



Quarterly Report on Telecom Sector Indicators

Q2, 2016

Competition and Tariffs Unit

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➤ Introduction

We are pleased to present Q2 2016 Report for the Indicators of Telecom Sector of Oman. The TRA has been compiling and publishing this information on quarterly basis to provide market intelligence 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 reports are being 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 users of these reports are welcome for improvement of the contents and structure of the reports.

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

➤ **Disclaimer**

The TRA tries its best to ensure accuracy of the information provided in this report. However, The users of any information contained in this report are advised to perform their own due-diligence to assess accuracy and relevance of the information and use it at their own risk and responsibility. Since the data is provided by the licensees, the TRA cannot assume responsibility for any loss, damage, and cost or expense whether direct, indirect, or consequential, suffered by any person using or relying on this information whether caused by reason of any inaccuracy, error, omission or misinterpretation.

Major Market Observations

Q2, 2016

- The population reached to 4,413,309 inhabitants by June 2016.
- The total No. of households was 575,000 by end of 2015 as per the NCSI estimation.

The penetration of different services stood at the following levels at the end of the Q2/2016:

- Fixed line 10.2% of inhabitants
- Mobile subscriptions 151% of inhabitants
- Fixed Internet 45.85% of households.

The Active Mobile Broadband Subscribers' Penetration reached to 79.8% of inhabitants by the end of Q2/2016 with total active subscribers reaching 3,493,794 .

The Blackberry Subscribers represent 0.5% of the total Mobile Subscribers base at the end of Q2/2016.

During the Q2/2016, the TRA received and approved:

- 13 new and revised Tariff Plans.
- 32 promotional tariff offers

TRA type approved 357 telecom equipments, and issued 23 authorizations to import. In addition, TRA Issued 457 releases to customs for importing telecom equipments during Q2/2016.

TRA carried out 157 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q2, 2016

Indicator	Fixed Telephony Service (other than Fixed Internet)	Fixed Internet Service	Mobile Service
Subscribers	450,936	263,640	6,657,575
Penetration rate¹	78% of household	45.85% of household	151% of inhabitant
Revenue (Mln.RO)	38.530	24.496	149.973
International Outgoing Voice Minutes, (million)	6.644	NA	271.204
ARPU, (RO)²	4.67	30.97	7.51
Service Providers³	Omantel, Ooredoo, Teo	Omantel, Ooredoo	Oman Mobile, Ooredoo, Friendi, Renna, Teo

¹Note: The Q2/2016 penetration rates are calculated based on the population (4,413,309), as per the latest bulletin published by NCSI – March 2016. Households: 575,000 (as per the NCSI estimation for year 2015).

²The Fixed ARPU is based on revenue for the fixed telephone lines (post-paid and prepaid).

³Awaser has started its commercial operations. However, this report does not capture any statistics & details of Awaser.

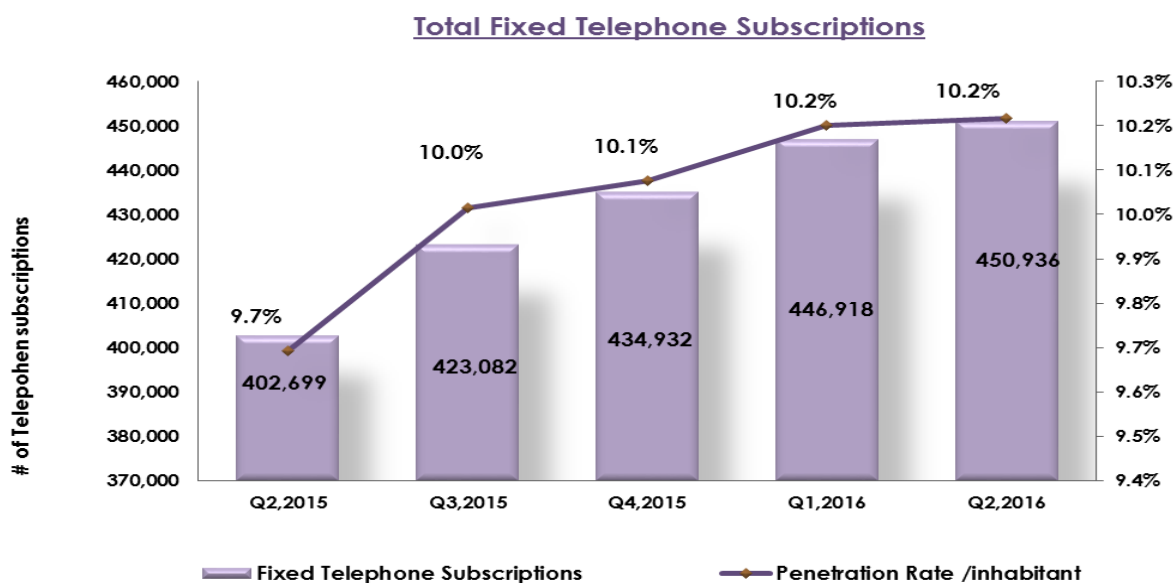
⁴Household is NCSI estimation for the year 2015.

	Q2/2016	Q1/2016	% Change
Population	4,413,309	4,379,105	0.78
Households⁴	575,000	575,000	-

Fixed Telephone Service

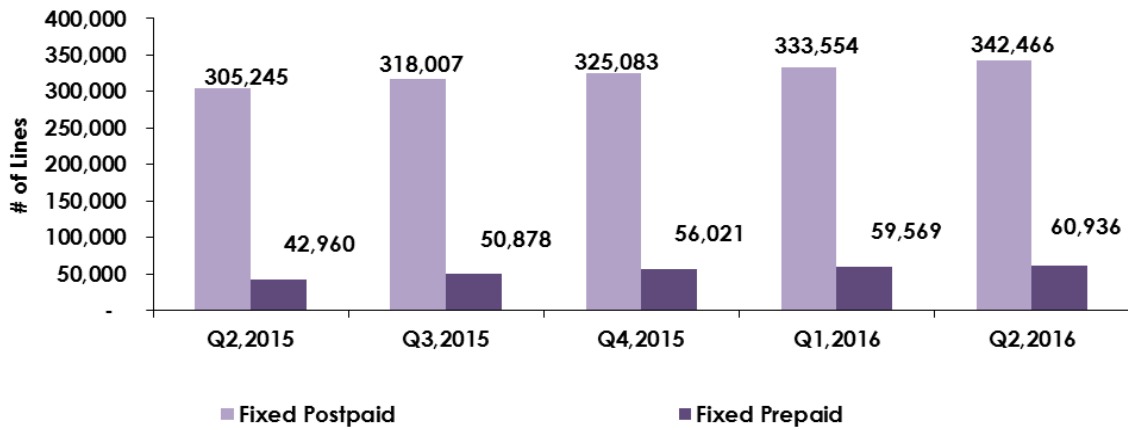
Type of Service	Q2/2016	Q1/2016	% Change
Fixed Telephone Lines:			
1.1 Post Paid	342,466	333,554	2.67%
1.2 Pre-Paid	60,936	59,569	2.2%
1.3 Public Telephone – Payphone	6,801	6,801	0.00
1.4 ISDN Equivalent Channels	39,150	45,244	-0.13%
1.5 WLL Connections	1,497	1,750	-14.4%
Total Fixed Telephone Lines in Operation (1.1-1.5)	450,936	446,918	0.89%
Fixed Line Penetration /100 Inhabitant	10.2%	10.2%	0.0%
Fixed Line Penetration /100 household	78%	77.7%	0.3%

- Note: The Q2/2016 penetration rates are calculated based on the population (4,413,309), as per the latest bulletin published by NCSI – June 2016.
- Households: 575,000 (as per the NCSI estimation for year 2015).



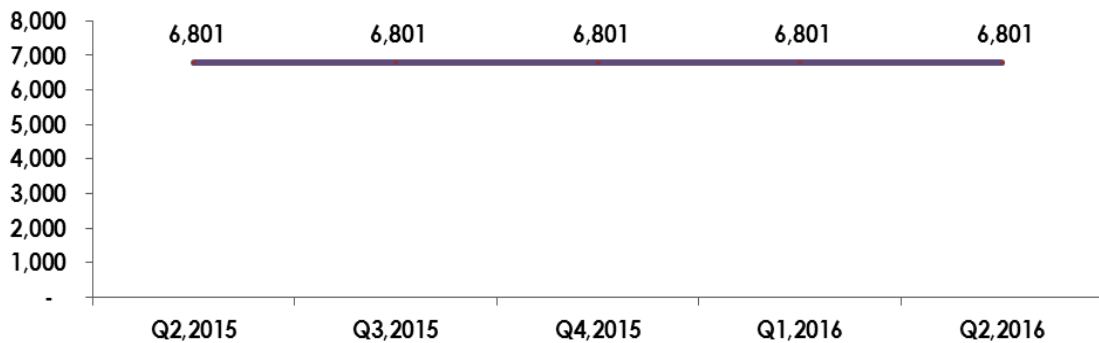
- Second Quarter 2016 achieved 450,936 fixed line subscribers with an increase of 4,018 lines as compared to the previous quarter (Q1/2016).
- The penetration rate per inhabitant of the fixed line subscribers stayed constant as the previous quarter at 10.2%.
- However, the penetration rate per household increased by 0.3% during the second quarter from 77.7% to 78 %.

