TELECOMMUNICATIONS REGULATORY AUTHORITY هيئة تنظيم الاتصالات Telecommunications Regulatory Authority

Telecom Sector Indicators

Report: Q3-2010

Market Research & Planning-EAU

2010

TRA-OMAN

Introduction

1. This report provides a brief update on the selected telecom services in the Sultanate of Oman for the 3rd Quarter 2010. The report covers the performance of fixed, mobile and internet services.

2. This report has been compiled based on the data received from the telecom operators and mobile resellers: Omantel, Oman Mobile, Nawras, Friendi Mobile, Renna, Mazoon and Injaz.

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

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Telecom Sector at a Glance

Type of Service	*As on Sep 2010*	*As on Jun 2010*	% Change
Main Fixed Line:			
1. Post Paid	196,766	202,733	-2.94%
2. Prepaid	36,659	36,071	1.63%
3. Public Telephone – Payphone	6,801	6,801	0%
4. ISDN Equivalent Channels	36,280	35,236	2.96%
WLL Connections	2,235	2,314	-3.41%
Total Main Fixed Telephone Lines in Operation; (1-5)	**278,741**	**283,155**	-1.56%
Fixed Line Penetration*	9.72%	9.88%	-1.62%
Mobile:			
1. Mobile Postpaid Subscribers	405,978	398,130	2%
2. Mobile Prepaid Subscriber	4,119,764	3,995,945	3%
Operators	3,732,482	3,644,348	2%
Resellers	387,282	351,597	10%
Total Mobile Subscribers; (1+2)	**4,525,742**	**4,394,075**	3%
Mobile Penetration*	157.86%	153.26%	3%
Internet:			
1. Internet Subscribers (Dial-up): (1.1-1.3)	**23,212**	**25,139**	-7.67
1.1 Post Paid	13,878	15,254	-9.02
1.2 Pre paid**	8,810	9,340	-5.67
1.3 Log & Surf	524	545	-3.85
2. Internet Broadband Subscribers (2.1+2.2):	**44,989**	**44,111**	1.99
2.1 DSL	44,546	43,678	1.99
2.2 Internet Leased Line	443	433	2.31
Total Fixed Internet Subscribers: (1+2)	**68,201**	**69,250**	-1.51
Fixed Internet Subscribers Penetration*	2.38%	2.42%	-1.65
Mobile Broadband Subscribers	1,626,896	1,355,451	20.03
Mobile Broadband Subscribers Penetration	56.75%	47.3%	19.98
Estimated Mobile Internet Users	1,182,562	1,176,418	0.52
Penetration rate of Estimated Mobile Internet Users	41.25%	41.03%	0.5%

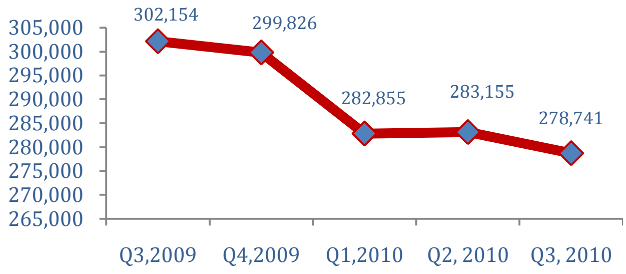
* Penetration rates are based on the latest published population regime by MONE: 2,867,000.
** Internet prepaid subscribers are calculated on the bases of average dial up usage

Fixed Telephony Services

Fixed Telephone Lines:

- The trend of the fixed line illustrates a drop in the 3rd quarter.
- Third quarter 2010 ended with total of 278,741 fixed lines, declining by 4,414 lines.
- Fixed line subscribers' penetration reached 9.7% by end of September 2010.

