



# Quarterly Report on Telecom Sector Indicators

**Q2, 2013**

**Competition and Tariffs Unit**

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## ➤ Introduction

We are pleased to present Telecom Sector Indicators Quarterly Report for the 2Q 2013. In its endeavors to provide latest market information of Telecom Sector to all interested parties including the investors, the TRA has been compiling and publishing basic statistics on quarterly basis. The Quarterlyreport provides a brief update on the status of major telecom services in the Sultanate of Oman. It covers fixed and mobile voice and data services.

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.


We will be happy to receive any comments and suggestions from the readers to improve the scope and contents of this report.

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## Major Market Observations




- Penetration of different services stood at the following levels at the end of the 2nd quarter:

- Fixed line 9.31 per 100 Inhabitant,
- Mobile subscriptions 149.66% of population
- Internet 34.59 per100 Households.



- The Active Mobile Broadband Subscribers' Penetration rate reached 57.27% by the end of second quarter 2013 with total active subscribers standing at 2,074,985.




- The Blackberry Subscribers represent 2.3% of the total Mobile Subscribers base at the end of Q2/2013 as compared to 2.6% of total mobile subscribers as at the end of preceding quarter.



- During the Second Quarter 2013, the TRA approved:

- Total of 41 promotional tariff offers.
- 12 Tariff Plans for Revisions.
- 13 New tariff plans.



- TRA approved 445 telecom equipments, renewed 90 registrations of telecom dealers and registered 97 new dealers. TRA Issued 424 releases to customs for importing telecom equipments during the Quarter.



- The TRA carried out 148 inspections to check compliance by dealers.

## Summary of Main Telecommunications Indicators

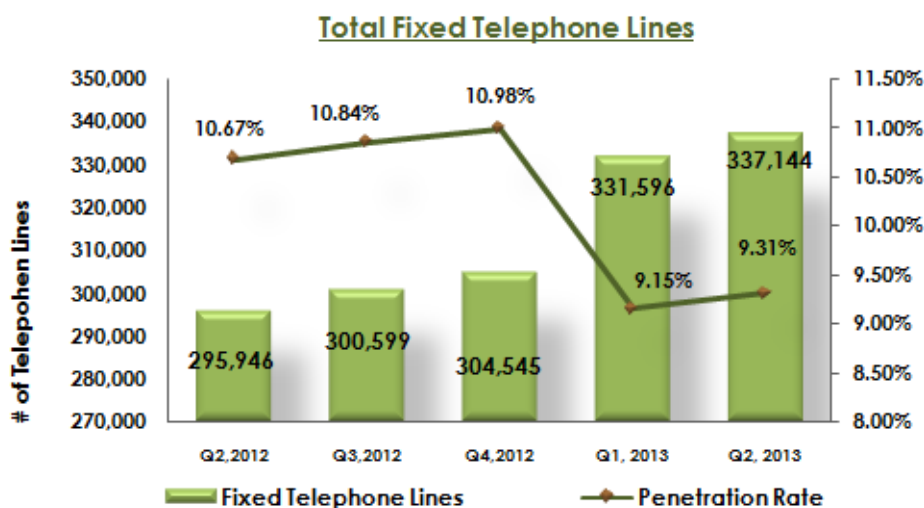
| Indicator  | Fixed Telephony Services<br><i>(other than Fixed Internet)</i> | Fixed Internet Services        | Mobile Services                                     |
|--|--|--------------------------------|---|
| <b>Subscribers</b>                                     | <b>337,144</b>   | <b>139,161</b>                 | <b>5,422,101</b>                                    |
| <b>Penetration rate</b>                                | <b>83.81%</b><br>Per household                                 | <b>34.59%</b><br>Per household | <b>149.66%</b><br>Per inhabitant                    |
| <b>Revenue (MIn.RO)</b>                                | <b>80.185</b>  | <b>13.359</b>                  | <b>129.198</b>                                      |
| <b>International Outgoing Voice Minutes, (million)</b> | <b>8.261</b>   | <b>NA</b>                      | <b>200.166</b>                                      |
| <b>ARPU, (RO)</b>                                      | <b>*7.74</b>   | <b>32.00</b>                   | <b>7.9</b>  |
| <b>Service Providers</b>                               | Omantel, Nawras, Samatel                                       | Omantel, Nawras                | Oman Mobile, Nawras, Friendi, Renna, Samatel, Injaz |

