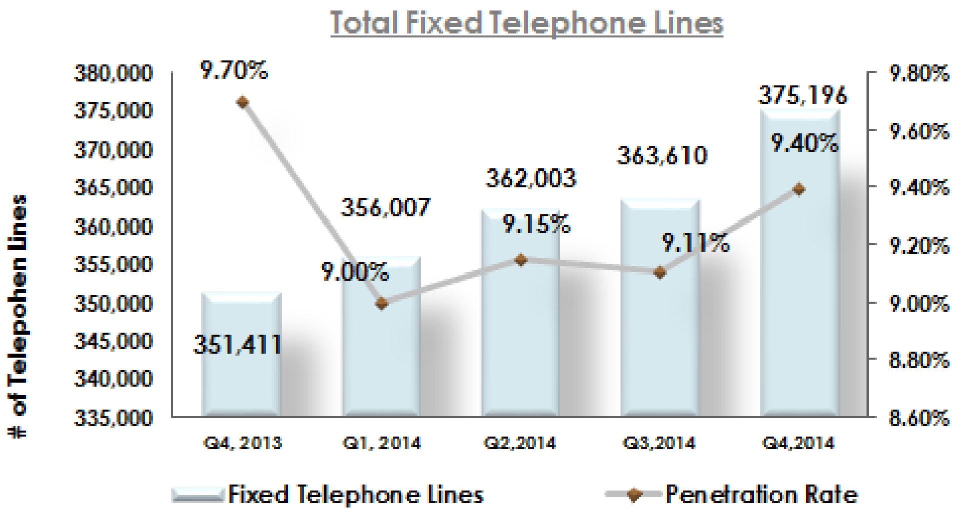
Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	**375,196**	**180,144**	**6,194,169**
Penetration rate	**93.27% of household**	**44.78% of household**	**155.13% of inhabitant**
Revenue (Mln.RO)	**49.662**	**17.537**	**143.996**
International Outgoing Voice Minutes, (million)	**6.986**	**NA**	**229.453**
ARPU, (RO)	**6.00**	**32.45**	**7.75**
Service Providers	Omantel, Ooredoo, Teo	Omantel, Ooredoo	Oman Mobile, Ooredoo, Friendi, Renna, Teo

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

Fixed Telephone Service

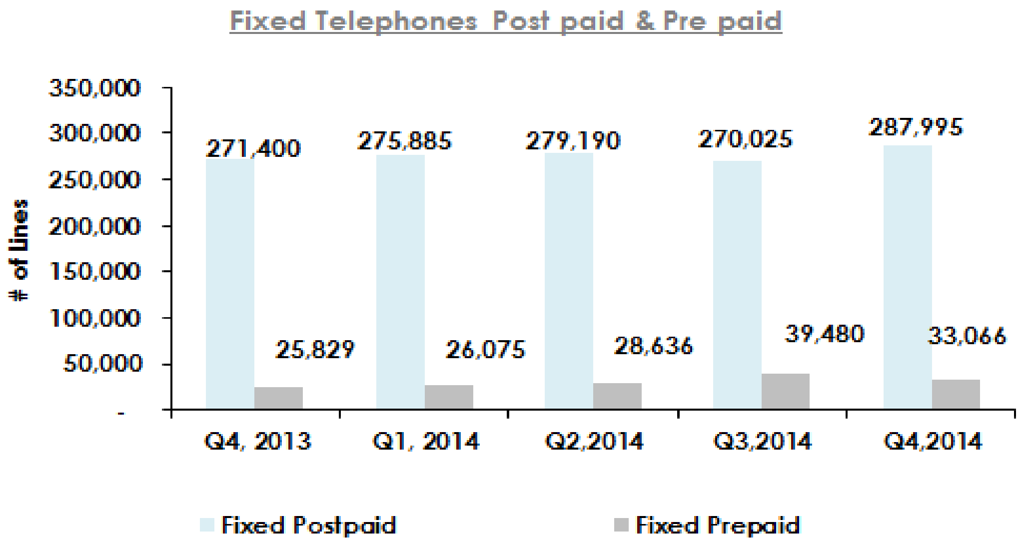
Type of Service	Q4/2014	Q3/2014	% Change
1. Fixed Telephone Lines:			
1.1 Post Paid	287,995	270,025	6.7%
1.2 Pre-Paid	33,066	39,480	-16.2%
1.3 Public Telephone – Payphone	6,801	6,801	0.0%
1.4 ISDN Equivalent Channels	45,524	45,496	0.1%
1.5 WLL Connections	1,810	1,808	0.1%
Total Fixed Telephone Lines in Operation (1.1-1.5)	**375,196**	**363,610**	**3.2%**
Fixed Line Penetration /100 Inhabitant	**9.40%**	**9.11%**	**0.3%**
Fixed Line Penetration /100 household	**93.27%**	**90.39%**	**2.9%**

- **Note: The penetration rate of Q4/ 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)**



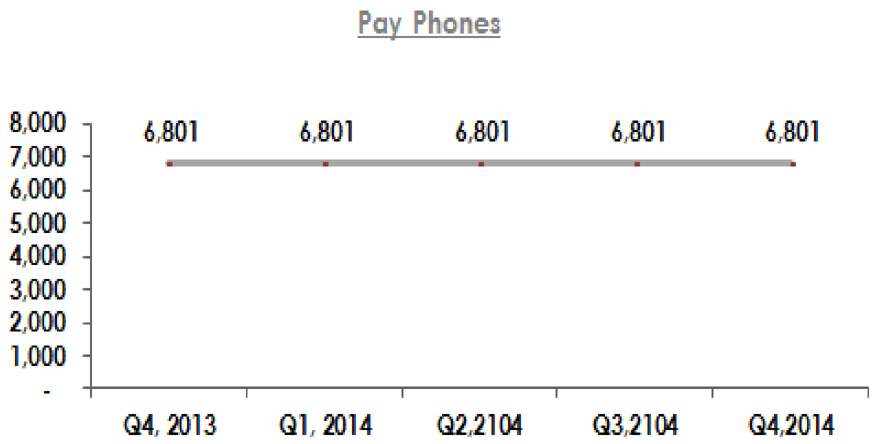
Note: the steep drop in penetration in Q3 was due to revised Population figure published by NCSI.

➢ Q4, 2014 ended with 375,196 fixed lines, with an increase of 3.2% compared to the previous quarter. The penetration rate in terms of inhabitants increased also from 9.11% to 9.40% and from 90.39% to 93.27% per household.

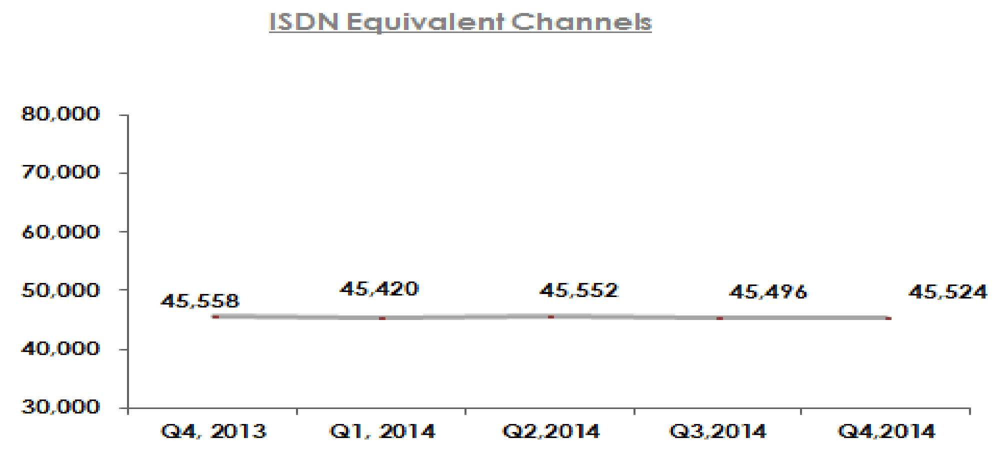


During the 4th quarter 2014, the fixed post-paid lines grew by 6.7%, resulting in total of 287,995 post-paid lines.

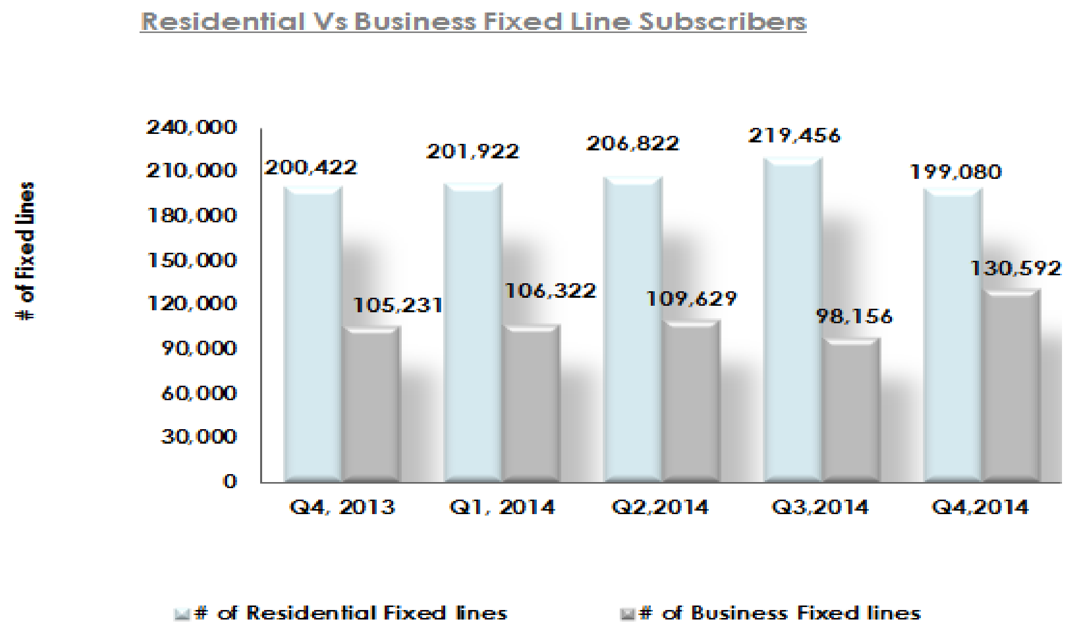
Whereas, the number of prepaid connections dropped by 16.2% during the 4th quarter.