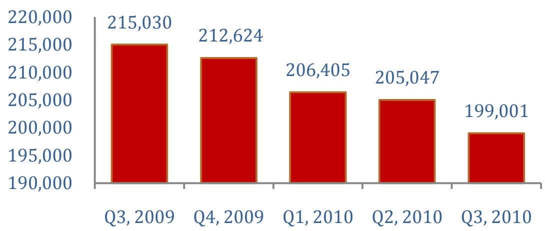
Figure.1: Total Fixed Telephone Lines Trend



Fixed Line: Postpaid

- The fixed postpaid growth trend showed continuous decline over the previous quarters. In this quarter it declined by 6,046 subscribers which is a decline of 2.9% from the 2nd quarter.

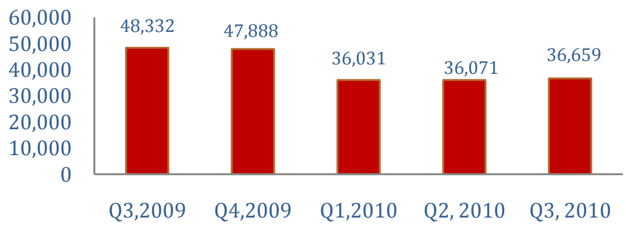
Figure.2: Fixed line: Post paid Trend



Fixed Line: Prepaid

- At the end of the 3rd Quarter, there were 36,659 prepaid connections. This number has increased by 1.6% than the previous quarter.

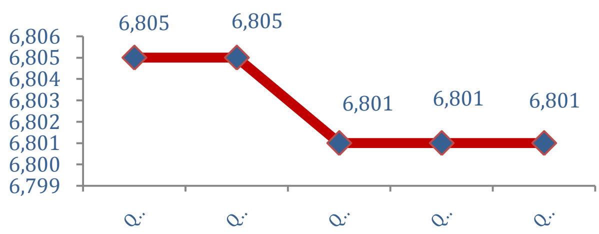
Figure.3: Fixed line: Pre paid



Payphones:

- Public Payphones remained static for last three quarters (Q1,Q2&Q3) with the total of 6,801 pay phones in service.

Figure.4: Public Pay Phones Trend

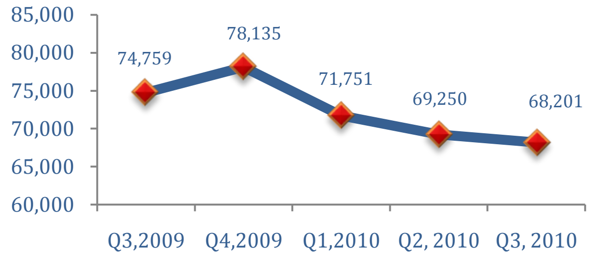


Internet Services

Fixed Internet Subscribers

- The fixed internet growth trend illustrates continuous decline.
- Total subscribers for the third quarter 2010, stood at 68,201 with 1.5% drop against the previous quarter.
- The penetration rate for fixed internet subscribers' was 2.4% by September 2010

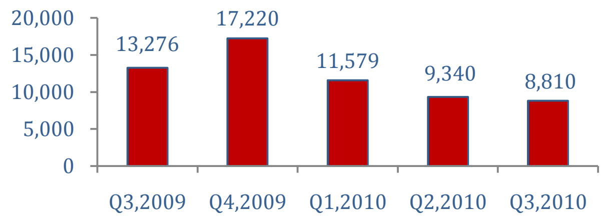
Figure.5: Fixed Internet Subscribers



Internet Prepaid Subscribers

- The third quarter shows a decline in the number of prepaid internet subscribers by 5.7% from the previous quarter. Total prepaid internet subscribers reached 8,810 by end of 3rd quarter.

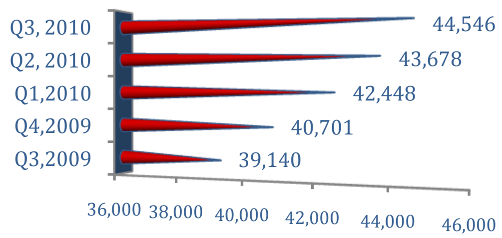
Figure.6: Prepaid Internet Subscribers



DSL Internet Subscribers

- By the third quarter 2010, the DSL subscribers' base added 868 subscribers making the total as 44,546 subscribers. This represents an increase of 2% over the previous quarter.