Fixed Telephones Post paid & Pre paid



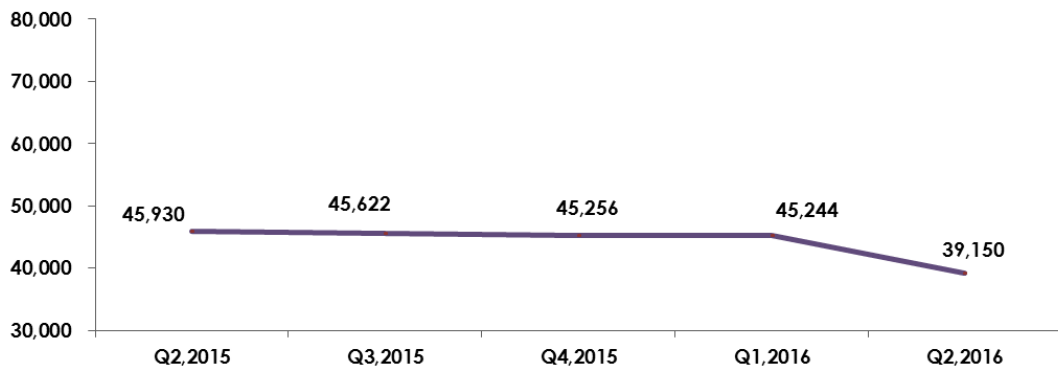
Both the fixed postpaid and pre-paid subscriptions grew during the second quarter 2016 by 2.62%, and 2.2% respectively.

Pay Phones



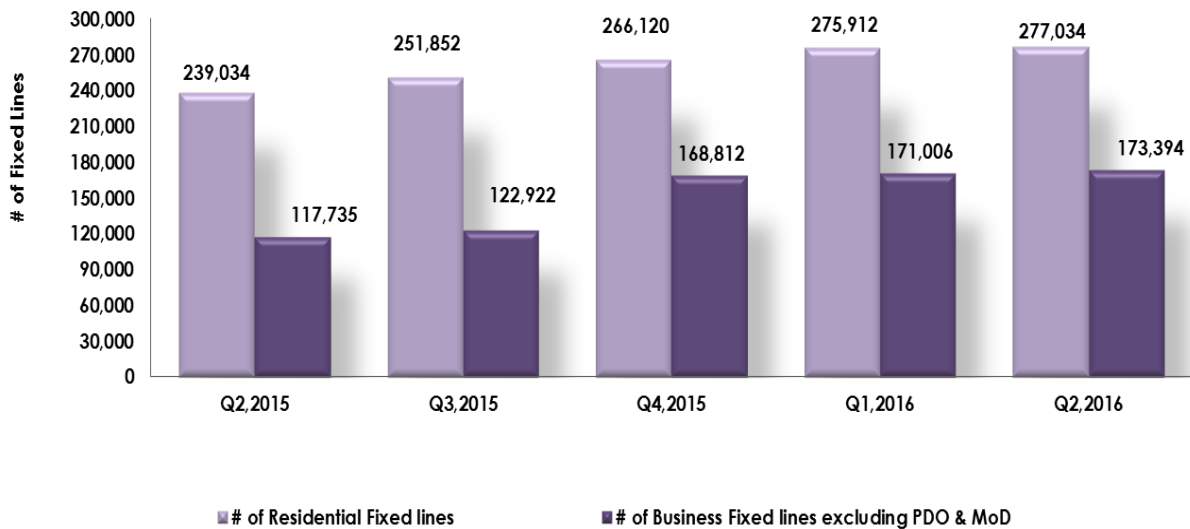
Public payphones remained unchanged since last year with the total of 6,801 pay phones in service.

ISDN Equivalent Channels



During the second quarter 2016, the ISDN equivalent channels declined by 13.46% reaching 39,150 channels. This change was due to recalculation of lines as per ITU Definition.

Residential Vs Business Fixed Line Subscribers



Both residential fixed line subscribers and business subscribers grew by 0.40% and 1.39% respectively during the second quarter 2016.

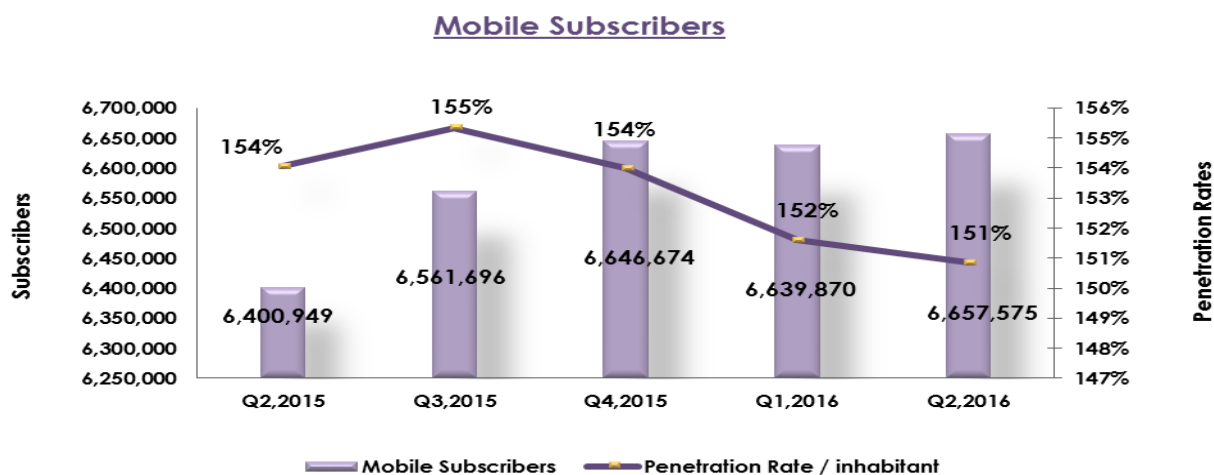
The split between fixed residential and business lines stood at 62% and 38% respectively in Q2/2016.

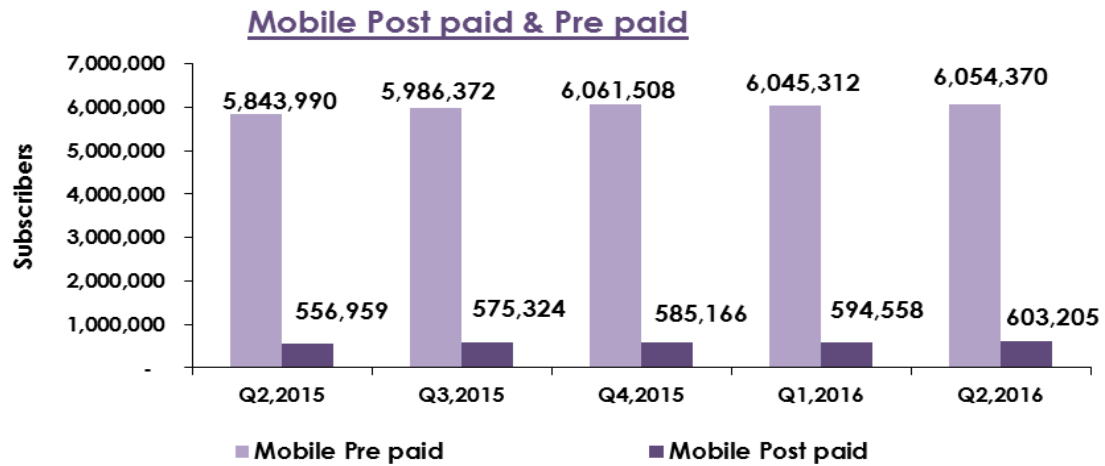
Mobile Service

Mobile Subscribers	Q2/2016	Q1, 2016	% change
1 Post Paid			
1.1 Operators	603,205	594,558	1.45%
Total Postpaid Subscribers	603,205	594,558	1.45%
2 prepaid			
2.1 Operators	4,979,319	5,003,363	-0.48%
2.2 Resellers	1,074,955	1,041,949	3.16%
Total Prepaid Subscribers	6,054,370	6,045,312	0.15%
Total Mobile Subscribers: (2.1+2.2)	6,657,575	6,639,870	0.26%
Mobile Penetration/100 Inhabitant	151%	152%	-1%
BlackBerry Subscriptions:			
3.1 Post Paid	4,294	4,780	-10.2%
3.2 Pre-Paid	31,945	31,606	1.07%
Total BlackBerry Subscribers (3.1+3.2)	36,239	36,386	-0.40%
% of BlackBerry Mobile Subscribers of total Base in Oman	%0.5	%0.5	0%