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



The ISDN equivalent channels showed slight increase of 0.1% during the 4th quarter of 2014.



Total residential fixed lines recorded a drop of 9.3% reaching to 199,080 during the 4th quarter.

The split between fixed residential and business lines stood at 60.4% and 39.6% respectively.

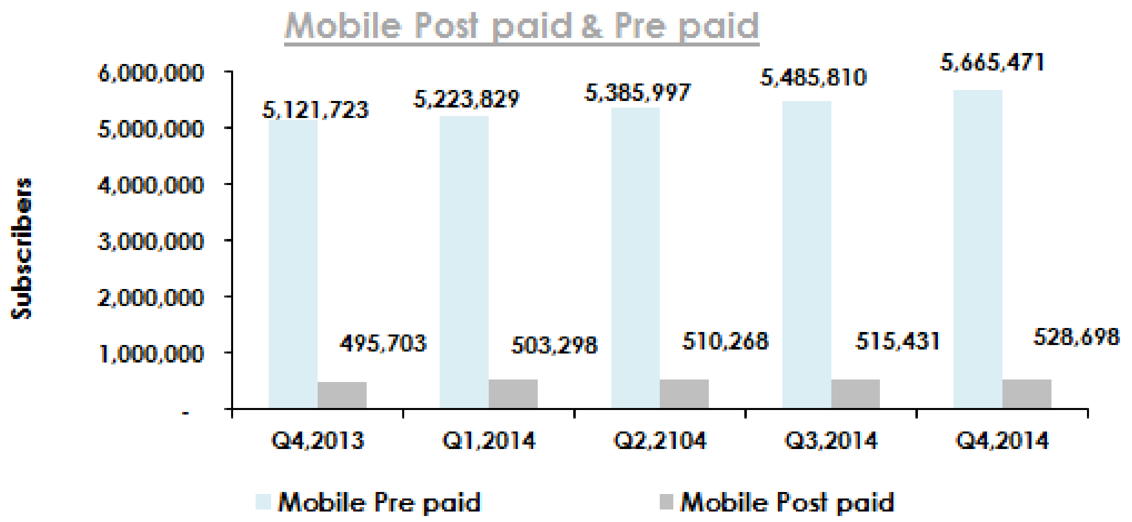
Mobile Service

2. Mobile Subscribers	Q4, 2014	Q3, 2014	% change
2.1 Post Paid			
2.1.1 Operators	528,698	515,431	2.6%
2.1.2 Resellers			
Total Postpaid Subscribers	**528,698**	**515,431**	**2.6%**
2.2 Pre-Paid			
2.2.1 Operators	4,943,615	4,799,931	3.0%
2.2.2 Resellers	721,856	685,879	5.2%
Total Prepaid Subscribers	**5,665,471**	**5,485,810**	**3.3%**
Total Mobile Subscribers: (2.1+2.2)	**6,194,169**	**6,001,241**	**3.2%**
Mobile Penetration/100 Inhabitant	**155.13%**	**150.30%**	4.8%
3.1 Post Paid	8,458	9,553	-11.5%
3.2 Pre-Paid	76,886	81,236	-5.4%
Total BlackBerry Subscribers (3.1+3.2)	**85,344**	**90,789**	**-6.0%**
% of BlackBerry Mobile Subscribers of total Base in Oman	**1.4%**	**1.5%**	-1%

- **Note: The penetration rate of Q4/ 2014 was calculated based on the latest population which is (3,992,893) as per the latest population bulletin provided by NCSI.**

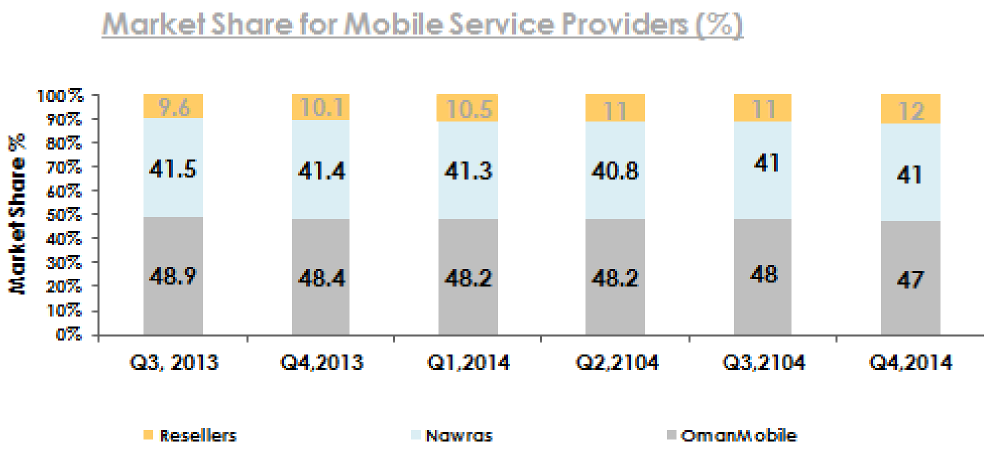
- By end of Q4, 2014, mobile subscribers grew by 3.2% reaching to 6,194,169 subscribers with an increase of 192,928 subscribers during quarter.

- The penetration rate of mobile subscribers increased also to 155.13% during the 4th quarter.

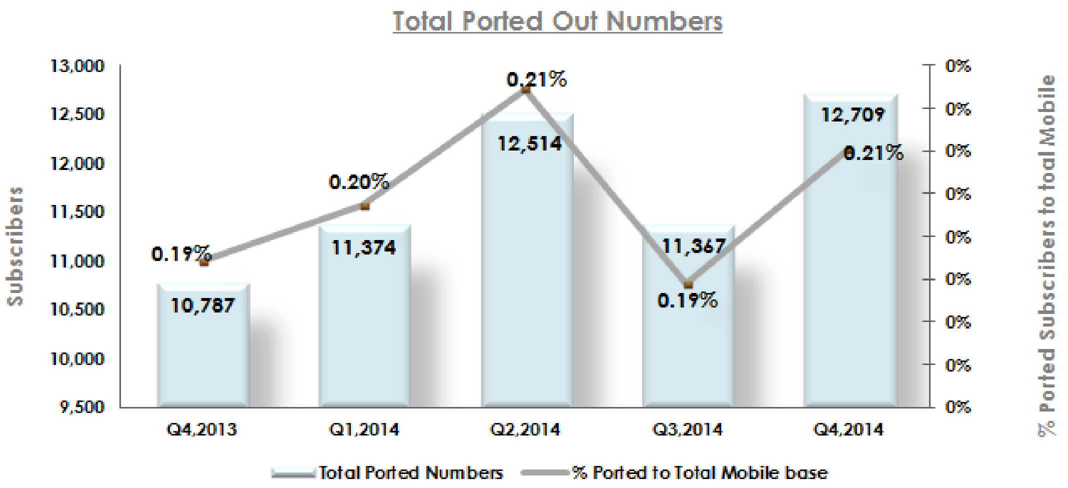


Post-paid mobile subscribers stood at 528,698 at the end of 4th Quarter 2014 showing an increase of 2.6%.

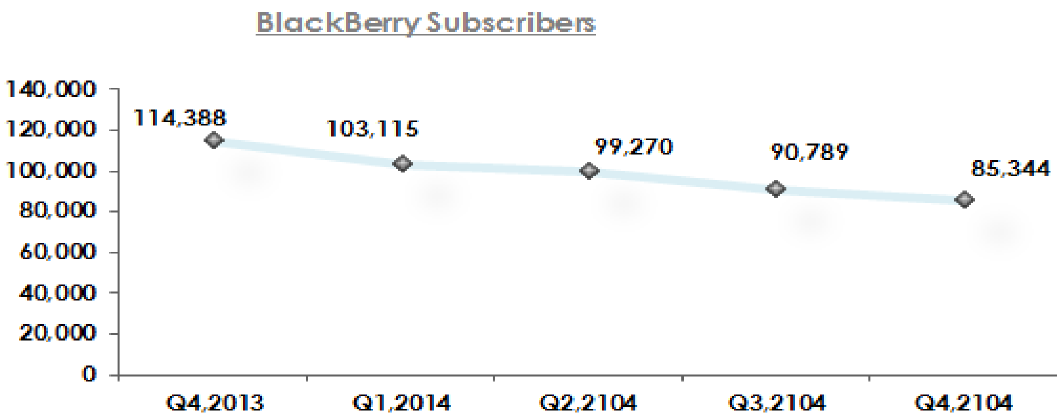
Prepaid mobile subscribers were 5,665,471 at the end of Q4 of 2014 showing growth of 3.3% compared to 3rd quarter, 2014.



As of end of Q4, 2014, Oman Mobile possessed a market share of 47% while ooredoo had 41%. The resellers achieved 12% market share during the reported quarter.



Total numbers ported out during Q4, 2014 were 12,709 as compared to 11,367 numbers during Q3, 2014. This translates an increment of 11.8% over the previous quarter. During the quarter, the ported numbers represented 0.21% of the total mobile subscribers' base.