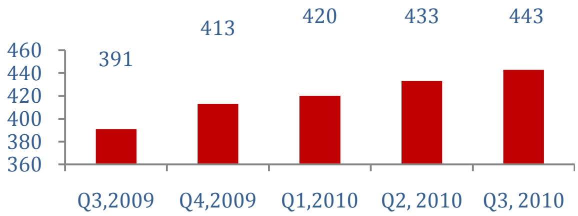
Figure.7: DSL Internet Subscribers



Internet Leased Lines Subscribers

- The internet leased line subscribers reached 443 with 2.3% growth over the previous quarter. This service registered an average growth rate of 13 subscribers per quarter over a period of one year from (Q3'09-Q3'10)

Figure 8: Internet Leased Lines Trend

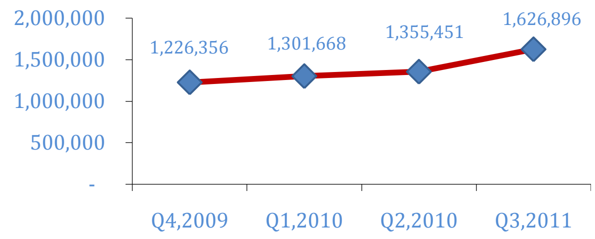


Mobile Broadband Subscribers

- The total mobile broadband subscribers with unique 3G supported devices reached 1,626,896 by end of September 2010, which is 20% higher than the previous quarter.

- Mobile broadband subscribers' penetration rate stood at 56.75% by September 2010.

Figure 10: Mobile Broadband Subscribers

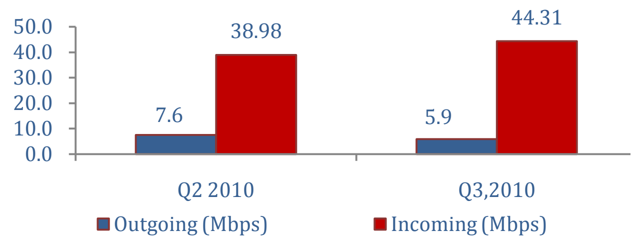


International Internet Bandwidth

- The third quarter 2010 recorded 8,537 Mbps as total internet bandwidth capacity, out of that 5.9% have been utilized for the outgoing and 44.31% for the incoming.

- As compared to the second quarter, the outgoing has declined by 22.4%, whereas the incoming increased by 13.6%.

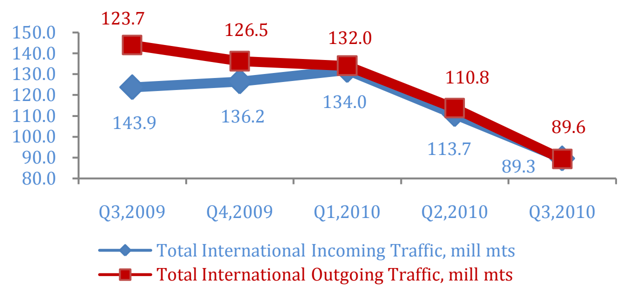
Figure.11: International Internet Bandwidth (Actual Utilization Trend by %)



International Traffic

- During the third quarter, both outgoing and incoming international traffic experienced decline, these figures dropped by 19.1% & 21.5% respectively.

