



Telecom Market Indicators

Report: Q1, 2011

(January 2011 – March 2011)

Market Research & Planning

Economic Affairs Unit

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Introduction

This is the [1st Quarter 2011](#) report, which provides a brief update on the major telecom services in the Sultanate of Oman. The report briefly covers the performance of fixed, mobile and internet services.

This report has been compiled based on the data received from:

- Telecom operators (Omantel, Oman Mobile & Nawras)
- Mobile resellers (Friendi Mobile, Renna, Mazoon, Injaz & Samatel)

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

Disclaimer

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Executive Summary

Market Observations

- Telecomm growth in Sultanate of Oman has slowed down during 1st quarter 2011.
- By the end of Q1 2011, Fixed subscribers are 273,123 decreased by: 3.06% (Previous quarter: 281,755) , Mobile Subscribers are 4,473,920 decreased by 2.87% (Previous quarter: 4,606,133) and Fixed Internet subscribers are 72,936 decreased by 1.32% (Previous quarter: 73,908)
- Penetration Rates showed a marginal decline in all the services.
- The number of broadband subscribers increased by 3.86% to 54,662 at the end of 1Q2011.
- International Internet bandwidth increased from 10,585Mbps to 14,781Mbps, an increase of approximately 40.32% over previous quarter.
- International calls: While International Incoming Voice Traffic increased by 13.5%, the Total International Outgoing traffic decreased by 9.5% compare to previous quarter.

Regulations

- In order to monitor quality of service of operator, TRA had issued Decision No.: 13/2011 dated February 12, 2011 (corresponding to 7-Rabi I-1432) which included new Key Performance Indicators for various telecommunications services.

Tariff Plans & Promotions

- A total of 22 Promotion offers were approved during the quarter (OmanMobile =5, Nawras =10, Renna =1, Injaz =1 and Friendi =5).

Type Approval

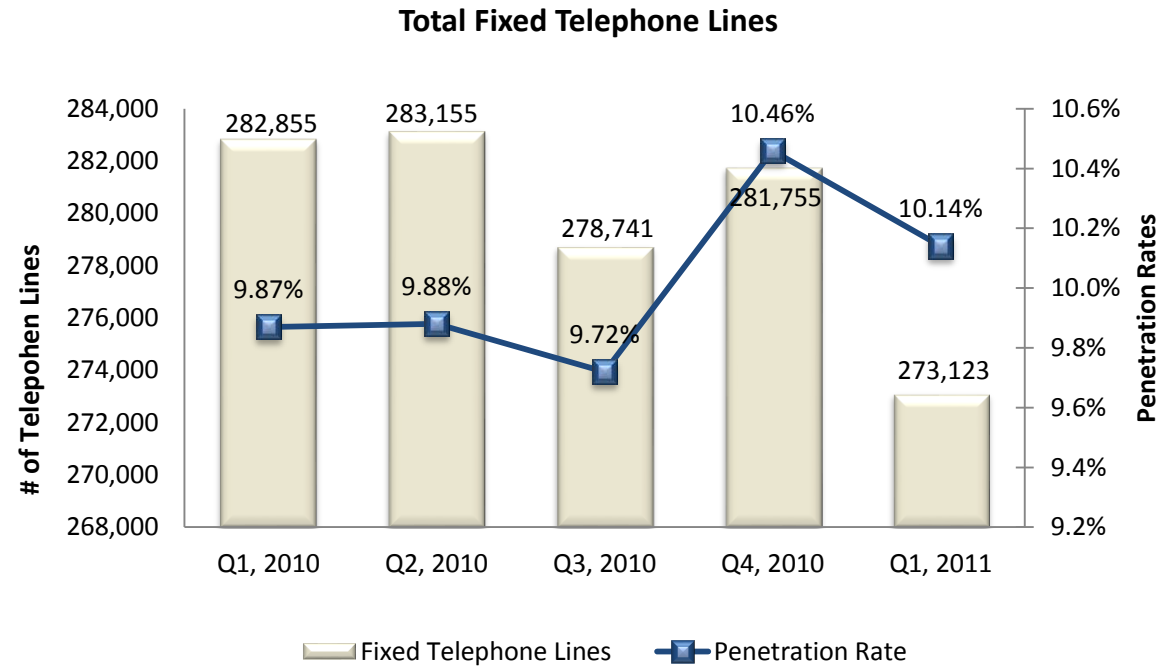
- During the 1st quarter 2011, TRA approved a total number of 280 Telecom Equipments, Renewed 65 registrations of Telecom Dealers and registered 122 new dealers, Issued 197 Releases from Customs for Imported Telecom equipments and inspected 23 Violations.

Fixed & Mobile Sector at a Glance

Type of Service	As of Mar 2011	As of Dec 2010	% Change
1. Main Fixed Telephone Lines:			
1.1 Post Paid	199,739	200,467	-0.36%
1.2 Pre-Paid	28,713	37,523	-23.48%
1.3 Public Telephone – Payphone	6,801	6,801	0.00%
1.4 ISDN Equivalent Channels	37,870	36,964	2.45%
Total Fixed Telephone Lines in Operation (1.1-1.4)	273,123	281,755	-3.06%
Fixed Line Penetration	10.14%	10.46%	-3.06%
2. Mobile Subscribers:			
2.1 Post Paid			
2.1.1 Operators	409,679	414,011	-1.05%
2.1.2 Resellers	-	-	-
Total Postpaid Subscribers	409,679	414,011	-1.05%
2.2 Pre Paid			
2.2.1 Operators	3,591,929	3,732,963	-3.78%
2.2.2 Resellers	472,312	459,159	2.86%
Total Prepaid Subscribers	4,064,241	4,192,122	-3.05%
Total Mobile Subscribers: (2.1+2.2)	4,473,920	4,606,133	-2.87%
Mobile Penetration	166.06%	170.97%	-2.87%

NOTE: Penetration rates for March 2011 & December 2010 are based on the latest published population figures by the Government, as per census 2010: 2,694,094 and Estimated Households as per census 2010: 400,783.