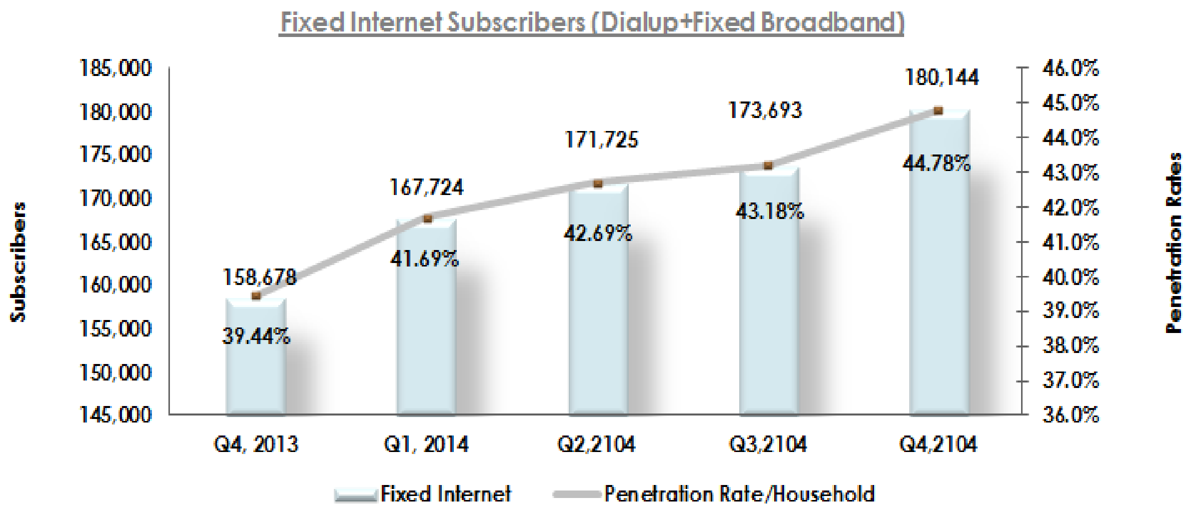
Blackberry Subscribers at the end of Q4, 2014 represented 1.4% of the total Mobile Subscribers base with the total of 85,344 subscribers.

This has registered a drop of 0.1 % over the previous quarter when it was 1.5% of the total mobile subscriber base.

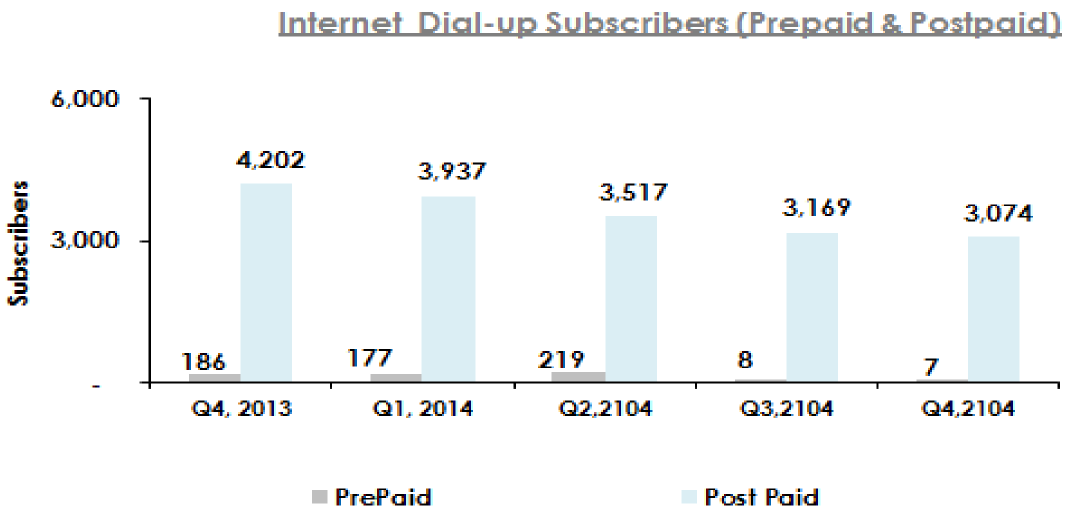
Internet Services

Type of Service		Q4, 2014	Q3, 2014	% change
Dial Up Subscribers				
	1.1 Post Paid	3,074	3,169	-3.0%
	1.2 Pre-Paid	7	8	-12.5%
1.	**Total Dial-Up Subscribers: (1.1+1.2)**	**3,081**	***3,177***	***-3.0%***
Fixed Broadband Subscribers				
2.	**Total Fixed Broadband Subscribers**	**177,063**	170,516	3.8%
	Total Fixed Internet Subscribers (1+2)	**180,144**	**173,693**	**3.7%**
	Fixed Internet Penetration /100 Household	**44.78%**	**42.18%**	**2.6%**
	Fixed Broadband Subscribers Penetration/100 Household	**44.01%**	**42.39%**	**1.6%**
3. Active Mobile Broadband Subscribers				
	3.1 Dedicated mobile-broadband Subscribers	2,010,301	1,885,319	6.6%
	3.2 Standard mobile-broadband Subscribers	883,260	827,911	6.7%
	Total Active Mobile Broadband Subscribers (3.1+3.2)	**2,893,561**	**2,713,230**	**6.6%**
	Active Mobile Penetration Rate /100 Inhabitant	**72.47%**	**67.95%**	**4.5%**

- **Note: The penetration rate of Q4/ 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)**

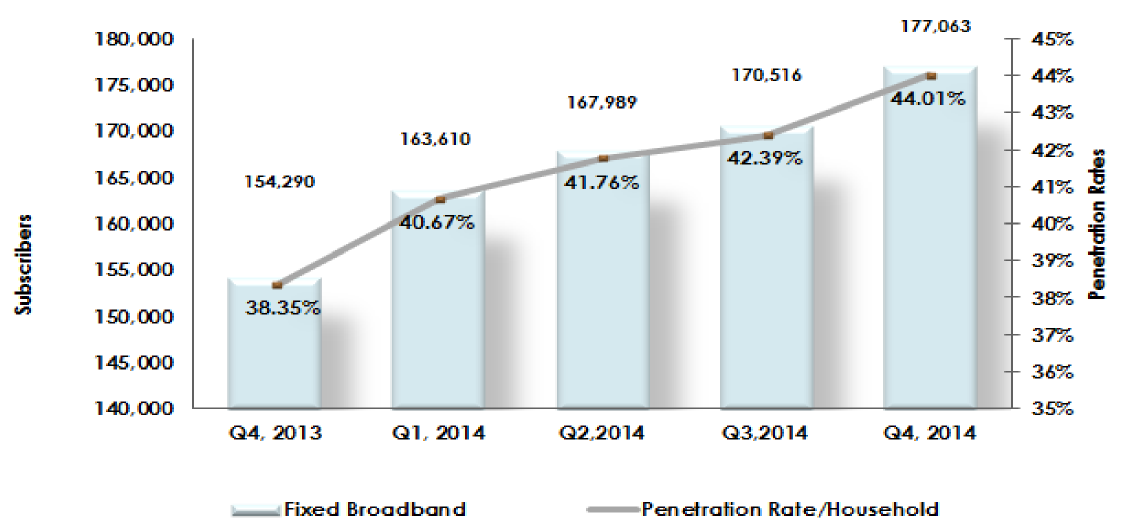


- At the end of Q4, 2014 there were 180,144 total fixed Internet subscribers showing an increase of 3.7% against the previous quarter.
- Fixed internet subscribers' penetration rate in terms of Households increased to 44.78% by end of the third quarter.



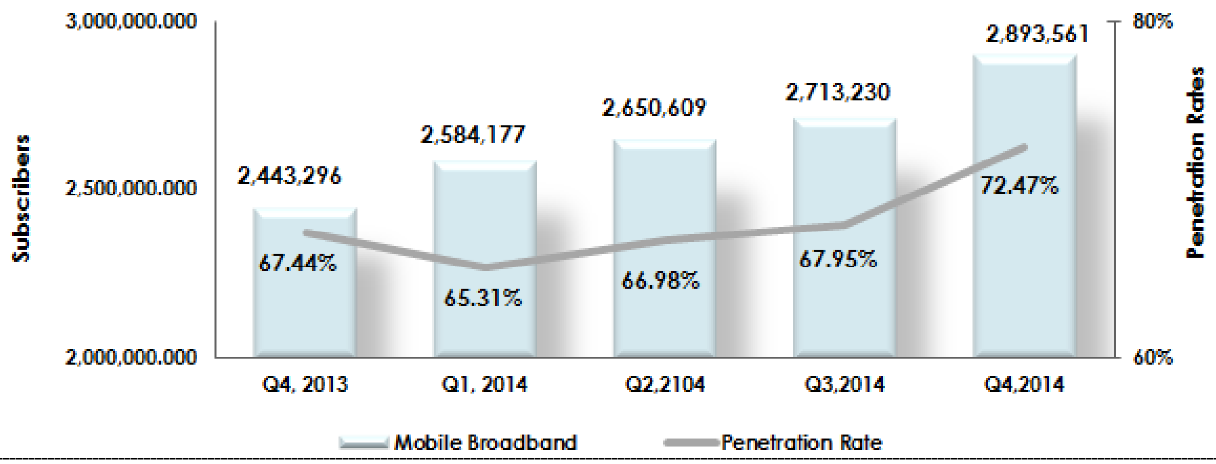
The Dial up subscribers have been showing continuous decline since the last year in the postpaid with 3% reduction against the last quarter. Similarly the pre-paid subscribers showed a sharp drop of 12.5% in the fourth quarter of 2014.

Fixed Broadband Subscribers

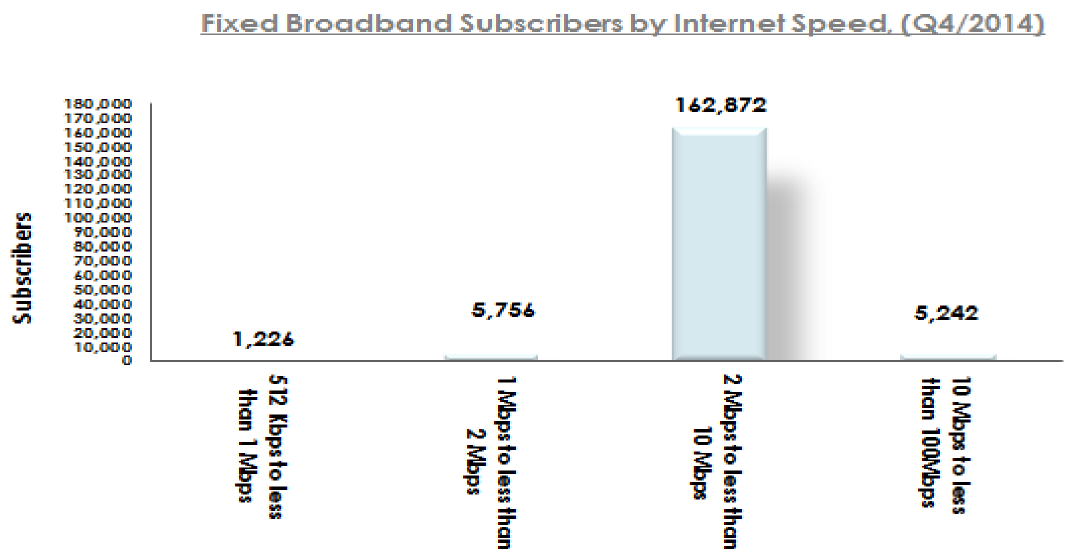


Fixed Broadband subscription increased by 3.8% (from 170,516to177, 063). Penetration rate in terms of Household also increased to 44.01% from 42.39% during Q4, 2014.