Figure 12: Outgoing & Incoming International Traffic (Million Minutes)



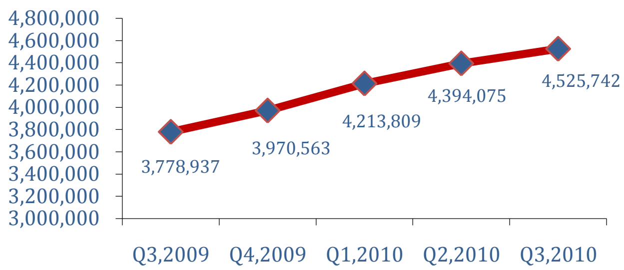
Mobile Services

Mobile Subscribers

- Total mobile subscribers reached 4,525,742 subscribers by end of September 2010. Mobile operators and resellers reported that 131,667 subscribers were added to their network during this quarter. The number has increased by 3% over the past quarter.

- The penetration rate of mobile subscribers was 158% by September 2010, achieving 3.2% growth rate from second quarter.

Figure 13: Total Mobile Subscribers

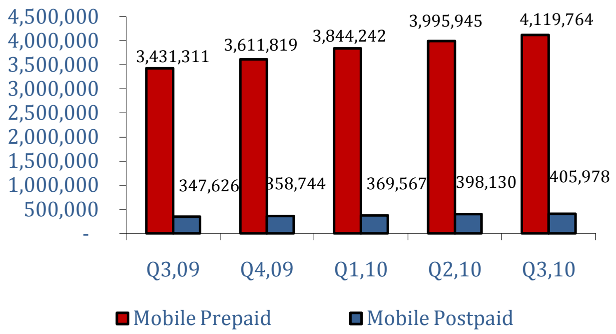


Mobile Postpaid & Prepaid Subscribers

- The mobile prepaid service is showing continuous growth achieving 4,119,764 subscribers with quarterly average growth of 5%.

- The mobile post paid is also moving upward, achieving growth rate of 2% during the third quarter 2010 reaching 405,978 subscribers.

Figure 14: Mobile Postpaid & Prepaid Subscribers

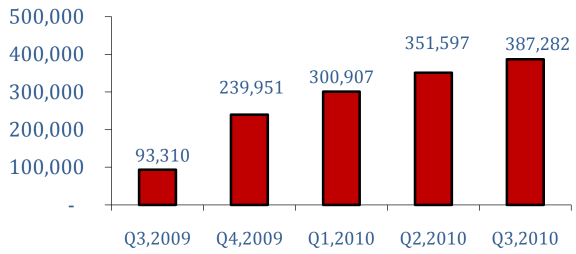


Mobile Resellers

- The mobile reseller's subscribers have grown to 387,282 by third quarter 2010, compared to third quarter 2009 were the base was only 93,310.

- Third quarter 2010, has shown an increase of 10% compared to the second quarter 2010.

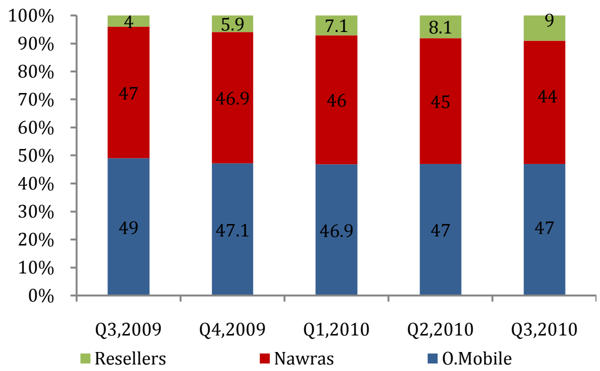
Figure 15: Mobile Resellers Subscribers



Mobile Market Share

- As of September 2010, Oman Mobile & Nawras owned market shares of 47% & 44% respectively. Resellers achieved 9% market share during the reported quarter.