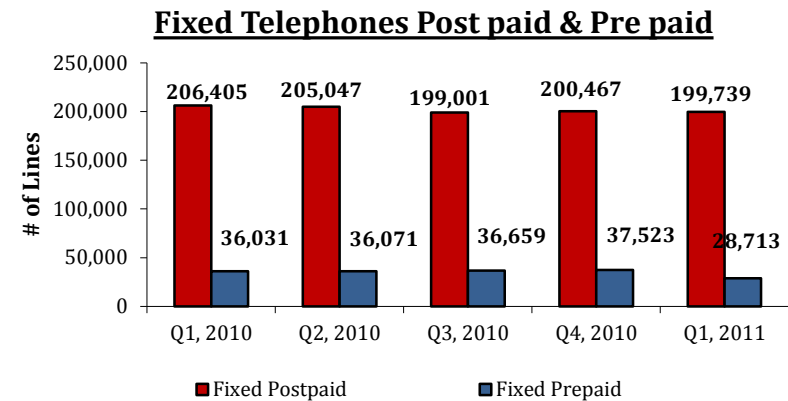
Fixed Telephone Service



- First quarter 2010 ended with total of 273,123 fixed lines, decrease from the fourth quarter by 8,632 lines.
- Fixed line subscribers' penetration reached 10.14% by end of March 2010.

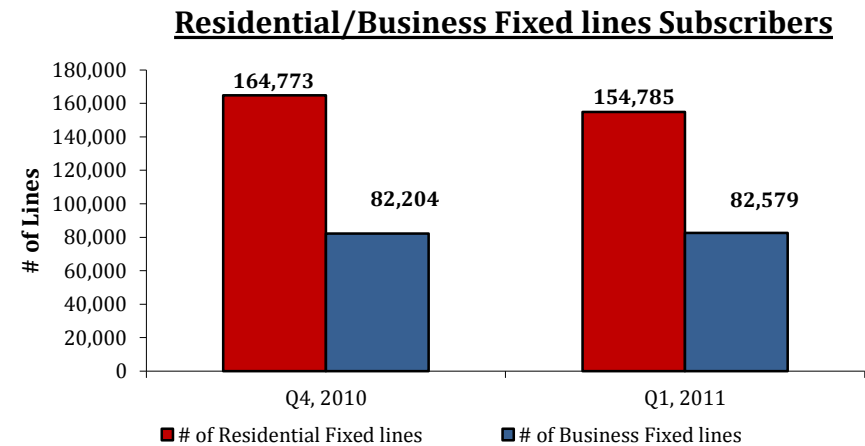
Fixed Line: Post paid & Prepaid

- The fixed post paid growth declined by 0.36% from the 4th quarter resulting in total of 199,739 post paid lines.
- Quarter-1 ended with 28,713 prepaid connections. This number also declined by 23.48% over the previous quarter.



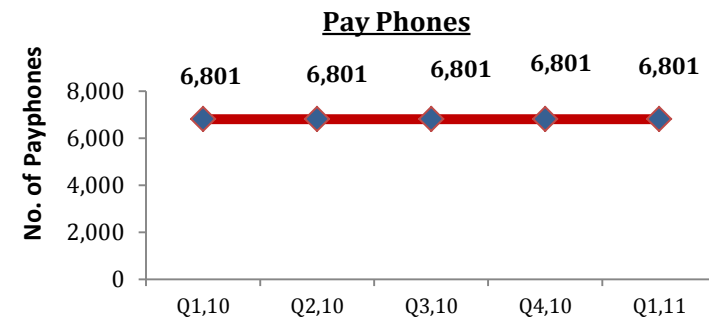
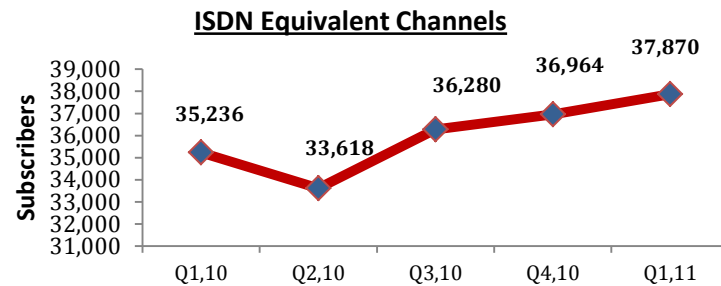
Residential Vs Business Fixed Lines

- The Number of residential lines between Q1, 2011 and Q4, 2010 fell by 0.06% while number of business lines showed a marginal increase of (0.005%)



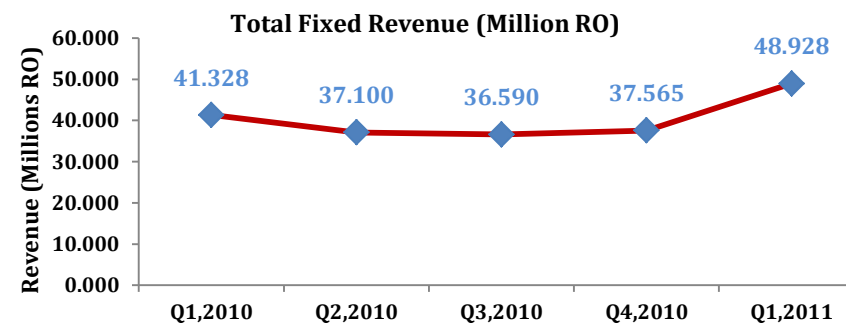
Payphones / ISDN Equivalent Channels

- The ISDN Equivalent Channels showed an increase of 2.45% from the 4th quarter resulting in total of 37,870 Subscribers.
- Public Payphones remained static for the last five quarters with the total of 6,801 pay phones in service.

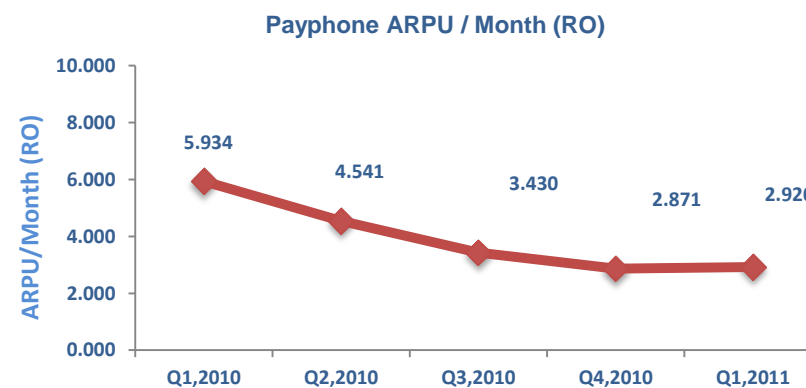
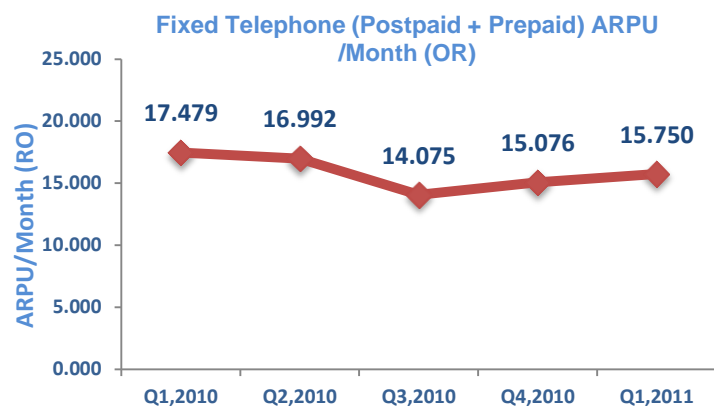