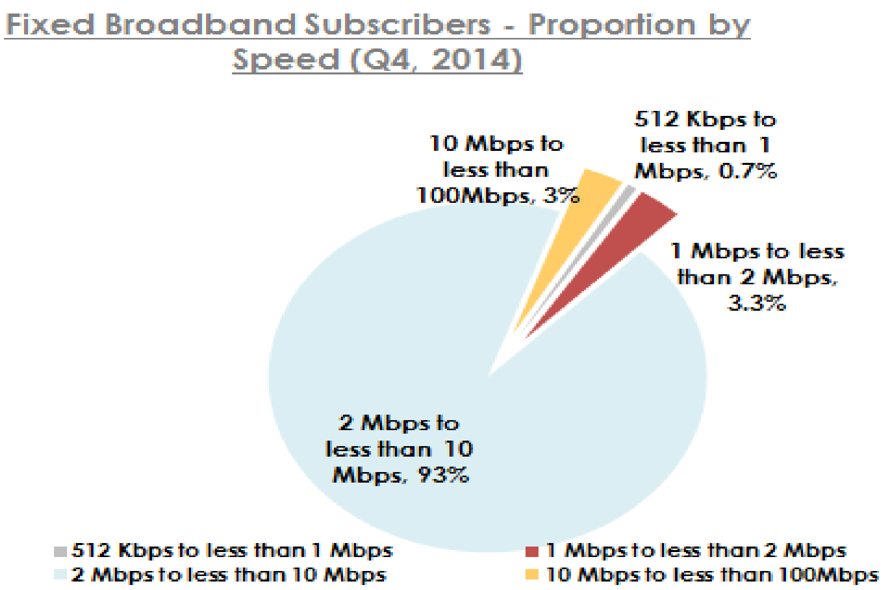
Active Mobile Broadband Subscribers

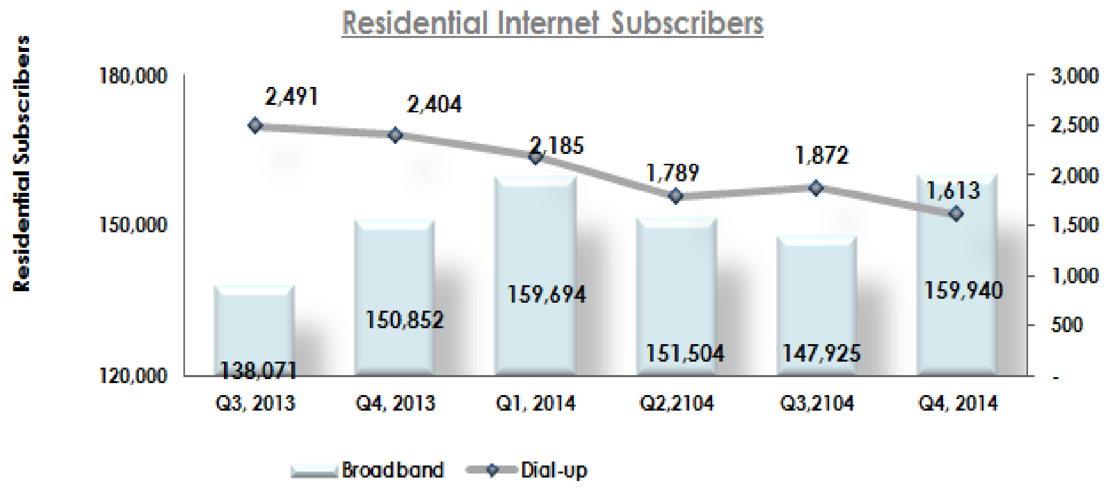


- At the end of Q4, 2014 the Total Active Mobile Broadband subscribers (measured as per ITU definition) increased to 2,893,561 from 2,713,230 of Q3, 2014. The penetration rate stood at 72.47% by end of the quarter.



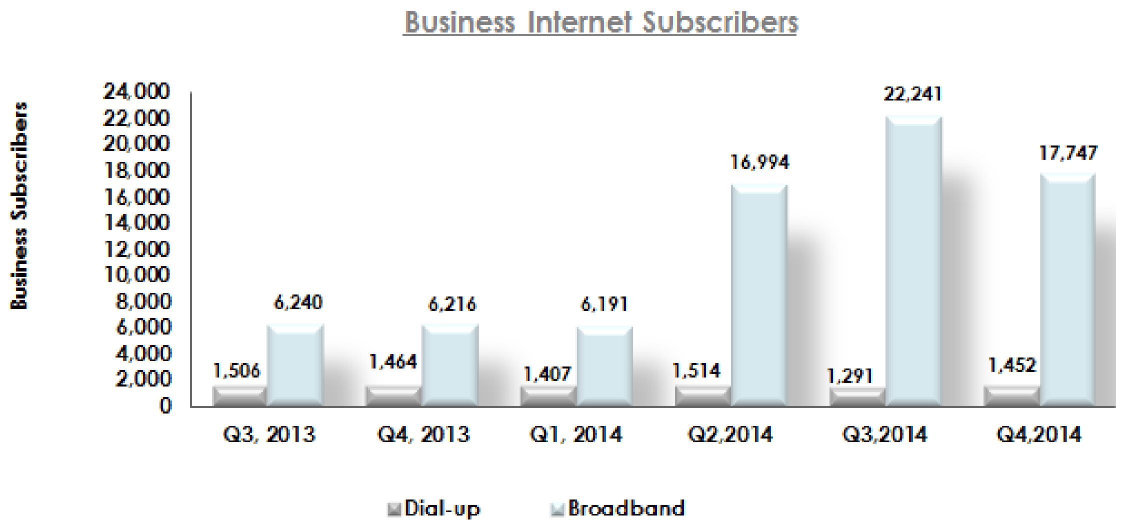
- 0.7% of fixed Broadband subscribers during Q4, 2014 had access speed of 512 Kbps to less than 1 Mbps.
- 3.3% of fixed Broadband subscribers during Q4, 2014 had access speed of 1Mbps to less than 2 Mbps.
- 93% of fixed Broadband subscribers during Q4, 2014 had access speed of 2 Mbps to less than 10 Mbps.
- 3% of fixed broadband subscribers have access of 10 Mbps and to less than 100 Mbps.

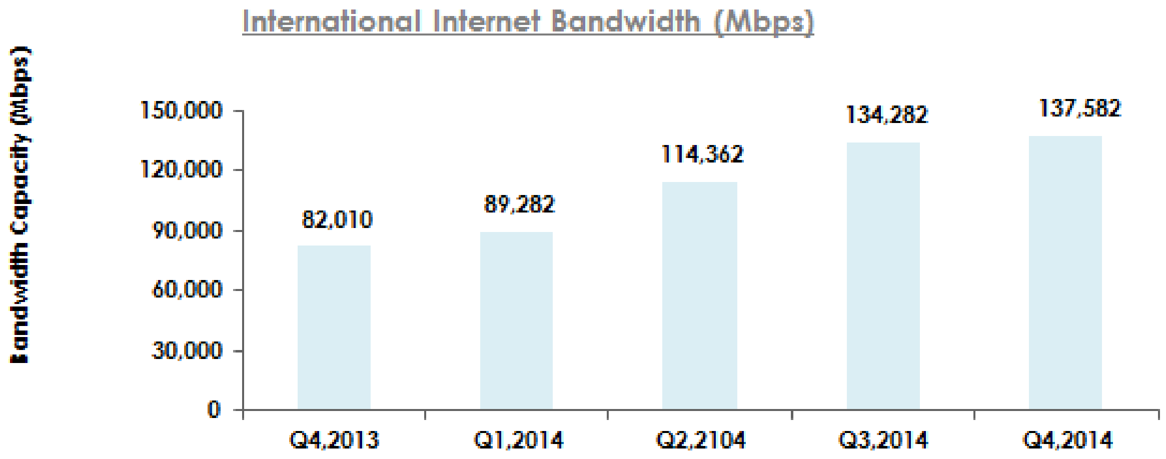




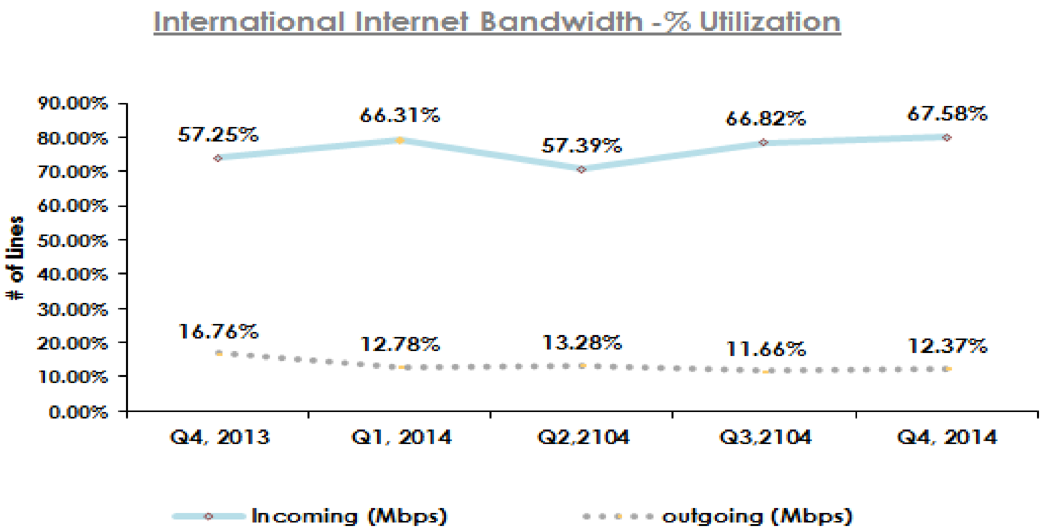
- The residential broadband subscribers in the above chart registered a growth of 8% during the 4th Quarter 2014, on the other hand the residential Dial up subscribers dropped by 13.8% 4.6% over the 3rd quarter 2014.