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

## Fixed Telephone Line Service

| Type of Service   | Q2/2013        | Q1/2013        | % Change     |
|---|----------------|----------------|--------------|
| <b>1. Main Fixed Telephone Lines:</b>                     |                |                |              |
| 1.1 Post Paid   | 258,191        | 253,069        | 2.02%        |
| 1.2 Pre-Paid  | 25,451         | 25,278         | 0.68%        |
| 1.3 Public Telephone – Payphone                           | 6,801          | 6,801          | 0.00%        |
| 1.4 ISDN Equivalent Channels                              | 44,876         | 44,634         | 0.54%        |
| 1.5 WLL Connections                                       | 1,825          | 1,814          | 0.61%        |
| <b>Total Fixed Telephone Lines in Operation (1.1-1.5)</b> | <b>337,144</b> | <b>331,596</b> | <b>1.67%</b> |
| <b>Fixed Line Penetration /100 Inhabitant</b>             | <b>9.32%</b>   | <b>9.15%</b>   | <b>1.75%</b> |
| <b>Fixed Line Penetration /100 household</b>              | <b>83.81%</b>  | <b>82.43%</b>  | <b>1.7%</b>  |

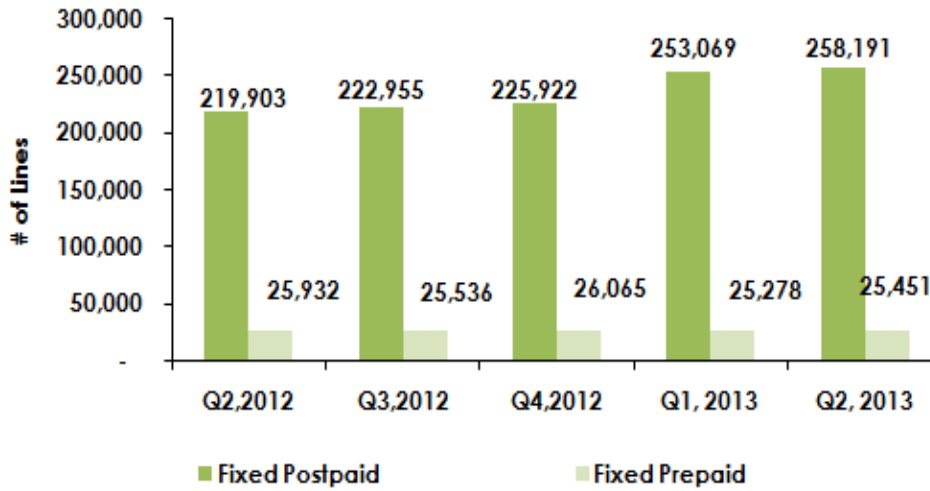
- Note: the penetration rate has been calculated as per latest statistics provided by NCSI of Mid-Year 2012 (3,623,001), & Estimated Household: 402,286).



**Note: the decline in penetration is due to revised Population figure published by NCSI.**

- Q2, 2013 ended with 337,144 fixed lines, with an increase of 1.67% compared to the previous quarter. Similarly, the penetration rate per 100 inhabitants grew from 9.15% to 9.31%, and per household from 82.43% to 83.81%.