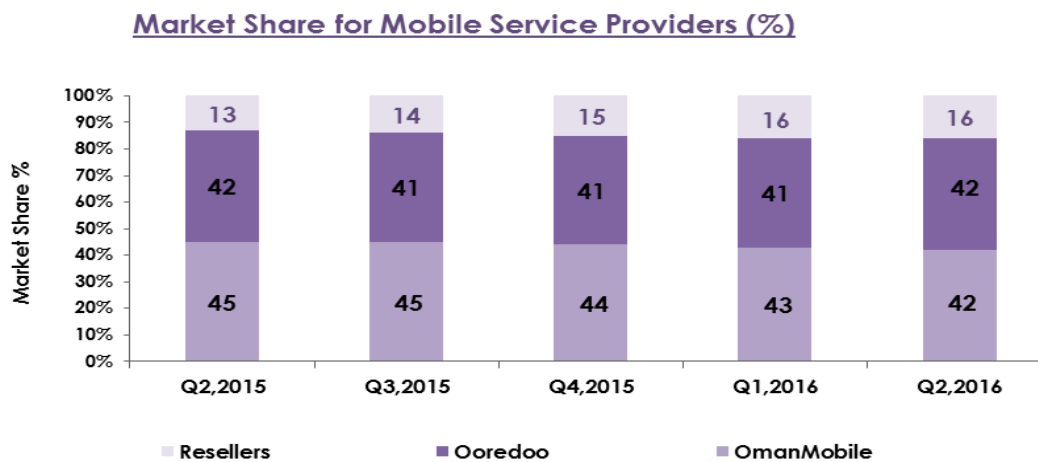
- Note: The Q2/2016 penetration rates are calculated based on the population (4,413,309), as per the latest bulletin published by NCSI – June 2016.

- The mobile subscribers increased slightly by 0.26% during the second quarter 2016 achieving a total of 6,657,575 subscribers.
- The mobile penetration declined by 1% during the second quarter 2016 due to change in the population figure.





- Post-paid mobile subscribers reached 603,205 with 1.45% growth over the previous quarter.
- Prepaid mobile subscribers increased by 0.15% reaching to 6,045,312 subscribers.



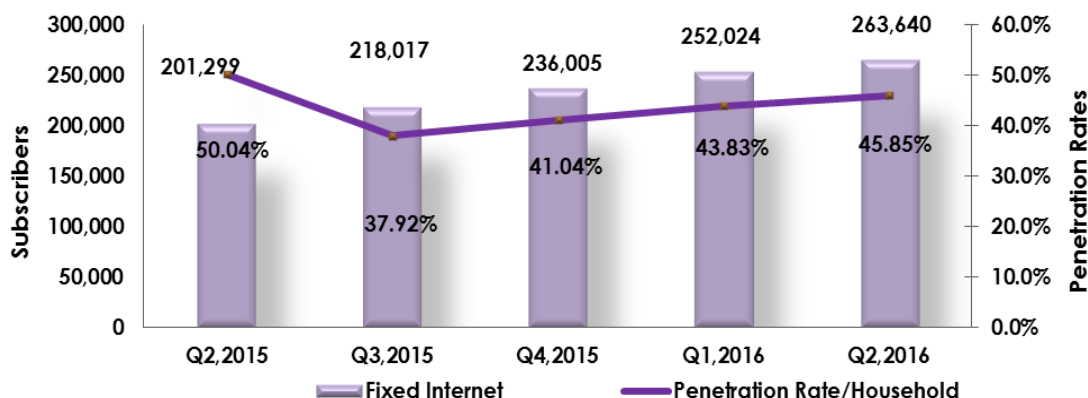
- During the second quarter 2016, Omantel mobile and Ooredoo attained the same percentage of market share, 42% the Resellers reached 16% market share similar to the previous quarter 2016.

Internet Services

Type of Service	Q2/2016	Q1,2016	% change
Dial Up Subscribers			
1.1 Post Paid	2,626	2,672	-1.72%
1.2 Pre-Paid	11	0	-
1. Total Dial-Up Subscribers: (1.1+1.2)	2,637	2,672	-1.3%
Fixed Broadband Subscribers			
2. Total Fixed Broadband Subscribers	261,003	249,352	4.7%
Total Fixed Internet Subscribers (1+2)	263,640	252,024	4.6%
Fixed Internet Penetration /100 Household	45.85%	43.83%	2.02%
Fixed Broadband Subscribers Penetration/100 Household	45.39%	43.37%	.202%
Active Mobile Broadband Subscribers			
3.1 Dedicated mobile-broadband Subscribers	2,252,074	2,261,329	-0.40%
3.2 Standard mobile-broadband Subscribers	1,241,720	1,116,584	11.2%
Total Active Mobile Broadband Subscribers (3.1+3.2)	3,493,794	3,377,913	.34%
Active Mobile Broadband Penetration Rate /100 Inhabitant	79.8%	77.1%	2.1%

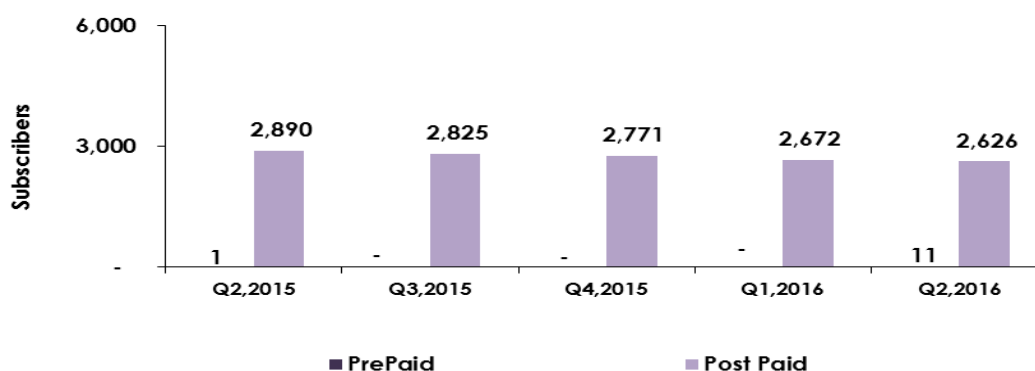
- Note: The Q2/2016 penetration rates are calculated based on the population (4,413,309), as per the latest bulletin published by NCSI – June 2016.
- Households: 575,000 (as per the NCSI estimation for year 2015).

Fixed Internet Subscribers (Dialup+Fixed Broadband)

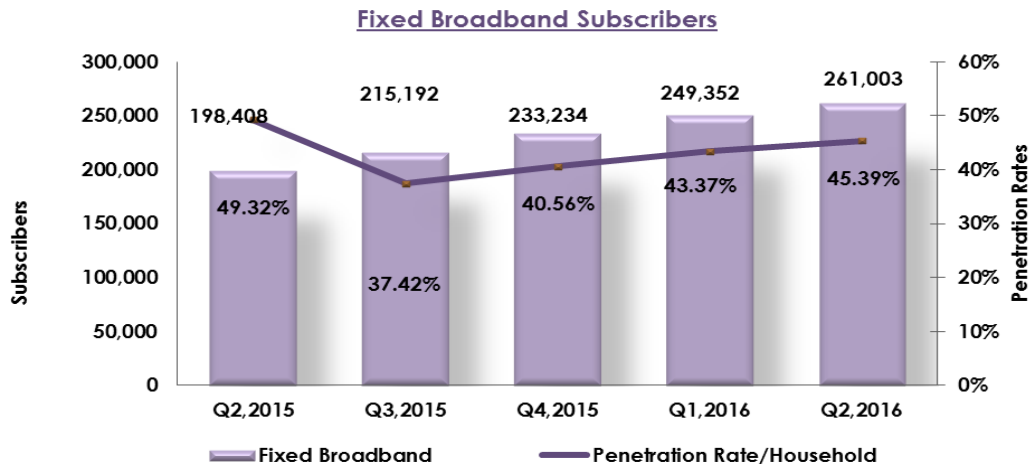


- The fixed internet subscribers were added up by 11,616 subscribers during the second quarter 2016 reaching a total of 263,640 subscribers. This showed 4.6% growth over the previous quarter.
- During the reported quarter, the fixed internet penetration rate per household reached 45.83 % which is 2.02% higher than the previous quarter.