- As shown below, the Business Dial up internet subscribers added up by 12.4% during the 4th quarter, whereas the Business Broadband subscribers declined by 20.2%.



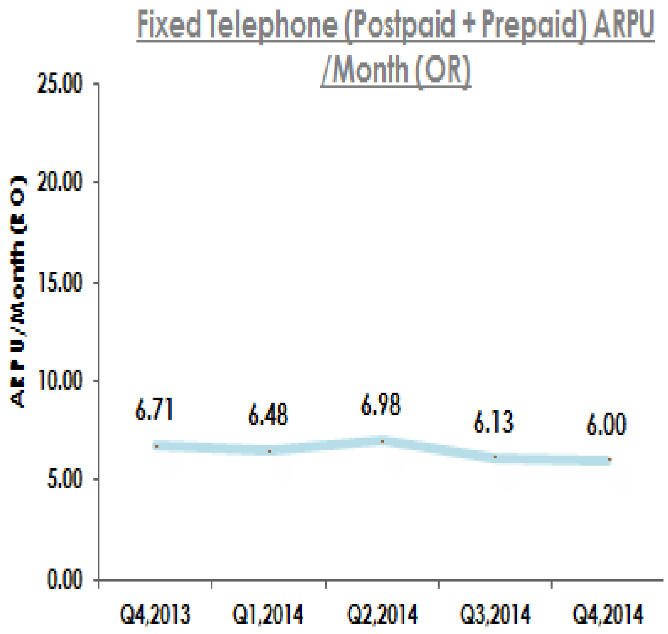


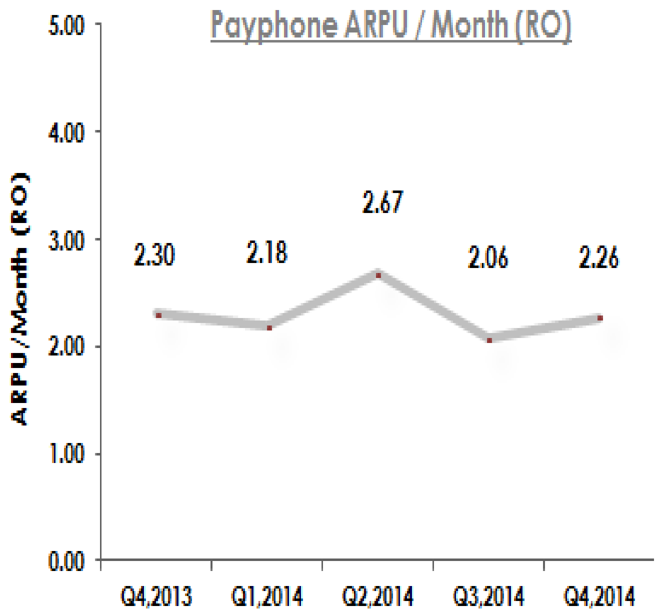
➤ Q4, 2014 recorded 137,582 Mbps as total of international internet bandwidth capacity in the market, which shows an increase of 2.5% over the previous quarter.

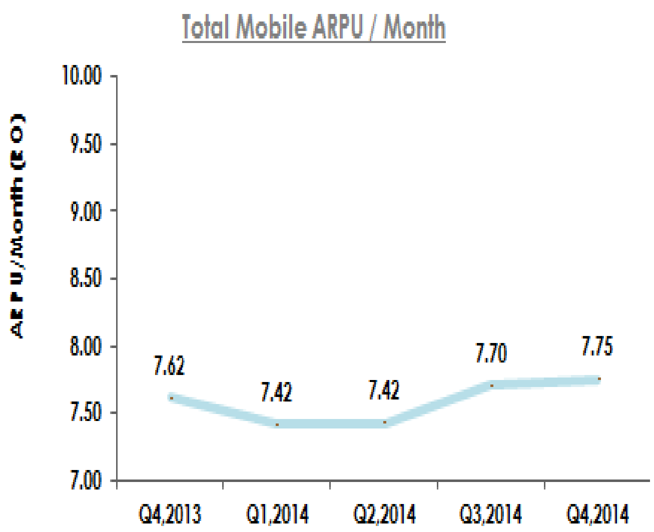


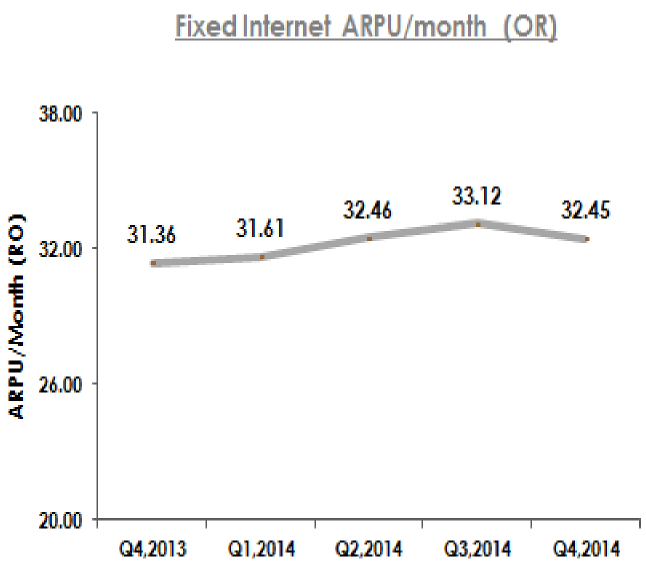
➤ Out of 137,582 Mbps capacity, on average 12.37% was utilized for the outgoing and 67.58% for the incoming traffic.

ARPUs









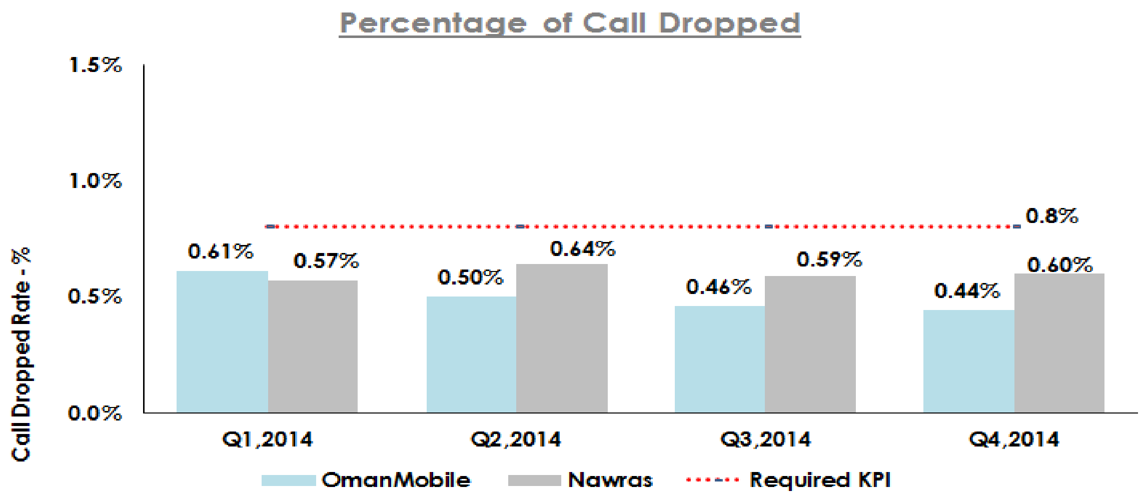
Note: (Calculation of the ARPUs is to divide the total revenue of a service on number of subscribers of that service divide by 3).