Fixed Line Revenue and ARPU's/month (OR)

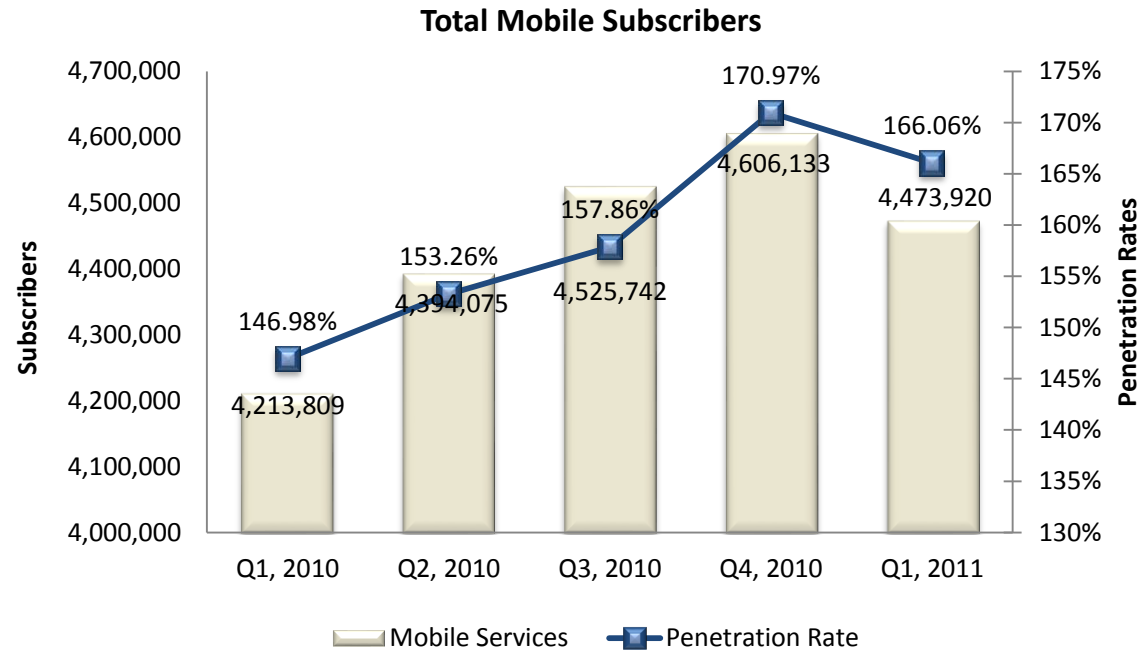
The first quarter of 2011 registered revenue from fixed telephone line and internet services of RO 48.928 million, 4% more than previous quarter:



Fixed Telephone (Postpaid + Prepaid) and Payphone ARPU per month are as follows:



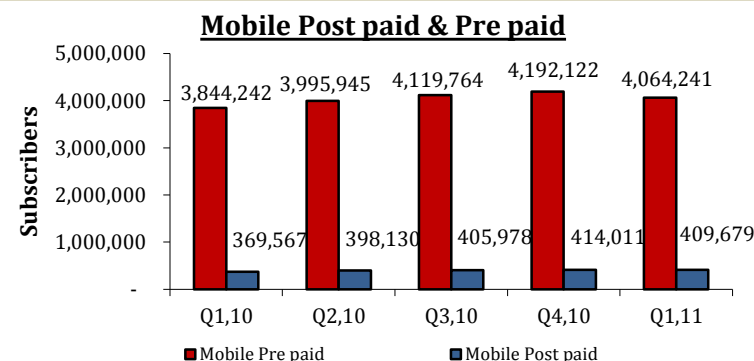
Mobile Cellular Service



- By end of March 2011, total mobile subscribers stood at 4,473,920, with a decrease of 132,213 subscribers during this quarter, mainly due to clean-up of un-authorized SIMs.
- The penetration rate of mobile subscribers was 166.06% by March 2011, recording a decrease of 2.87% from the previous quarter.

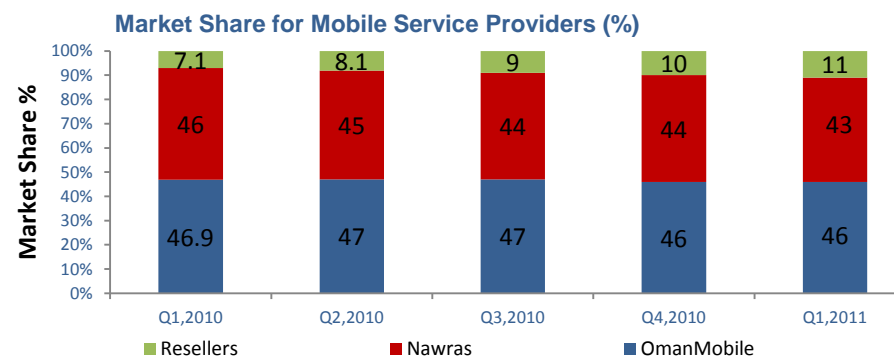
Mobile Post paid & Prepaid Subscribers

	Mobile Pre paid	Mobile Post paid
Q1,2010	3,844,242	369,567
Q2,2010	3,995,945	398,130
Q3,2010	4,119,764	405,978
Q4,2010	4,192,122	414,011
Q1,2011	4,064,241	409,679