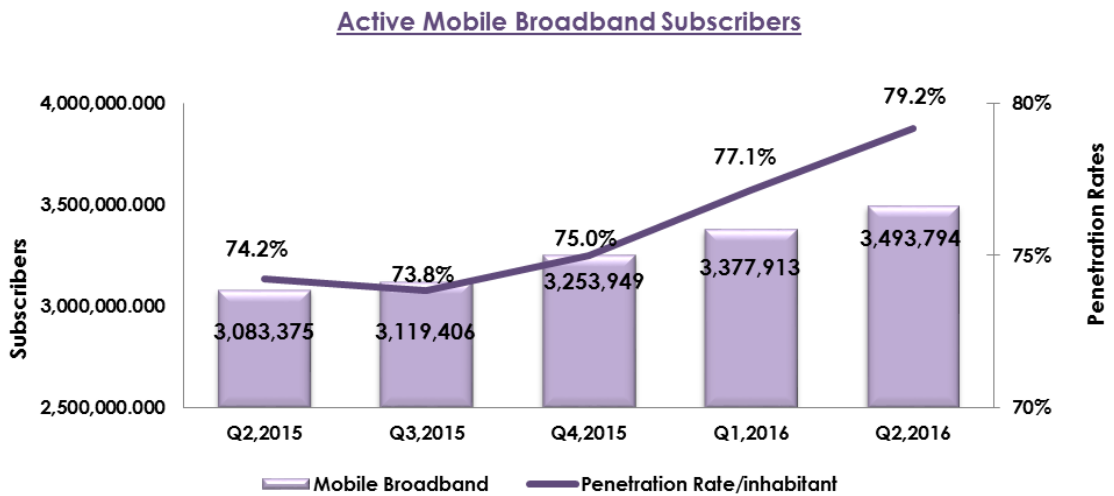
Internet Dial-up Subscribers (Prepaid & Postpaid)



- Since the last year, dial up postpaid internet subscribers have been gradually shrinking reaching to 2,626 subscribers by end of Q2, 2016.
- During the second quarter, number of internet prepaid subscribers registered to 11 compare to the last three quarters when there was no subscribers recorded in this category.

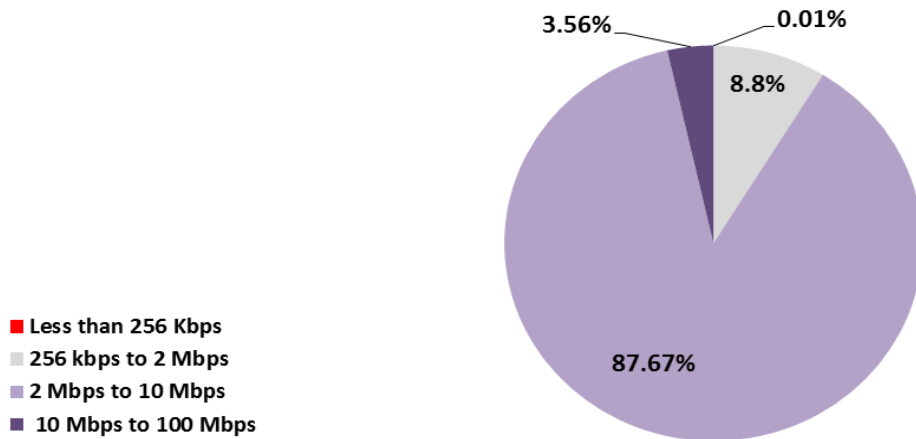


- During the second quarter 2016, fixed broadband segment has experienced 4.7% growth over the previous quarter. Fixed Broadband subscription reached 261,003 subscribers with penetration rate of 45.39% per household.



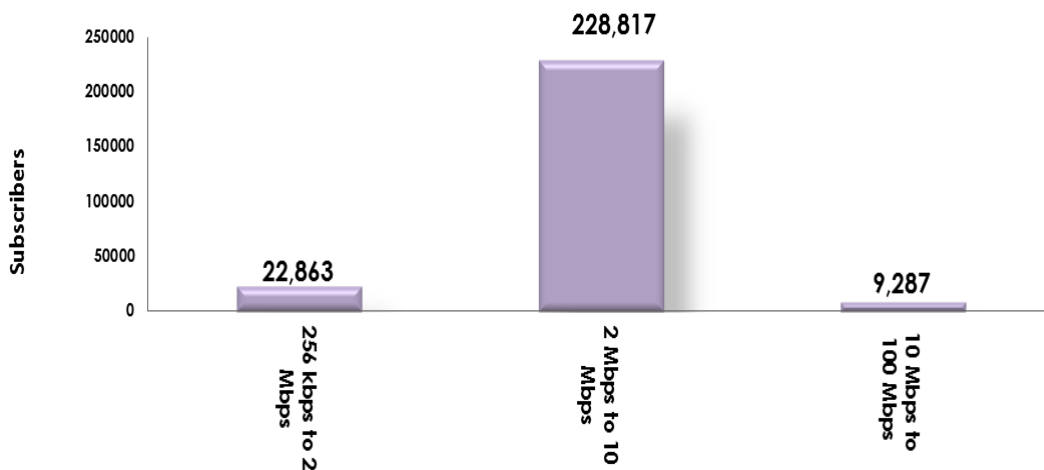
- During the second quarter 2016, total active mobile broadband subscribers rose by 3.4% to 3,493,794 from 3,377,913. Also, the penetration rate increased by 2.1% from 77.1% to 79.8% per inhabitant.

Fixed Broadband by Speed, Q2/2016

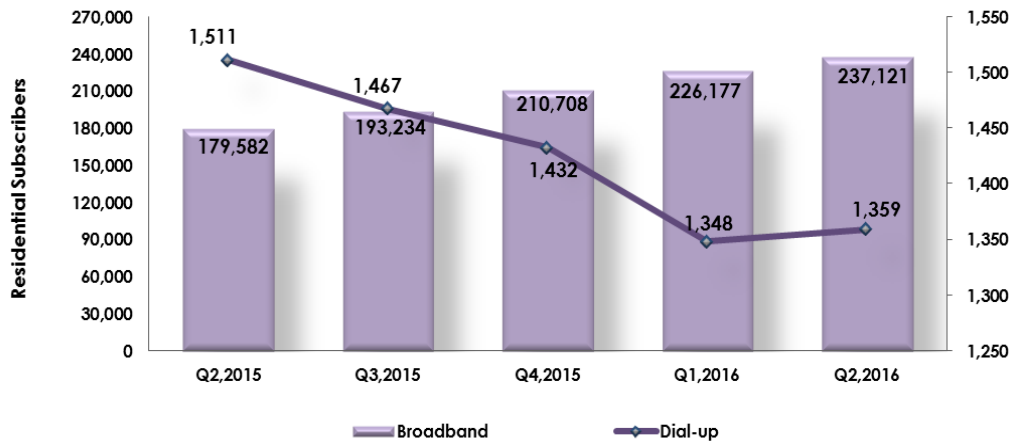


- 0.01% of fixed Broadband subscribers during Q2, 2016 had access speed of less than 256 Kbps.
- 8.8% of fixed Broadband subscribers during Q2, 2016 had access speed of 256 Kbps to 2 Mbps.
- 87.67 of fixed Broadband subscribers during Q2, 2016 had access speed of 2 Mbps to 10 Mbps.
- 3.56% of fixed Broadband subscribers during Q2, 2016 had access speed of 10 Mbps to 100 Mbps.

Fixed Broadband Subscribers by Internet Speed, (Q2/2016)



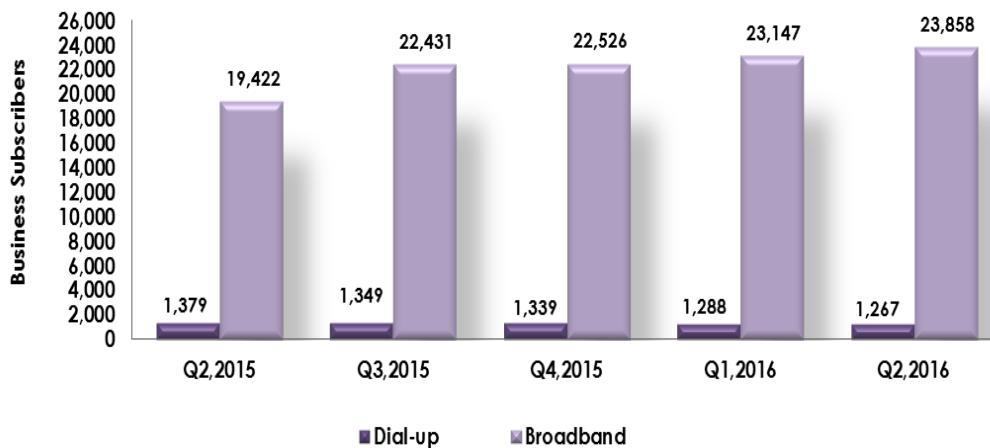
Residential Internet Subscribers



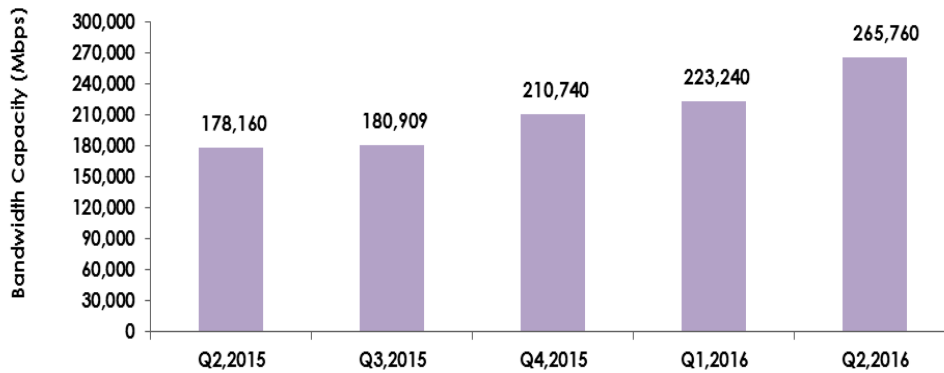
- The residential broadband subscribers in the above chart registered a growth of 4.8% during the second quarter 2016, also the residential dial up subscribers increased by 0.81% over the second quarter 2016.