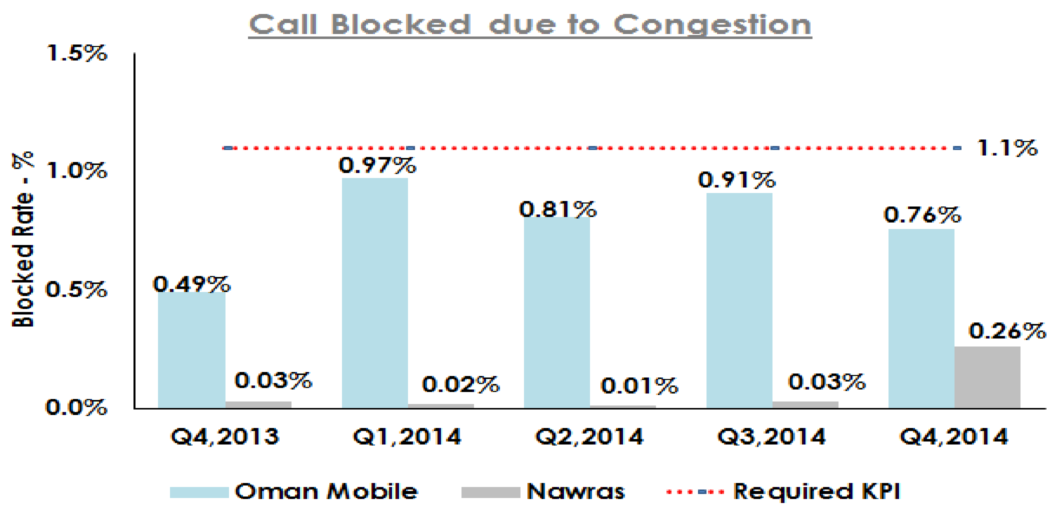
Quality of Service

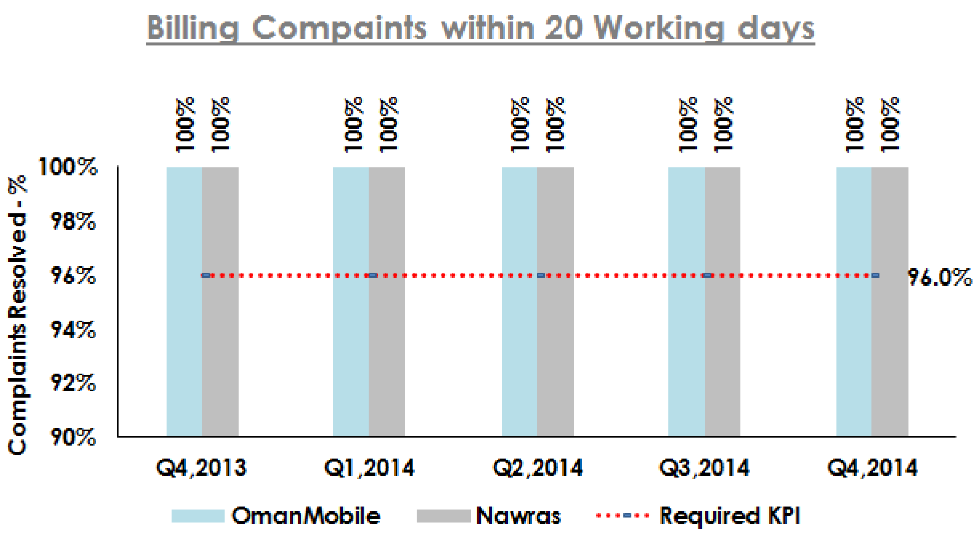
Mobile Services KPIs*

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

Mobile Services KPIs	Required KPI (Bi-Annual)	Q4/2014		Q3/2014	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.44	0.60	0.46	0.59
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.76	0.26	0.91	0.03
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%
0.61%
0.57%
0.50%
0.64%
0.46%
0.59%
0.44%
0.60%
0.8%
Q1,2014
Q2,2014
Q3,2014
Q4,2014
OmanMobile
Nawras
Required KPI


Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
0.49%
0.03%
0.97%
0.02%
0.81%
0.01%
0.91%
0.03%
0.76%
0.26%
1.1%
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Q4,2014
Oman Mobile
Nawras
Required KPI

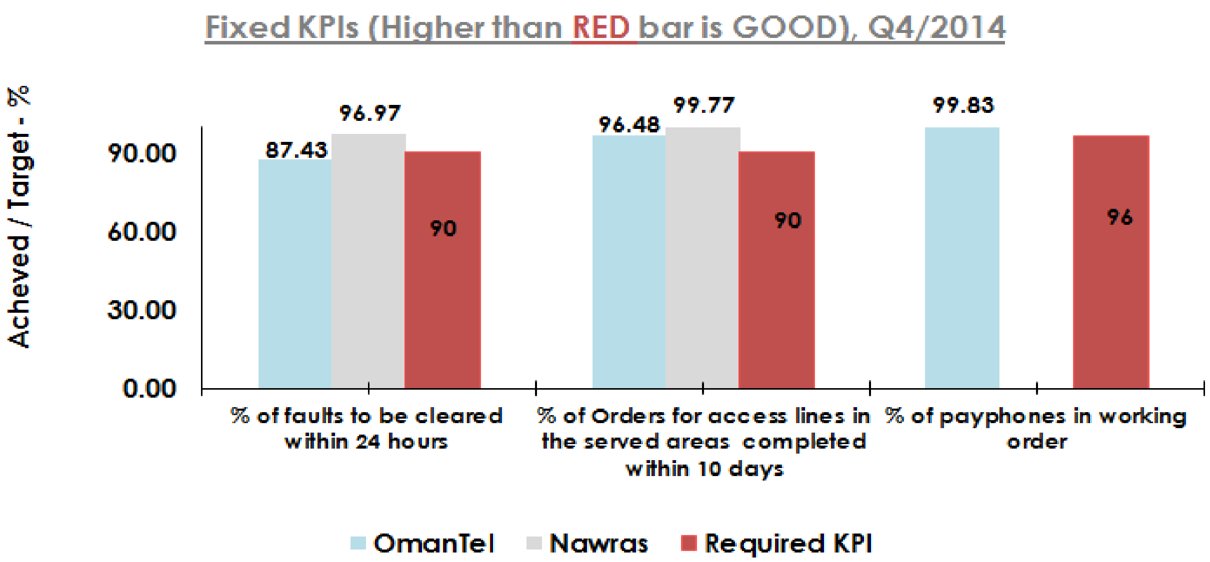

Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
96.0%
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Q4,2014
OmanMobile
Nawras
Required KPI

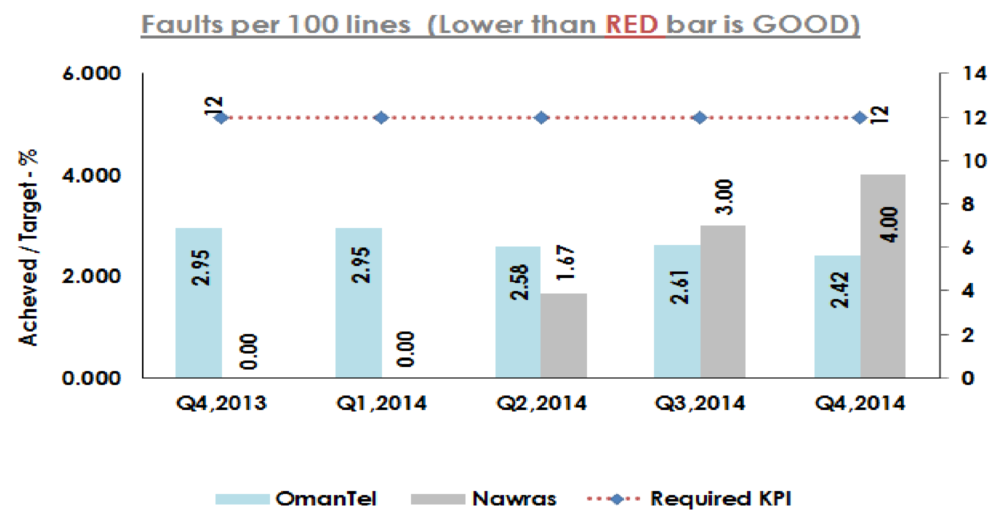
Fixed Services KPIs

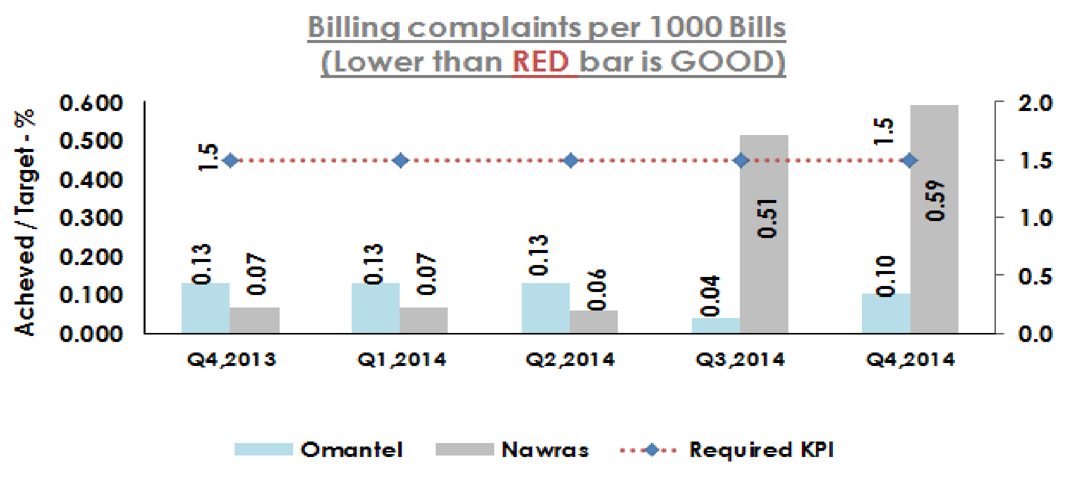
(As measured and reported by the operators. These are not audited/verified KPIs)

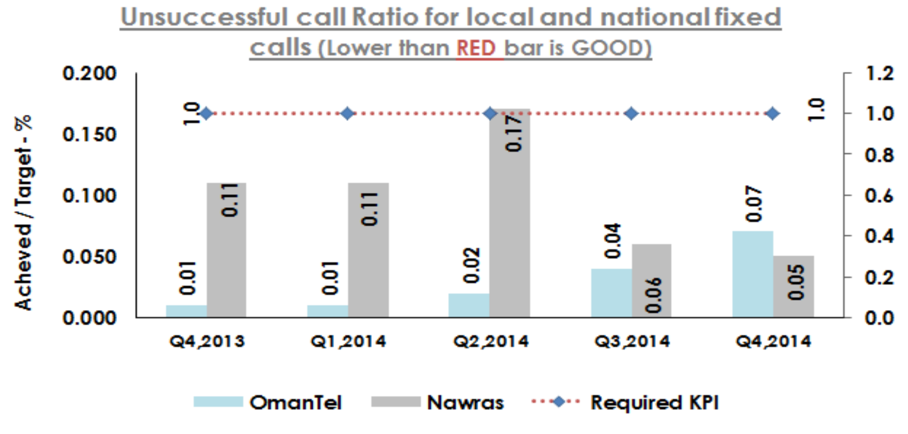
Fixed Services KPIs	Required KPI (Bi-Annual)	Q4/2014		Q3/2014	
		Omantel	Ooredoo	Omantel	Ooredoo
1. Faults per 100 lines	Less than 12	2.42	4.00	2.61	3.00
2. % of faults to be cleared within 24 hours	More than 90%	87.43	96.97	90.3	99.2
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.07	0.05	0.04	0.06
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	96.48	99.77	92.0	99.9
5. Percentage of payphones in working order	More than 96%	99.8	-	99.8	-
6. Billing complaints per 1000 Bills	Less than 1.5	0.19	0.59	0.04	0.51
7. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100

*The figures are not audited by TRA.