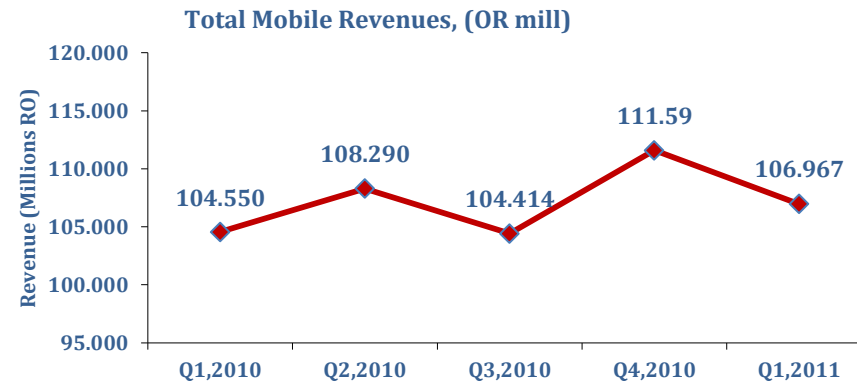
- Postpaid mobile subscribers stood at 409,679 at the end of 1st quarter 2011 showing a decrease of 1% compared to previous quarter.
- Prepaid mobile subscribers were 4,064,241 also showing a decrease of 3% compared to Q4, 2010.

Mobile Market Share

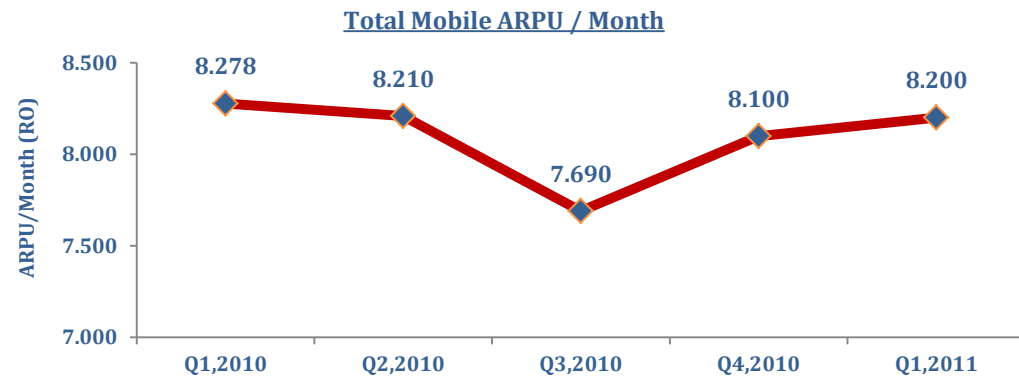


- As of March 2010, Oman Mobile possessed a market share of 46% while Nawras owned 43%. Resellers achieved 11% market share during the reported quarter.

Mobile Revenue and ARPU's/Month (OR)



- The mobile sector has generated total revenue of OR 106.67million, 4% less than the previous quarter.
- Mobile subscribers are contributing with monthly revenue of RO 8.200 per subscriber.



Internet Services

Type of Service	As of Mar 2011	As of Dec 2010	% Change
Internet Subscribers:			
1. Dial Up Subscribers			
1.1 Post Paid	11,918	13,140	-9.30%
1.2 Pre Paid**	6,356	8,138	-21.90%
Total Dial-Up Subscribers: (1.1+1.2)	18,274	21,278	-14.12%
2. Fixed Broadband Subscribers			
2.1 Total Fixed Broadband Subscribers	54,662	52,630	3.86%
Total Fixed Broadband Subscribers Penetration per Household	13.64%	13.13%	3.86%
Total Fixed Internet Subscribers (1.1+1.2+2.1)	72,936	73,908	-1.32%
Total Internet Penetration per Household	18.20%	18.44%	-1.32%
3. Mobile Broadband Subscribers***	2,029,602	1,847,223	9.87%
Mobile Broadband Penetration	75.34%	68.57%	9.87%
4. Internet Users			
4.1 Estimated fixed internet users****	423,029	428,666	-1.32%
4.2 Estimated mobile internet users	1,295,649	1,242,108	4.31%
Total Estimated Internet Users; (4.1+4.2)	1,718,678	1,670,774	2.87%
Estimated Internet Users' Penetration	64%	62%	2.87%

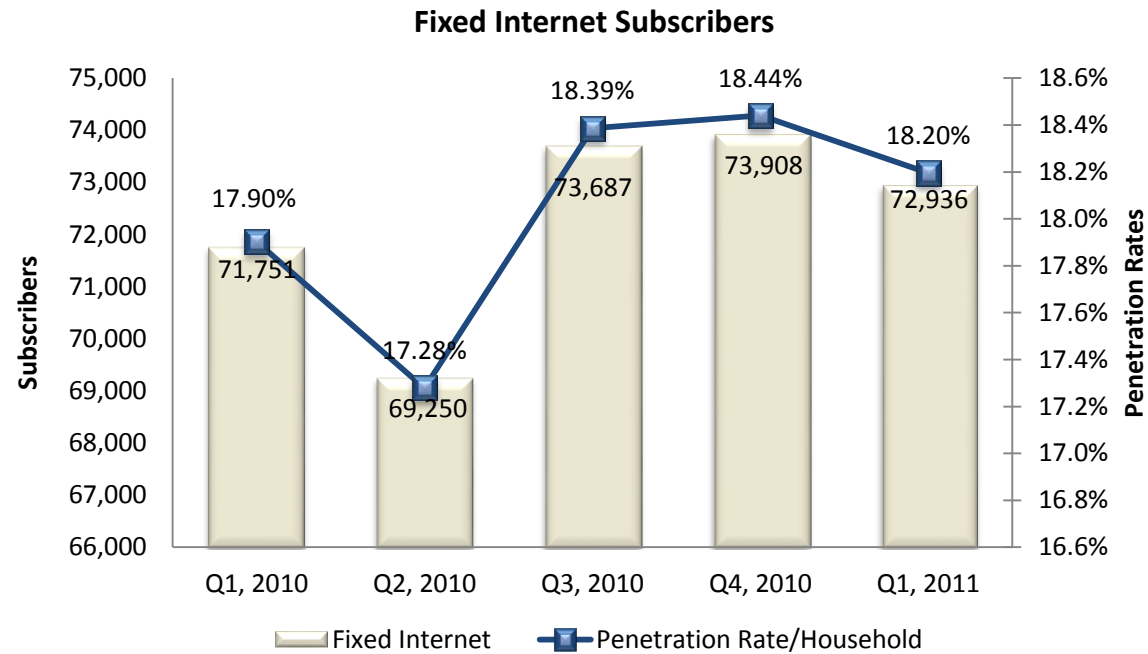
NOTE: ** Internet prepaid subscribers are calculated on the basis of average dial up usage.