- The below chart presents an increase of 3.07% in the business broadband segment, while 1.6% drop in the dial up internet subscribers.

Business Internet Subscribers

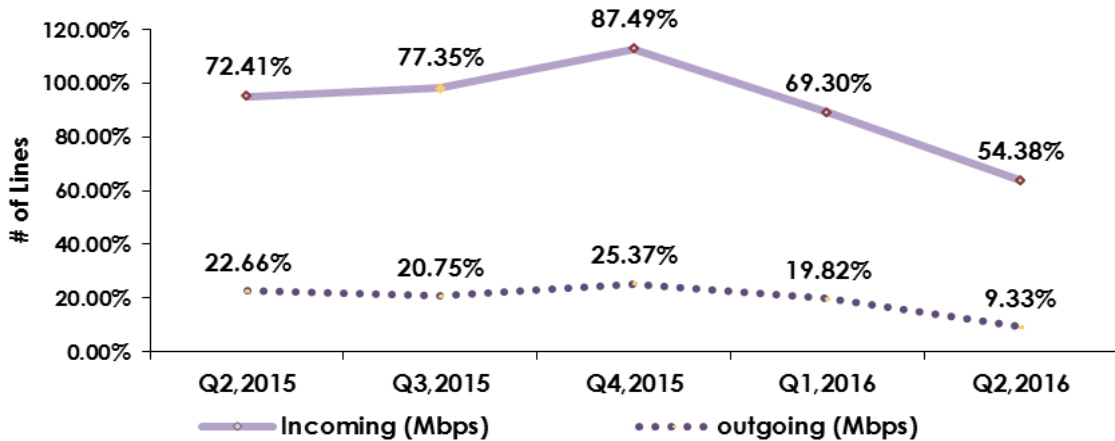


International Internet Bandwidth (Mbps)



- During the second quarter 2016, the operators had 265,760 Mbps capacity for international internet bandwidth as compared to the previous quarter when it was 223,240 Mbps.

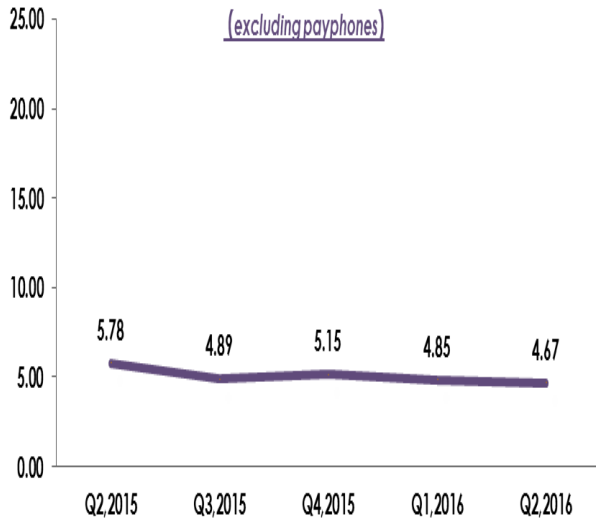
International Internet Bandwidth - % Utilization



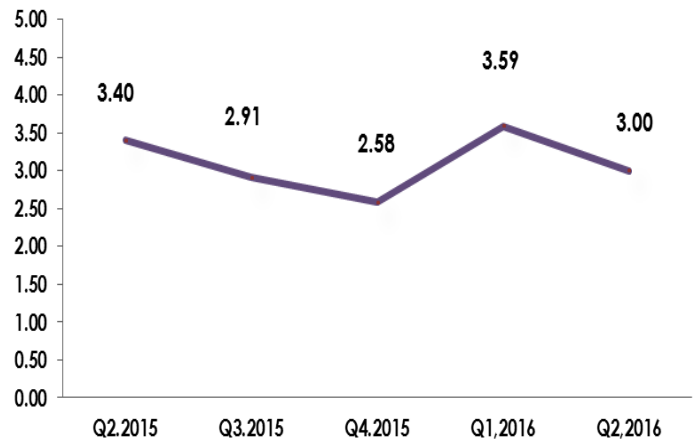
- Out of 265760 Mbps capacity, on average 9.33% was utilized for the outgoing and 54.38% for the incoming traffic.

ARPU

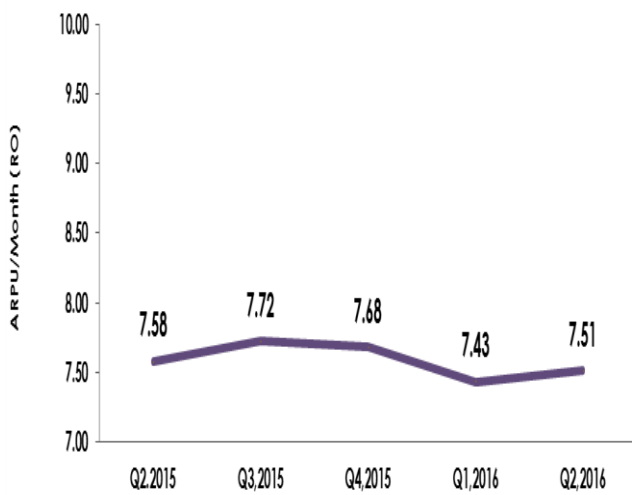
Fixed Telephone ARPU /Month (OR)
(excluding payphones)



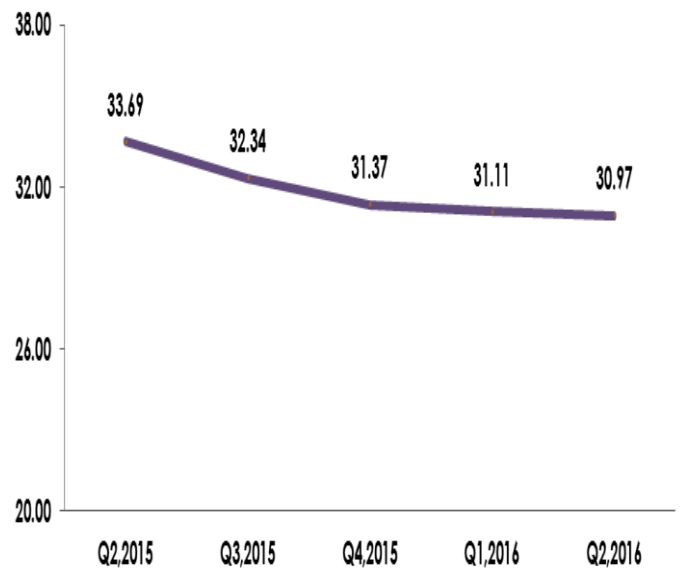
Payphone ARPU / Month (RO)



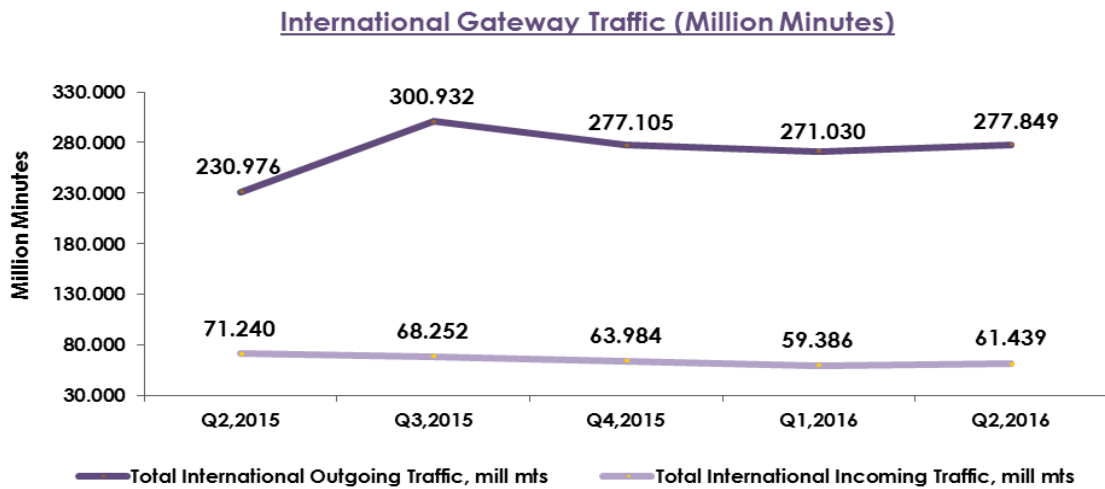
Total Mobile ARPU / Month



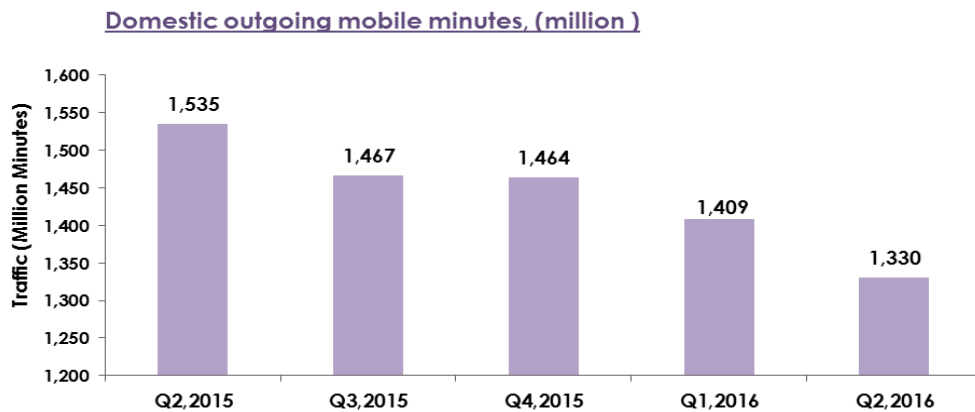
Fixed Internet ARPU/month (OR)