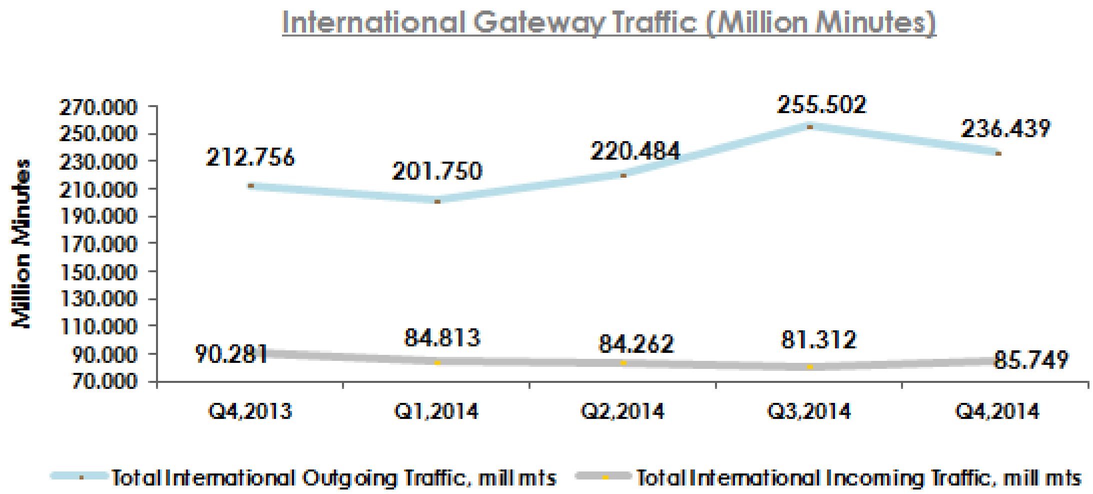



Faults per 100 lines (Lower than RED bar is GOOD)
Acheved / Target - %
6.000
4.000
2.000
0.000
14
12
10
8
6
4
2
0
12
12
2.95
0.00
2.95
0.00
2.58
1.67
2.61
3.00
2.42
4.00
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Q4,2014
OmanTel
Nawras
Required KPI

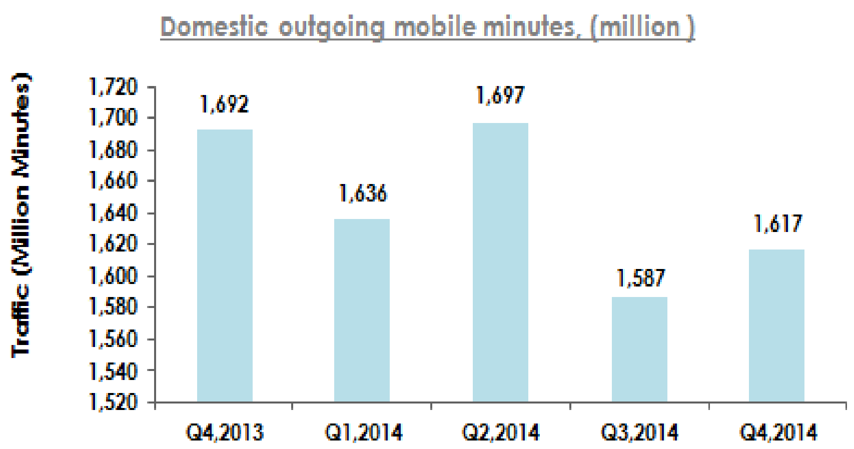

Billing complaints per 1000 Bills
(Lower than RED bar is GOOD)
Acheved / Target - %
0.600
0.500
0.400
0.300
0.200
0.100
0.000
2.0
1.5
1.0
0.5
0.0
1.5
1.5
0.13
0.07
0.13
0.07
0.13
0.06
0.04
0.51
0.10
0.59
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Q4,2014
Omantel
Nawras
Required KPI


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
1.0
0.01
0.11
0.01
0.11
0.02
0.17
0.04
0.06
0.07
0.05
Q4,2013
Q1,2014
Q2,2014
Q3,2014
Q4,2014
OmanTel
Nawras
Required KPI

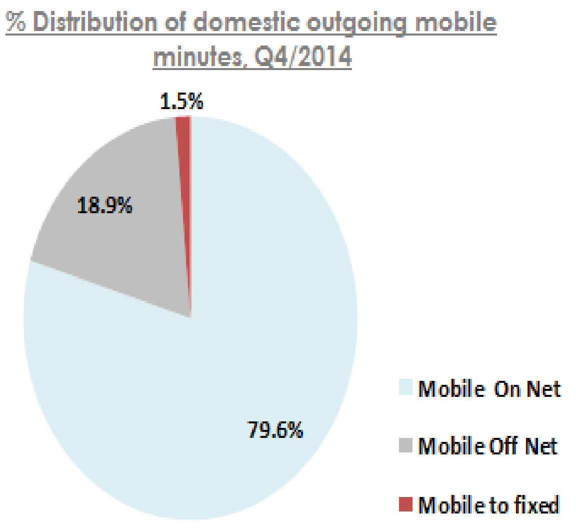
Traffic

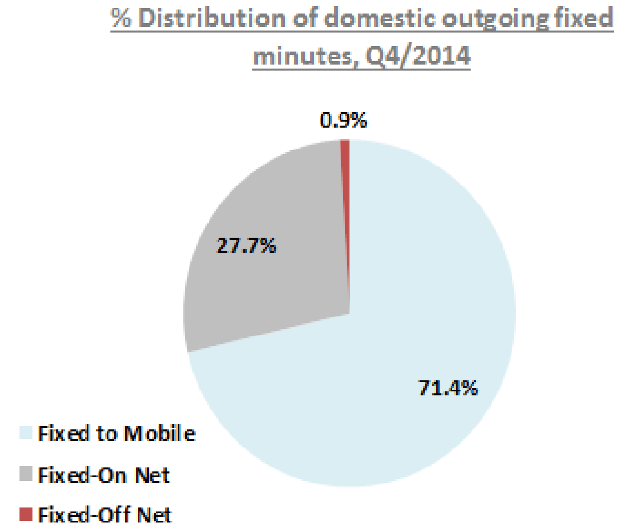


During the 4th quarter of 2014, the outgoing minutes from the international gateway shrank by 7.5%, while the incoming minutes from the international gateway increased by 5.5%.



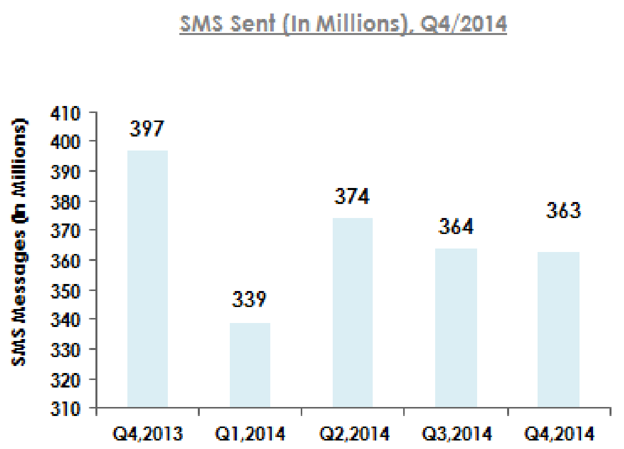
The domestic outgoing mobile minutes went up during the 4th quarter 2014 by 1.9% as compared to the 3rd quarter 2014.

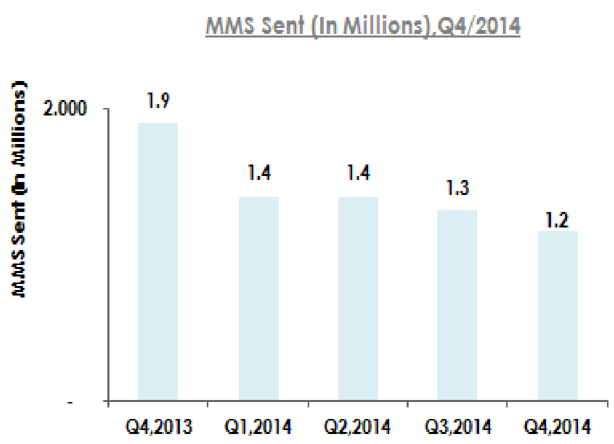




On Net domestic outgoing mobile traffic represents 79.6% of the total, while Off Net is 18.9% of the total. The mobile to fixed minutes are 1.5% of the total.

The fixed to mobile traffic represents a share of 71.4% of the total domestic outgoing fixed traffic. The fixed On Net traffic is 27.7% while the fixed off net traffic is 0.9% of the total domestic traffic.





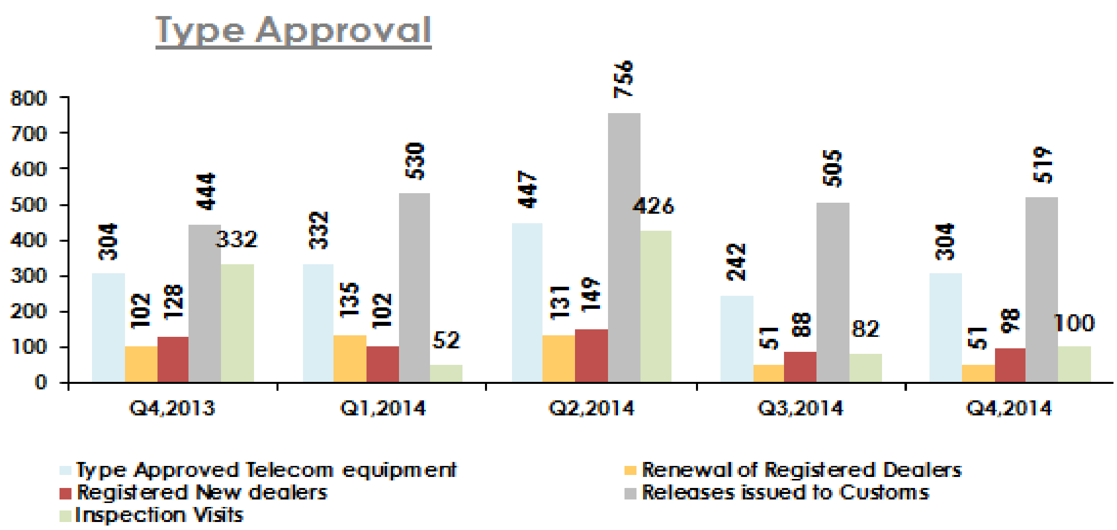
During the reported quarter, the total volume of Sent SMS messages dropped to 363 million from 364 million SMS which is 0.3% lower as compared to Q3, 2014 volume.