*** Equals to the number of mobile subscribers having 3G supported handsets.

**** Fixed estimated internet users calculated using the 5.8 multiplier of the average household size eligible for internet use in Oman from 5 years and above.

Penetration rates for March 2011 & December 2010 are based on the latest published population figures by the Government, as per census 2010: 2,694,094 and Estimated Households as per census 2010: 400,783.

Fixed Internet Subscribers

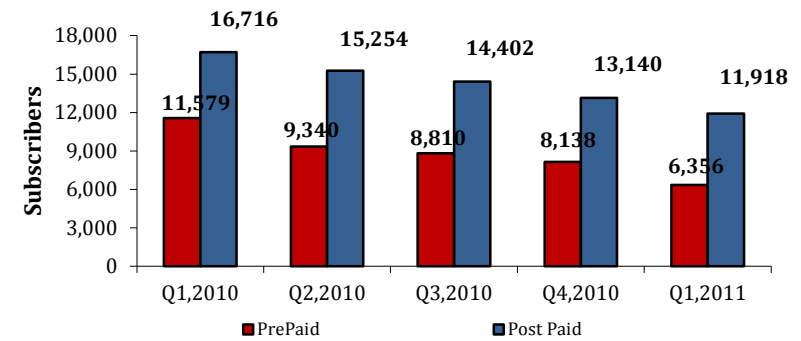


- First quarter 2011 had total subscribers of 72,936 with 1.32% decrease against the previous quarter.
- Fixed internet subscribers' penetration rate per Household decreased to 18.2% from 18.44% of Q4, 2010.

Internet Dial up (Post paid & Prepaid Subscribers)

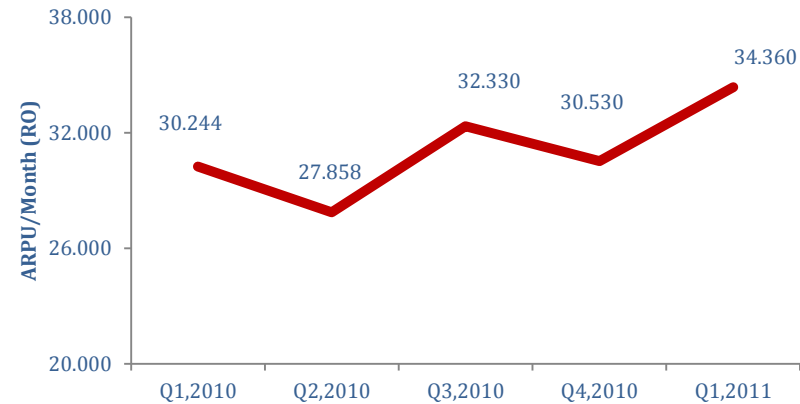
- The first quarter showed a decline in the number of prepaid internet subscribers by 21.9% from the previous quarter.
- Fixed internet ARPU grew at 12.5% during the 1st Quarter 2011.

Internet Subscribers (Prepaid & Postpaid)



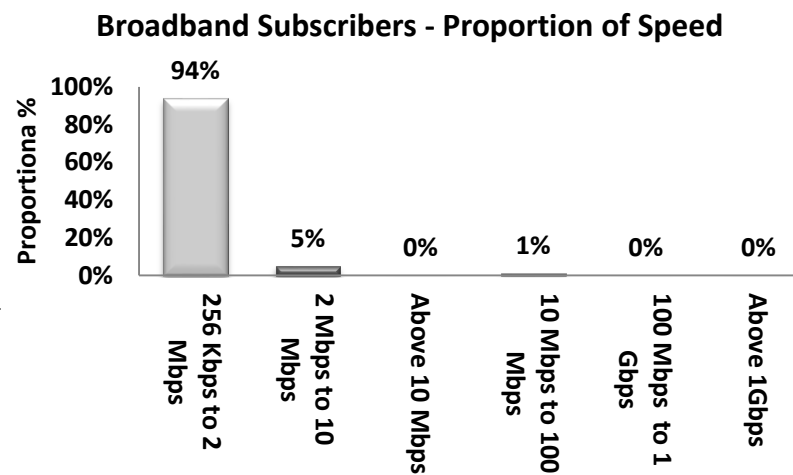
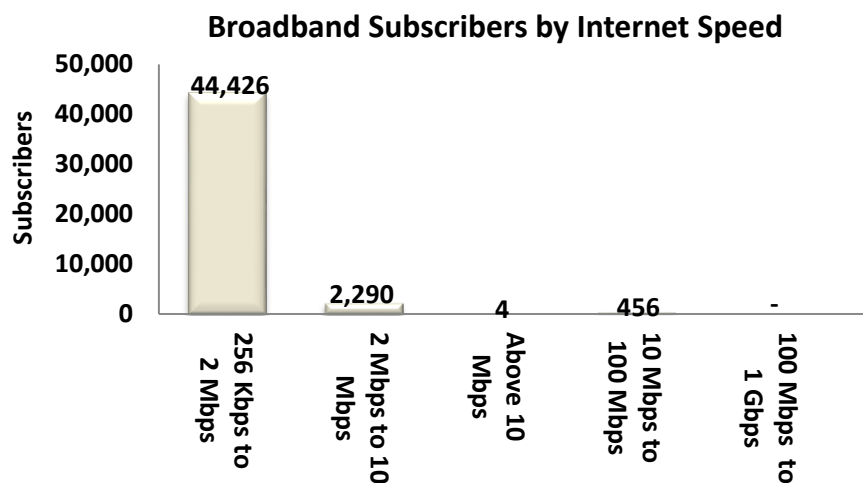
Fixed Internet ARPU's/month (OR)

Fixed Internet ARPU/month (OR)