Traffic

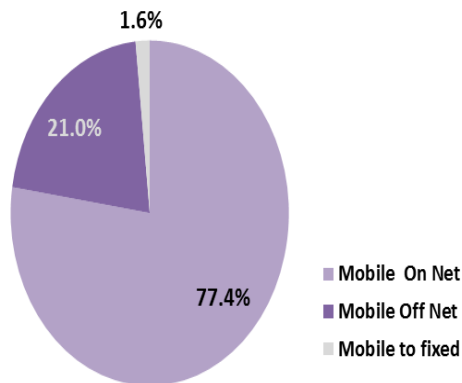


- The second quarter 2016 experienced increase in the international traffic. The international outgoing traffic increased by 2.5%, similarly the incoming traffic increased by 3.5% during the second quarter against the first quarter 2016.



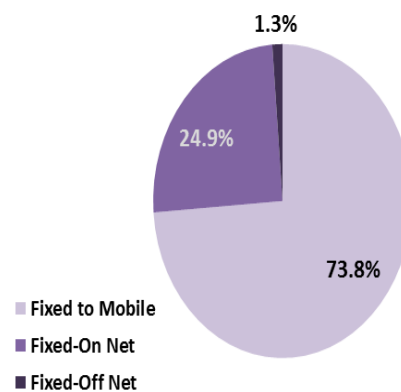
- During the second quarter 2016, the domestic outgoing mobile declined by 5.6% to 1,330 million minutes from the 1,409 million minutes.

% Distribution of domestic outgoing mobile minutes, Q2/2016



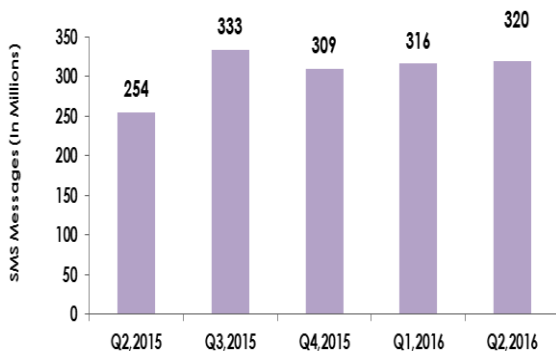
By the end of the second quarter 2016, mobile to mobile (On net) traffic has the major share of the 77.4% out of the total domestic outgoing traffic. While the Off net mobile domestic traffic has 21.0%, and mobile to fixed represents 1.6% of the mobile domestic traffic.

% Distribution of domestic outgoing fixed minutes, Q2/2016



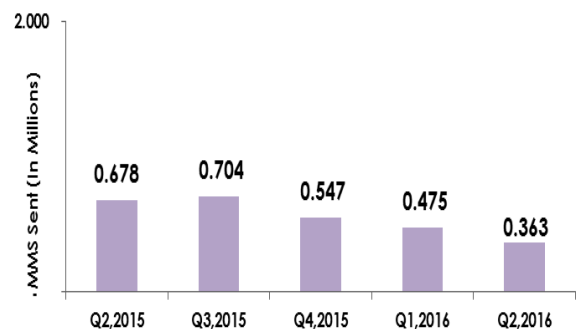
During the second quarter 2016, the domestic outgoing fixed traffic achieved 73.8% share for fixed to mobile, 24.9% for fixed to fixed (On-net), and 1.3% for fixed to fixed (Off-net) traffic.

SMS Sent (In Millions), Q2/2016



Total outgoing SMS decreased to reach 320 million messages by the second quarter 2016 from 316 million messages in the first quarter, 2016.

MMS Sent (In Millions), Q2/2016



The number of outgoing MMS has been gradually decreasing since the last year. In the second quarter, it decreased from 0.475 to 0.363 million messages.

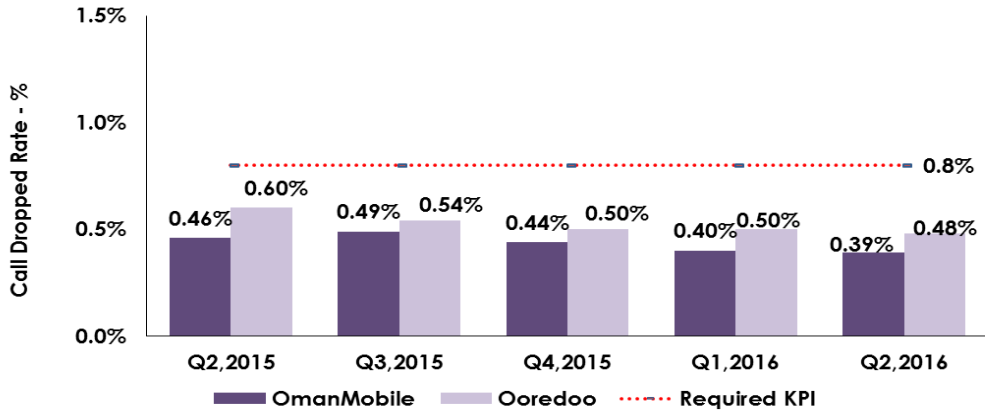
Quality of Service

Mobile Services KPIs*

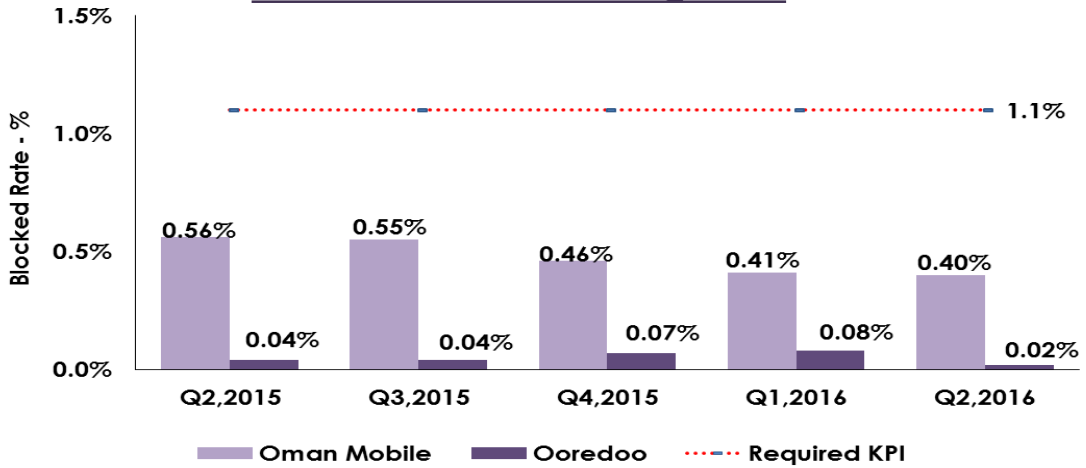
Mobile Services KPIs	Required KPI (Quarterly)	Q2/2016		Q1/2016	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.39	0.48	0.40	0.50
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.40	0.02	0.41	0.08
3. Percentage of billing complaints resolved within 20 working days	More than 96%	99.66	100	99.66	100

*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)