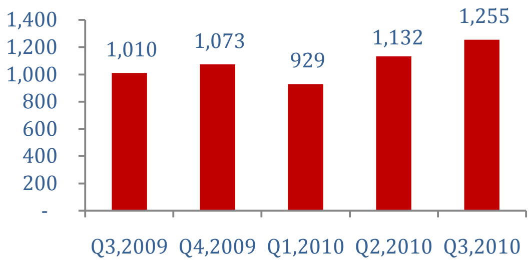
Figure 16: Mobile Operator's Market Share



Outgoing Mobile Traffic

- During the third quarter 2010, total originated mobile traffic was 1,255 million minutes. This has increased by 11% compared to the previous quarter.

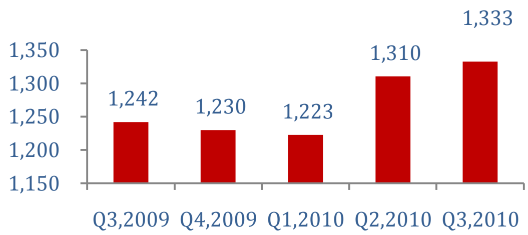
Figure 17: Mobile Traffic



SMS

- By end of September 2010, the total volume of originated messages increased from 1,310 million to 1,333 million SMS, which is 1.8% higher compared to June 2010.

Figure 18: Mobile SMS



Average Revenue per User (ARPU) (*)

Figure.19: Fixed Post-paid ARPU/Month (OR)

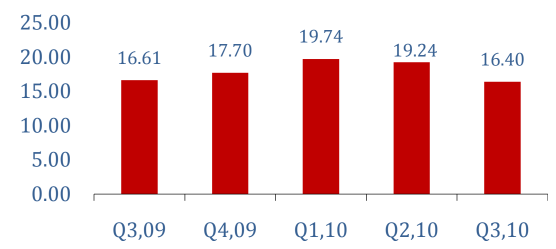


Figure.20: Fixed Prepaid ARPU/Month (OR)

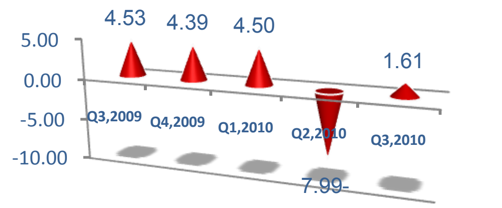


Figure.22: Payphone ARPU/Month (OR)

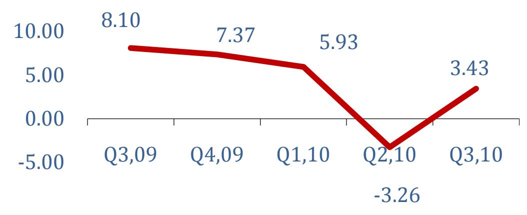


Figure.23: Internet ARPU/Month (OR)

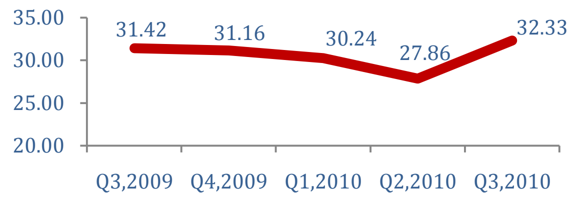
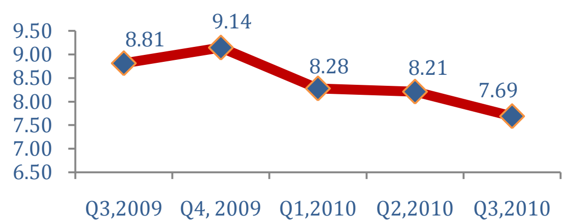


Figure.24: Mobile ARPU/Month (OR)



- In the third quarter, the ARPUs for fixed prepaid, payphone and internet shows a positive increase compared to the second quarter. In the second quarter, Omantel reported negative ARPUs for fixed prepaid, payphone and internet, due to deferred income reconciliation carried out in the second quarter 2010. It is to be noted that these are one off accounting adjustments relating to the previous periods.

(*) These negative ARPU reflected above are under investigation and correct picture will be presented once the investigation is complete.