Fixed Broadband Subscribers

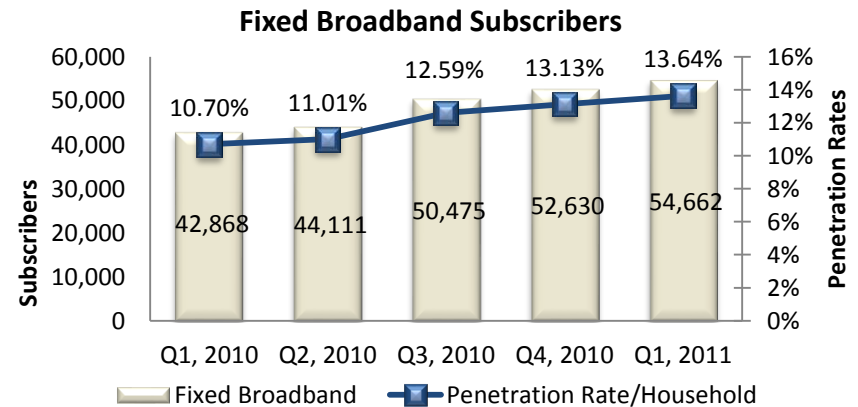
Fixed Broadband by Speed	Total Subscribers	Proportion by speed
1. 256 Kbps to 2 Mbps	44,426	94%
2. 2 Mbps to 10 Mbps	2,290	5%
3. Above 10 Mbps	4	0%
4. 10 Mbps to 100 Mbps	456	1%
5. 100 Mbps to 1 Gbps	0	0%
6. Above 1Gbps	0	0%
Total Fixed Broadband Subscribers (1 to 6)	47,176	100%



➤ Approximately 6% of Broadband subscribers during Q1, 2011 had access speed of 2 Mbps & above.

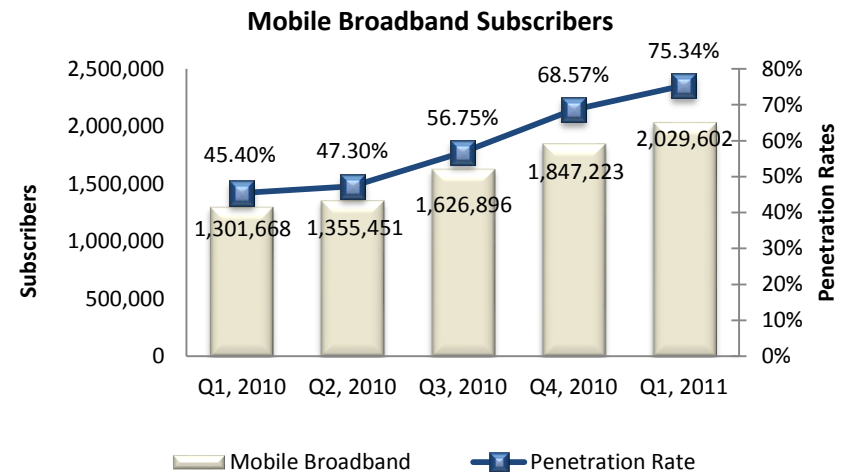
Fixed Broadband Subscribers

- Fixed Broadband subscription increased by 2,019 to 54,662. Penetration rate per Household increased to 13.64% from 13.13% of 4Q, 2010.

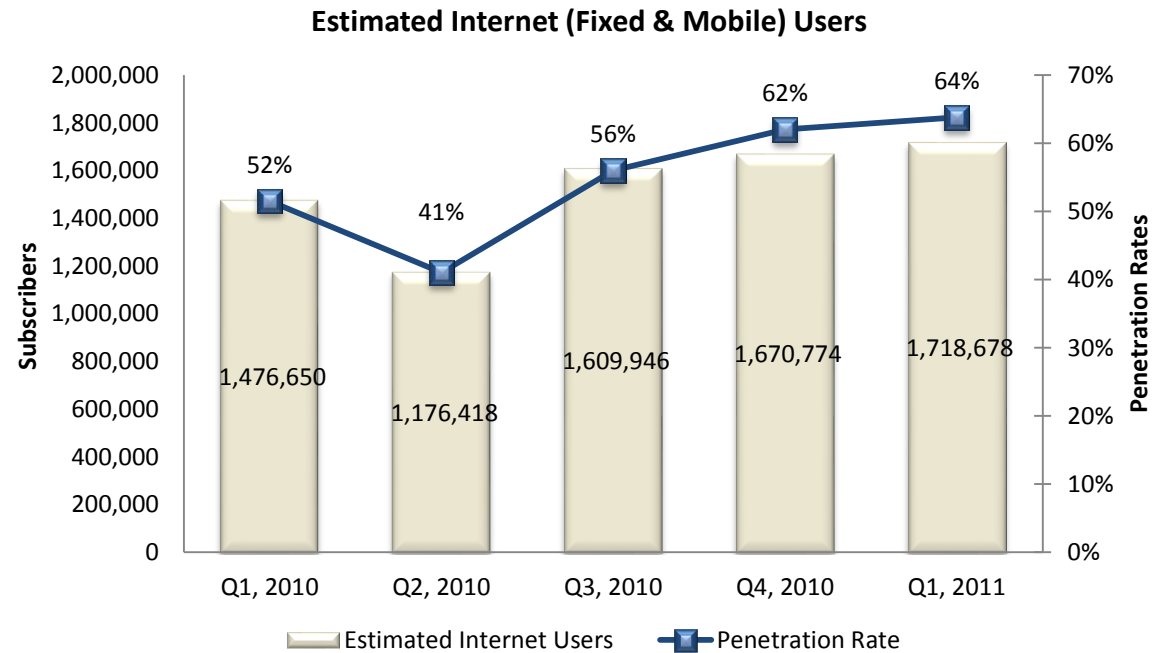


Mobile Broadband Subscribers

- 1st Q 2011 recorded 2,029,602 as total mobile broadband subscribers with unique 3G supported devices, which is 9.87% higher than previous quarter.
- Mobile broadband subscribers' penetration rate stood at 75.3%.