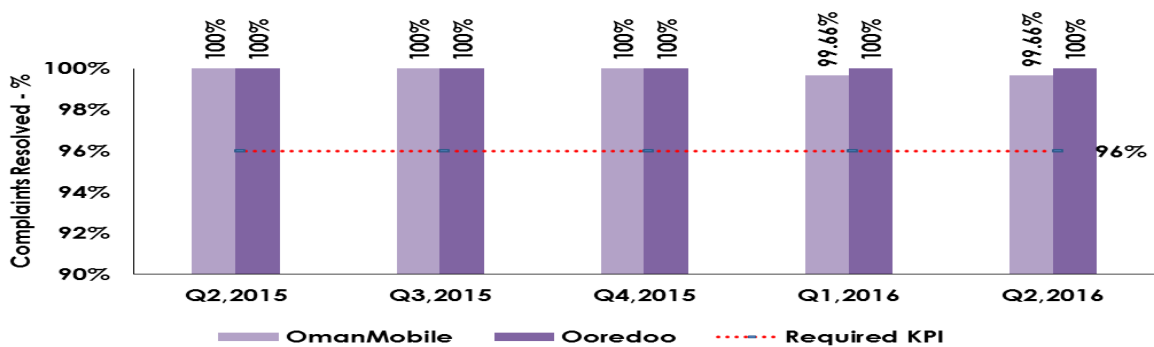
Percentage of Call Dropped



Call Blocked due to Congestion



Billing Complaints within 20 Working days

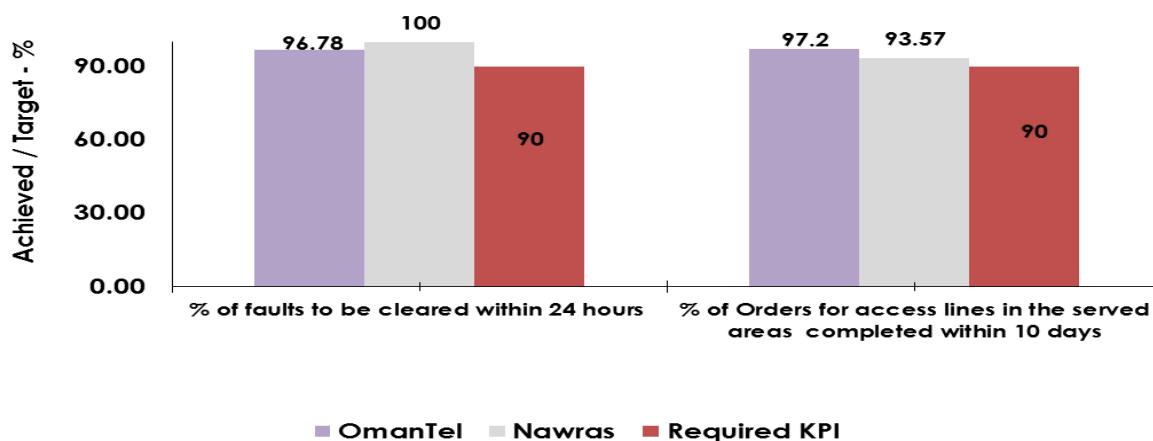


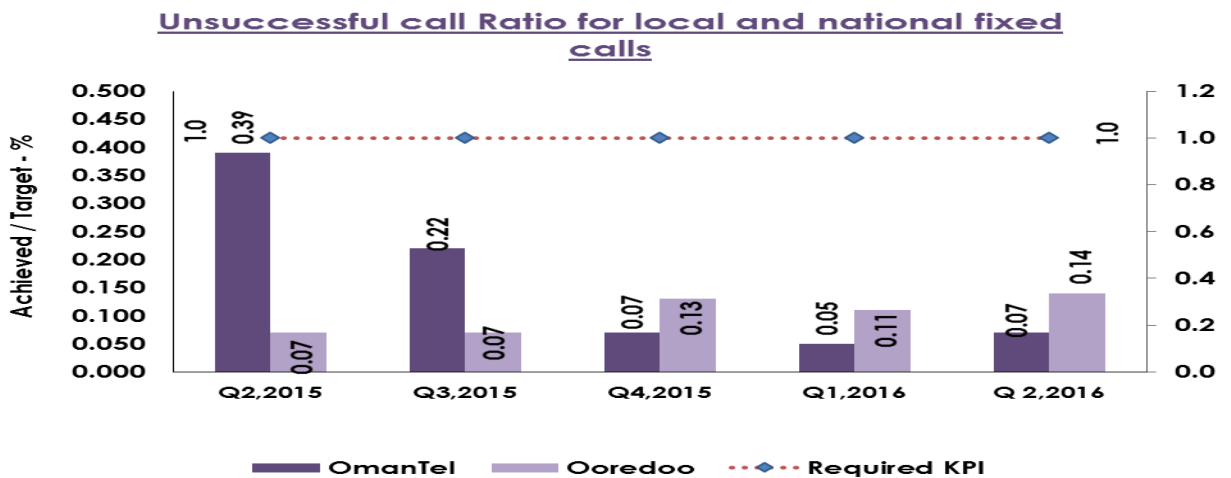
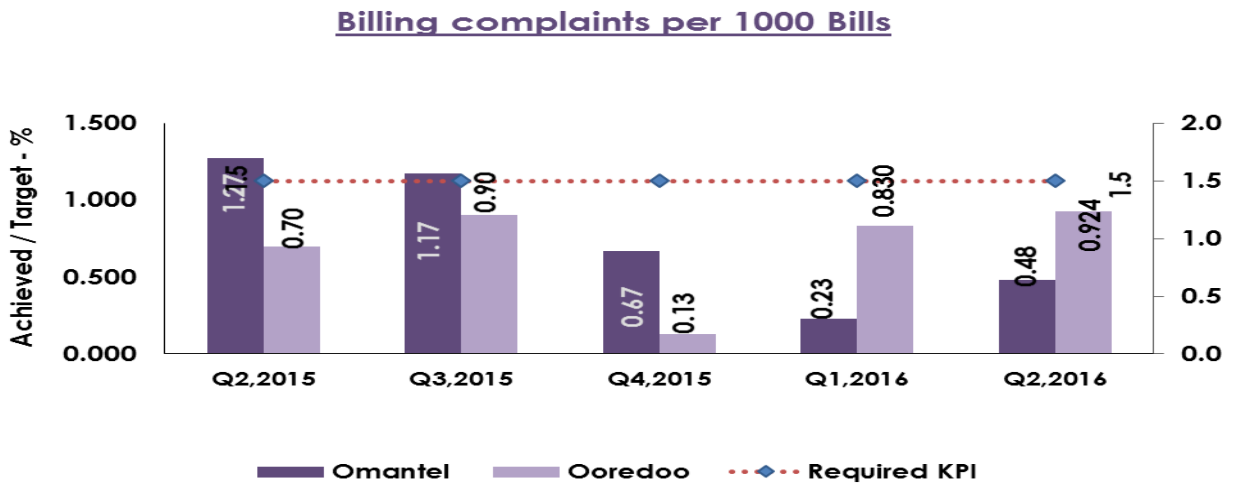
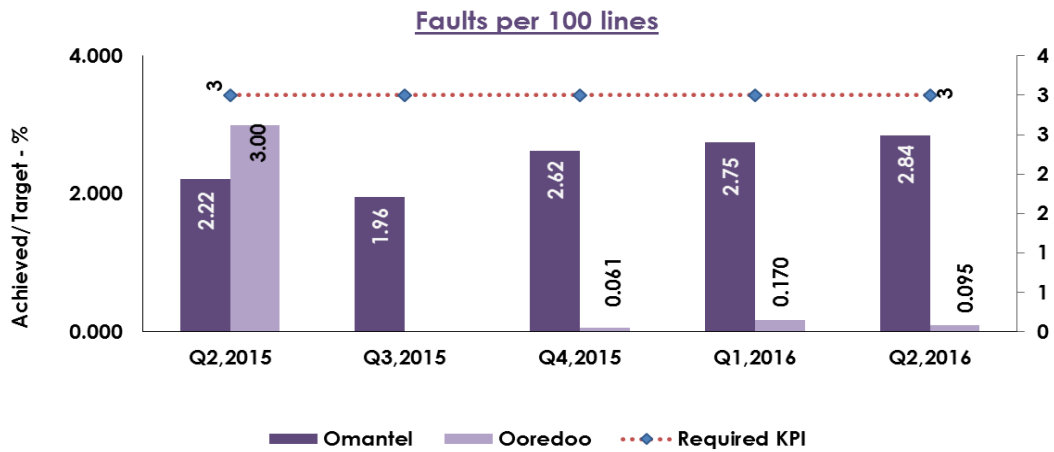
Fixed Services KPIs*

Fixed Services KPIs	Required KPI (Quarterly)	Q2/2016		Q1/2016	
		Omantel	Ooredoo	Omantel	Ooredoo
		%	%	%	%
1. Faults per 100 lines per quarter	Less than 3	2.84	0.095	2.75	0.17
2. % of faults to be cleared within 24 hours	More than 90%	96.78	100	96.96	100
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.07	0.04	0.05	0.11
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	97.2	93.57	97.98	99.85
5. Billing complaints per 1000 Bills	Less than 1.5	0.48	0.272	0.23	0.83
6. Percentage of billing complaints resolved within 20 working day	More than 96%			99.26	100

*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)