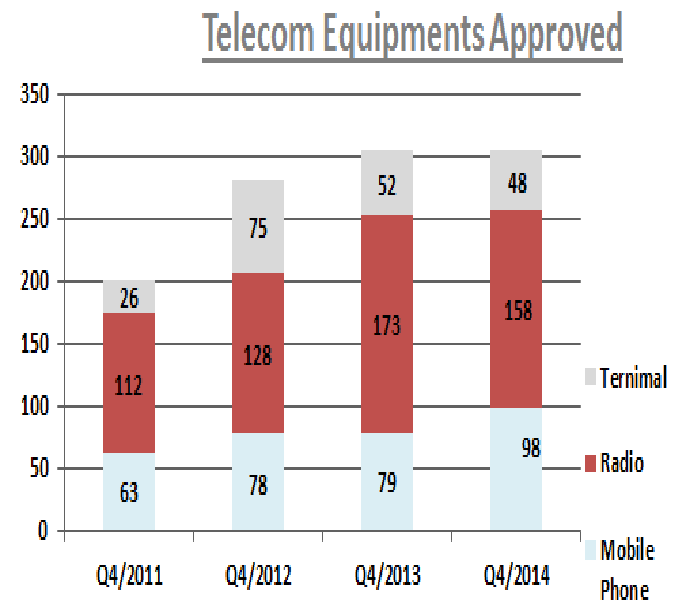
The number of sent MMS shrank by 7.7% against the previous quarter.

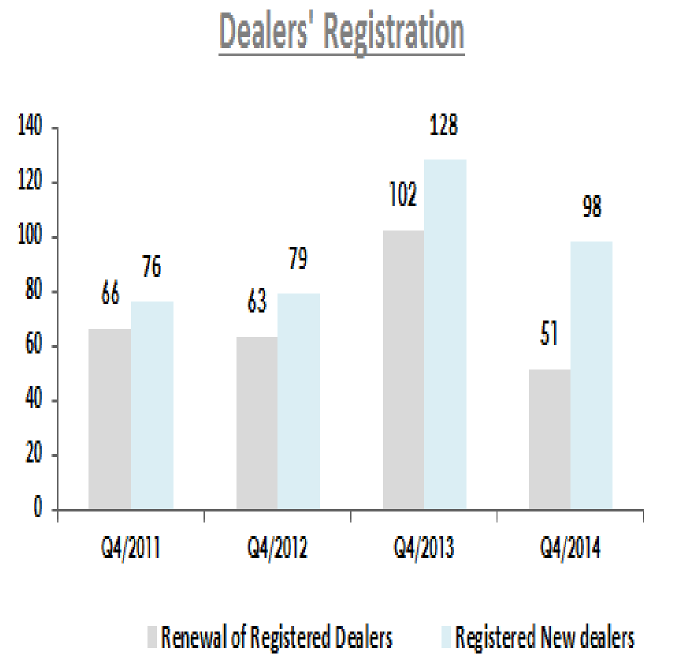
Type Approval

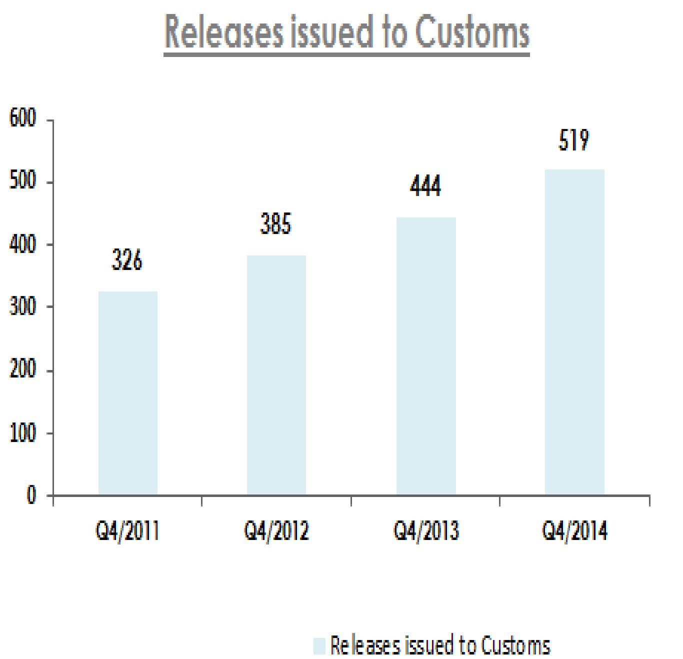
During the Fourth Quarter 2014, TRA :

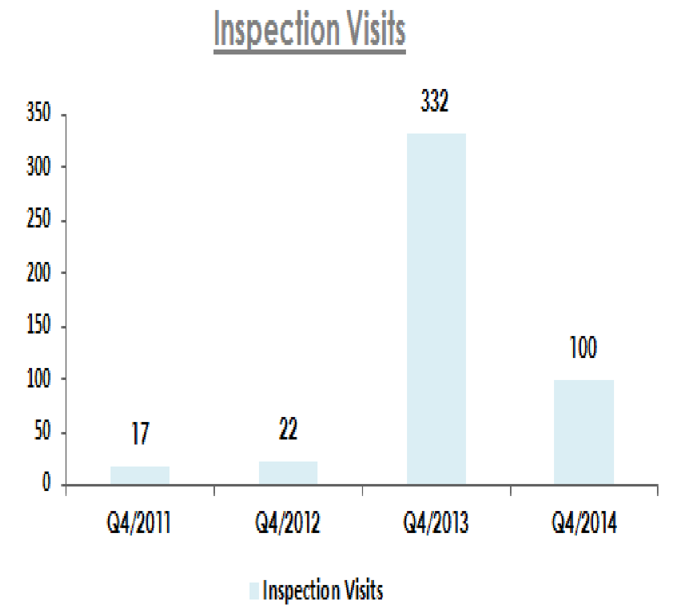
- Approved a total number of 304 (Previous Quarter 242) Telecom Equipment.
- Renewed 51 (Previous Quarter: 51) registrations of Telecom Dealers.
- Registered 98 (Previous Quarter: 88) new dealers.
- Issued 519 (Previous Quarter: 505) Releases to Customs for Import of Telecom equipment.
- Inspected 100 (Previous month 82) dealerships.




Telecom Equipments Approved
350
300
250
200
150
100
50
0
26
112
63
75
128
78
52
173
79
48
158
98
Q4/2011
Q4/2012
Q4/2013
Q4/2014
Ternimal
Radio
Mobile Phone


Dealers' Registration
140
120
100
80
60
40
20
0
66
76
63
79
102
128
51
98
Q4/2011
Q4/2012
Q4/2013
Q4/2014
Renewal of Registered Dealers
Registered New dealers


Releases issued to Customs
600
500
400
300
200
100
0
326
385
444
519
Q4/2011
Q4/2012
Q4/2013
Q4/2014
Releases issued to Customs


Inspection Visits
350
300
250
200
150
100
50
0
17
22
332
100
Q4/2011
Q4/2012
Q4/2013
Q4/2014
Inspection Visits

Tariffs & Promotions

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

Number of promotional offers

Licensee	Voice	Bundles	International calls	MBB	HBB	Roaming	Value Added Service	Starter Pack	Top-Up	Voice & Data	Voice & International calls	Leased Line	Total
Renna	1		3										4
Friendi			4	2					2				8
Teo			3										3
Omantel	1	2		2	1	1		1	3	1	1		13
Ooredoo	2	2	2	2	1	3	1		1				14
Total	4	4	12	6	2	4	1	1	6	1	1	0	42

Number of new services and new plans

Licensee	Voice	Bundles	International calls	MBB	HBB	Roaming	Value Added Service	Starter Pack	Top-Up	Voice & Data	Voice & International calls	Leased Line	Total
Ooredoo							2						2
Omantel		1				1	1						3
Renna													0
Friendi													0
Teo			1										1
Total	0	1	1	0	0	1	3	0	0	0	0	0	6

Summary of the tariff activity in Q4:

Promotional Activity

- The number of promotions increased in the final quarter of 2014 from 36 promotions in Q3 to 42 promotions in Q4. This increase can be attributed to the seasonal festivities such as the Hajj, Eid, National day and holiday season falling in Q4.
- 29% of the promotions in Q4 were international call promotions and 10% were related to roaming offers.
- 14% of the promotions in Q4 consisted of top up and recharge voucher promotions.
- 50% of Friendi's promotions were on international calls with the exception of 2 Mobile broadband promotions.
- Renna had 4 promotions, 3 on international calls and one on their voice plans during the national day.
- Omantel had a number of promotions on devices such as Mi-Fi Modem with the mobile services and PlayStations 4 promotion with the fixed ADSL service.

New Services and Tariffs

- There were a total of 6 new services launched in Q4, 2 by Ooredoo, 3 by Omantel and 1 by Teo.
- Omantel launched their new Corporate International Roaming Plans in November 2014.
- Omantel launched the Lana Plan which is a plan for the charitable organizations.
- Ooredoo also launched a plan for people with special needs (Suhoola plan).
- 50% of the new services launched are value added services.

Revisions

- There was one revision of a value added service provided by Ooredoo.