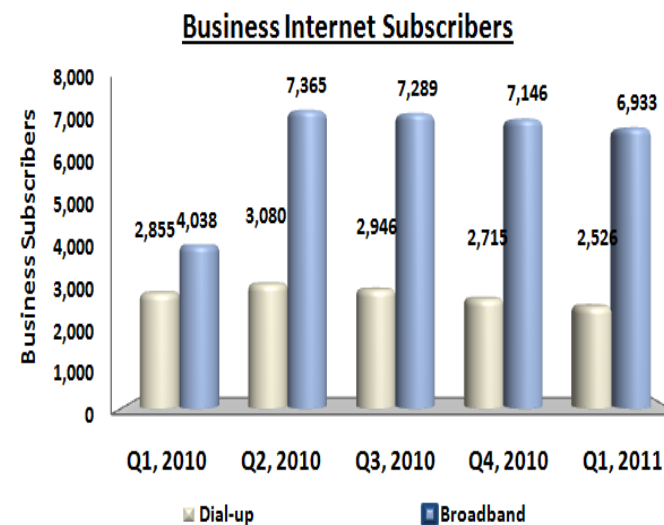
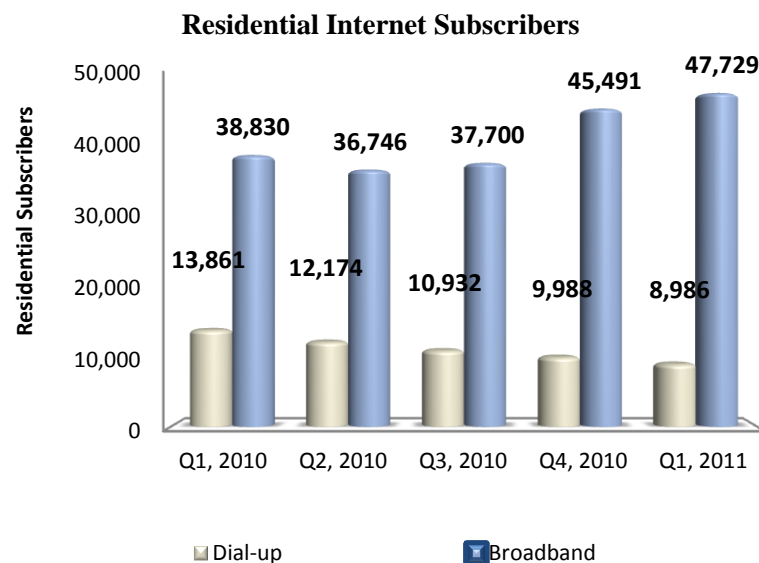
Estimated Internet Users (Fixed Internet Users + Mobile Internet Users)



- In first quarter 2011 it recorded 1.72 Million users with an increase of 2.87% over the previous quarter.
- Estimated internet users penetration rate increased to 64% from 62% of 4Q, 2010.
- The Fixed estimated internet users are calculated using the 5.8 multiplier of the average household size eligible for internet use in Oman which includes population of the age of 5 years and above.

Residential Vs Business Internet Subscribers

Type of Service		As of Mar 2011	As of Dec 2010	% Change
Resident & Business Internet Subscribers				
1. Dial Up	1.1 Residential	8,986	9,988	-10.03%
	1.2 Business / Government	2,526	2,715	-6.96%
Total Dial up Telephone Lines in Operation (1.1-1.2)		11,512	12,703	-9.38%
2. Broadband	2.1 Residential	47,729	45,491	4.92%
	2.2 Business / Government	6,933	7,146	-2.98%
Total Dial up Telephone Lines in Operation (2.1-2.2)		54,662	52,637	3.85%
GRAND TOTAL (1 + 2)		66,174	65,340	1.28%

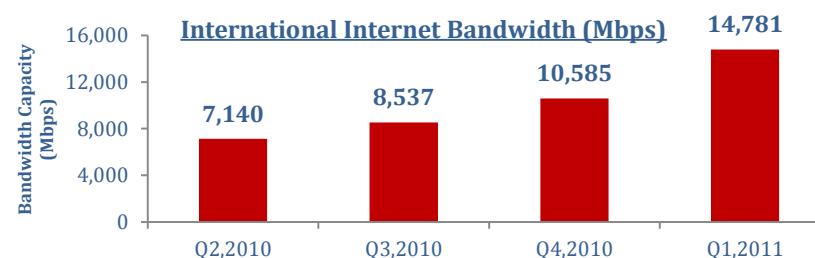


Internet Bandwidth

Type of Service	As of Mar 2011	As of Dec 2010	% Change
Internet Bandwidth			
1. International Internet Bandwidth (Mbps) - Capacity	14,781	10,585	40.32%
2. International Internet Bandwidth (Mbps) - % Utilized (Incoming)	50.18%	51.6%	-2.75%
3. International Internet Bandwidth (Mbps) - % Utilized (outgoing)	7.33%	6.3%	16.35%

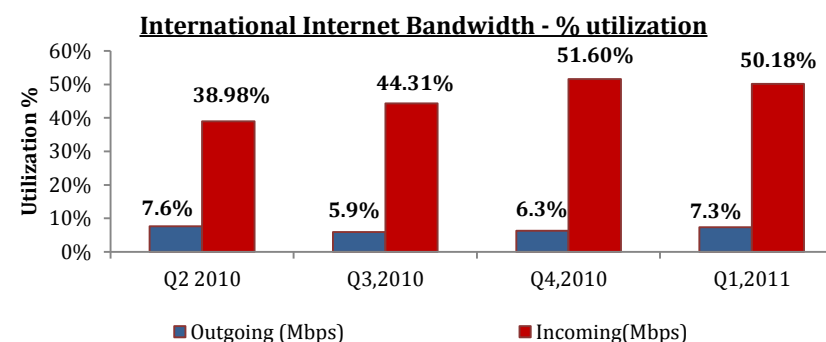
International Internet Bandwidth

- The first quarter 2011 recorded 14,781 Mbps as total of international internet bandwidth capacity in the market. An increase of 40.28% over the previous quarter.



International Internet Bandwidth - % utilization

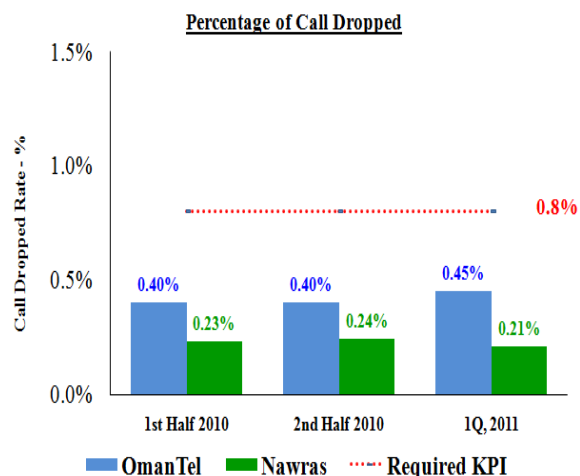
- Out of 14,781 Mbps capacity, on an average 7.33% has been utilized for the outgoing and 50.18% for the incoming.