Fixed KPIs (Higher than RED bar is GOOD), Q2/2016



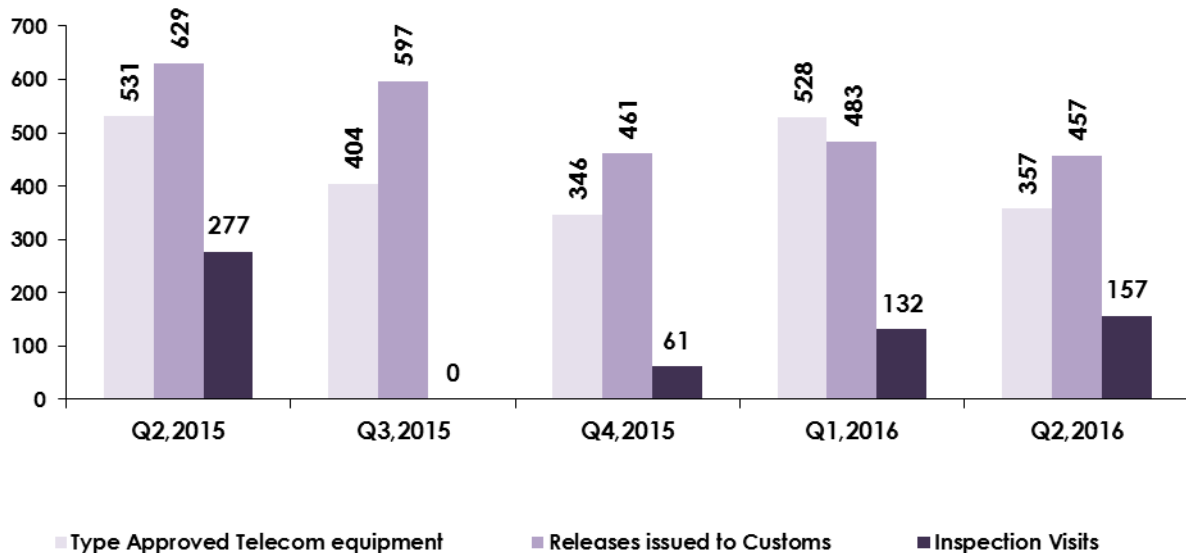


Type Approval

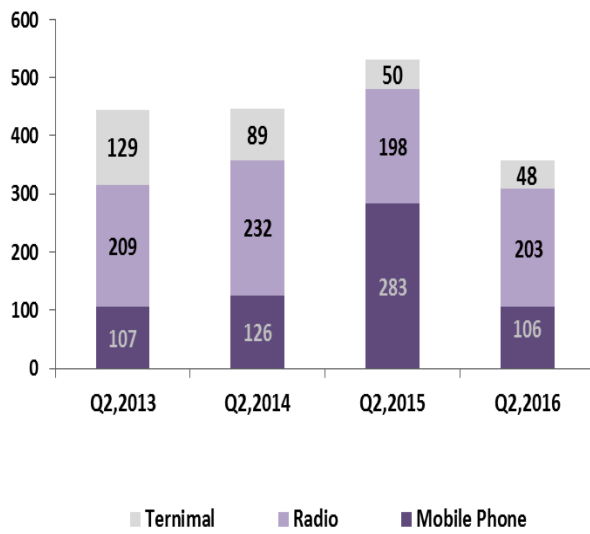
During the second Quarter 2016, TRA :

- Approved a total number of 357 (Previous Quarter 528) Telecom Equipment.
- Issued 457(Previous Quarter: 483) Releases to Customs for Import of Telecom equipment.
- Inspected 157 (Previous Quarter: 132) dealerships.

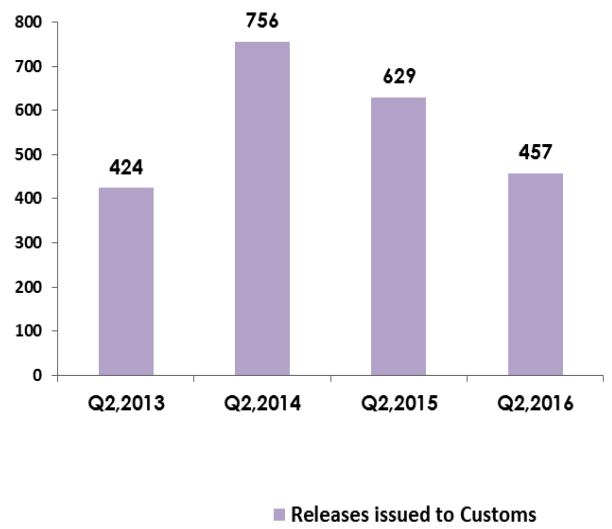
Type Approval



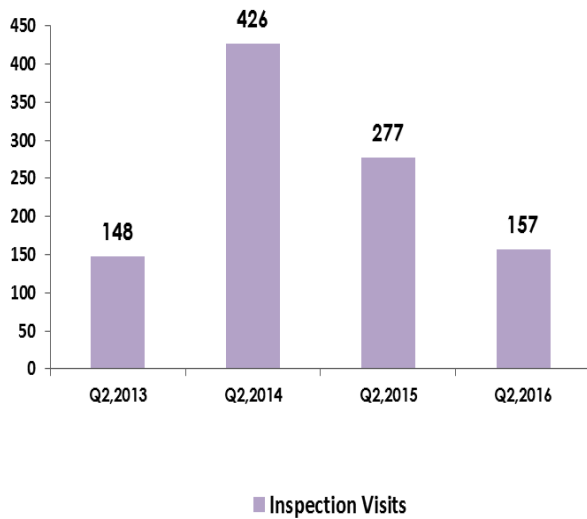
Telecom Equipments Approved



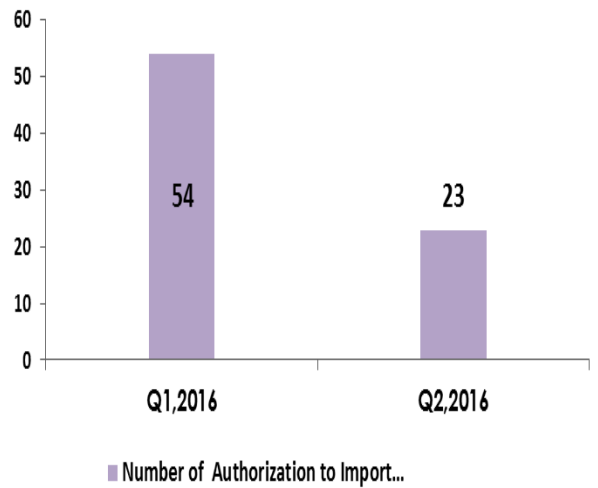
Releases issued to Customs



Inspection Visits



Number of Authorization to Import Issued



Tariffs & Promotions

Number of Promotions approved Q2, 2016															
Licensee	Voice National		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellaneous	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renna			1		1						1			3	7%
Friendi			4		3		3							10	22%
Teo														0	0%
Omantel			1		3	2	2		2	2	7		1	20	44%
Ooredoo			1		1	2	1			3	1		1	10	22%
Awaser						2								2	4%
Total	0	0	7	0	8	6	6	0	2	5	9	0	2	45	
	0.0%	0.0%	16.0%	0.0%	18%	13.3%	13.3%	0.0%	4.0%	11.1%	20.0%	0.0%	4.4%	100%	100%

Number of new services, Tariffs and Revisions approved Q2, 2016															
Licensee	Voice		Voice International		Data		New Connections/ Starter Pack		International Mobile Roaming	Value Added Services	Top-Up and Bundled services	Leased line/MPLS	Miscellaneous	Total	%
	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed	Mobile	Fixed							
Renna														0	0%
Friendi														0	0%
Teo										1				1	7%
Omantel									1	2		3	1	7	50%
Ooredoo									1	2			1	4	29%
Awaser						2								2	14%
Total	0	0	0	0	0	2	0	0	2	5	0	3	2	14	
	0%	0%	0%	0%	0%	14%	0%	0%	14%	36%	0%	21%	14%	100%	100%

Number of promotions/ new services and revisions segment wise

No. of Promotions	Mobile	Fixed	Mobile & Fixed	Total
	36	7	2	45
%	80%	16%	4%	100%
No. of new services and revisions	12	2		14
	86%	14%	0%	100%

No. of Promotions	Personal	Corporate	Personal & Corporate	Total
	38	2	5	45
%	84%	4%	11%	100%
No. of new services and revisions	5	4	5	14
	36%	29%	36%	100%

No. of Promotions	Prepaid	Postpaid	Prepaid & Postpaid	Total
	28	11	6	45
%	62%	24%	13%	100%
No. of new services and revisions	1	5	8	14
	7%	36%	57%	100%

Summary of Promotion's Statistics for Q2/2016:

- Promotions increased by 29% comparing with the same quarter last year 2015 from 35 to 45.
- Most of services and revisions approved dominated by Value Added Services 36%, Bundled Services 21%, and FBB 14%, International Mobile Roaming 14%.
- Resellers offered 29% of the total promotions approved this quarter.
- This period witnessed launching number of promotions on the occasion of COMEX event.

Summary of the Tariff Activities in Q2/2016:

The most services and revisions approved this quarter are as follows:

- 1- Omantel launched new revamped Mada plans marketed as Baqati.
- 2- Omantel`s Nama Corporate plans were revised.
- 3- Ooredoo introduced a new improved roaming- plan (Musafir) for roamers in UAE.
- 4- TRA approved a new FTTH plan having 1GB speed from Awasr.