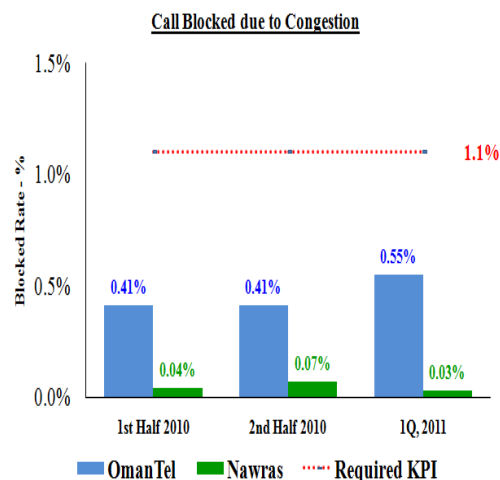
Quality of Service

KPI	Required KPI	1st Quarter 2011		2nd Half of 2010	
		Oman Mobile	Nawras	Oman Mobile	Nawras
Quality of Service					
1. Percentage of Calls Dropped	Less than 0.8%	0.45%	0.21%	0.40%	0.24%
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.55%	0.03%	0.41%	0.07%
3. Percentage of billing complaints resolved within 20 working days	More than 96%	100%	100%	100%	100%

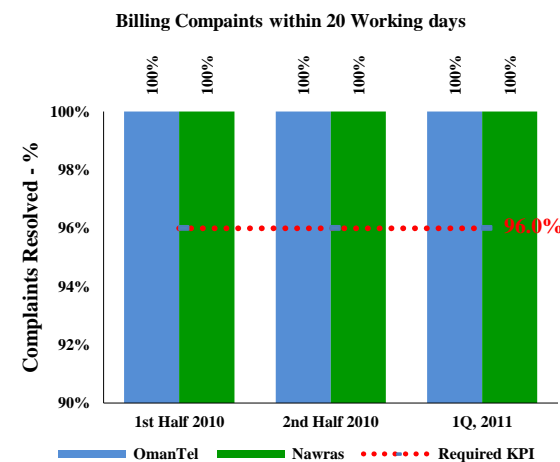
Percentage of Call Dropped



Call Blocked due to Congestion



Billing Complaints

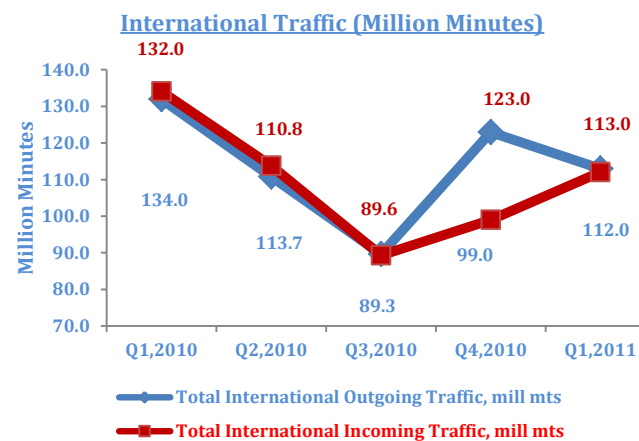


Traffic

Type of Service	As of Mar 2011	As of Dec 2010	% Change
Traffic:			
1. International outgoing Telephone (minutes) -In Millions	113	123	-9.5%
2. International Incoming Telephone (minutes) -In Millions	112	99	13.4%
3. Total Mobile SMS Sent - In Millions	1,417	1,420	-0.16%
4. Total Mobile MMS Sent - In Millions	8	7	19.73%

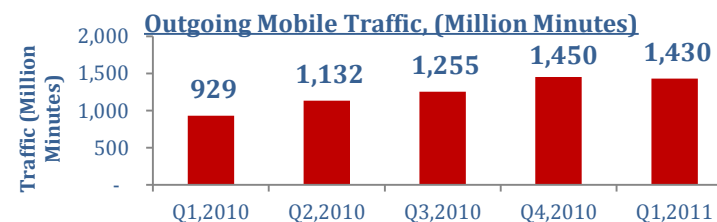
International Traffic for Voice(Million Minutes): Outgoing & Incoming

- As March 2011, outgoing International Traffic experienced a decrease of 9.5% while the incoming international traffic experienced an increase of 13.4% over previous quarters.



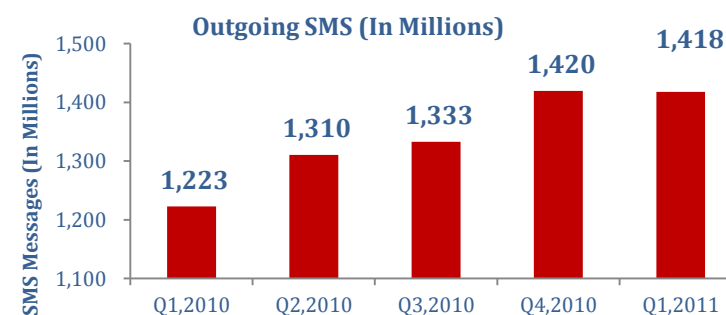
Outgoing Mobile Traffic (Minutes)

- The total originated mobile traffic reached 1,430 million minutes during this quarter. This has decreased by 1.4% compared to the previous quarter.



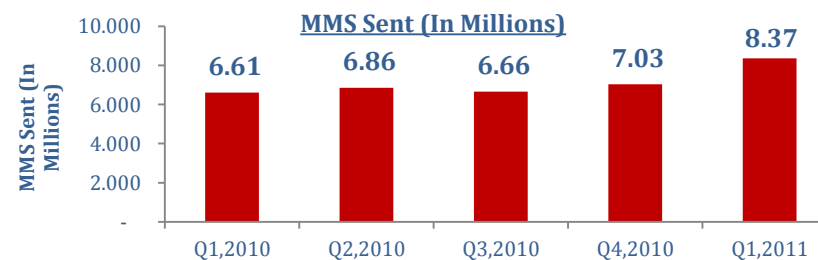
SMS (Sent) – In Millions

- By end of first quarter 2011, the total volume of originated messages decrease from 1,420 million to 1,417 million SMS, which is 0.16% lower compared to December 2011.



Mobile MMS (Sent) – On Millions

- By end of first quarter 2011, the total volume of originated MMS increased from 7.030 million to 8.369 million, which is 19.73% higher compared to December 2010.



Type Approval

Type Approval

During the 1st quarter 2011, TRA :

- Approved a total number of 290 Telecom Equipments
- Renewed 65 registrations of Telecom Dealers and registered 122 new dealers
- Issued 197 Releases from Customs for Imported Telecom equipments
- Inspected 23 Violations (Breakdown by Type indicated in the graph).