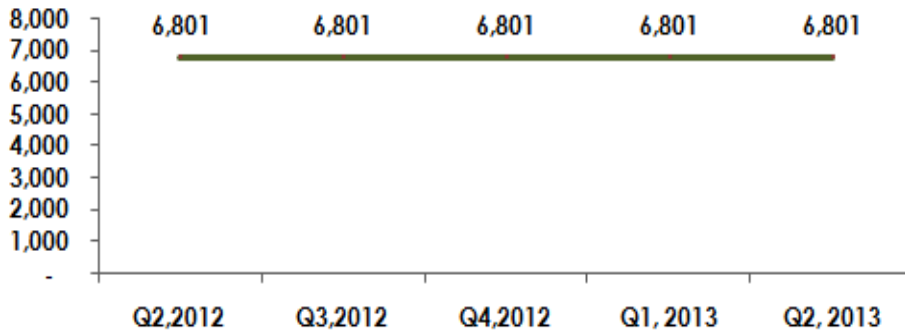
### Fixed Telephones Post paid & Pre paid



During the 2<sup>nd</sup> quarter 2013 The fixed post-paid lines increased by 2.02%, resulting in total of 258,191 post-paid lines.

The number of prepaid connections increased by 0.68% during the same period.

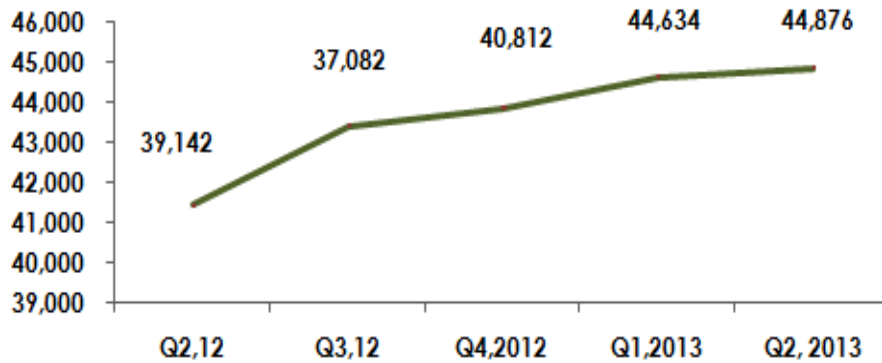
### Pay Phones



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

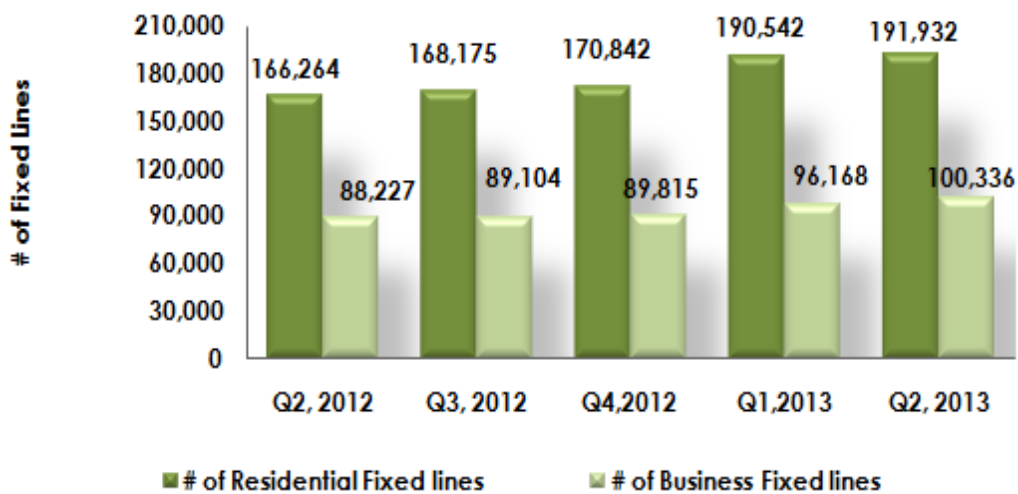


### ISDN Equivalent Channels



The ISDN equivalent channels showed a slight increase of 0.54% during the second quarter of 2013.

### Residential Vs Business Fixed Line Subscribers



Total residential fixed lines increased to 191,932 during the current quarter recording an increase of 0.73%. This increase is mainly due to correction of some database issues at the operators' level.

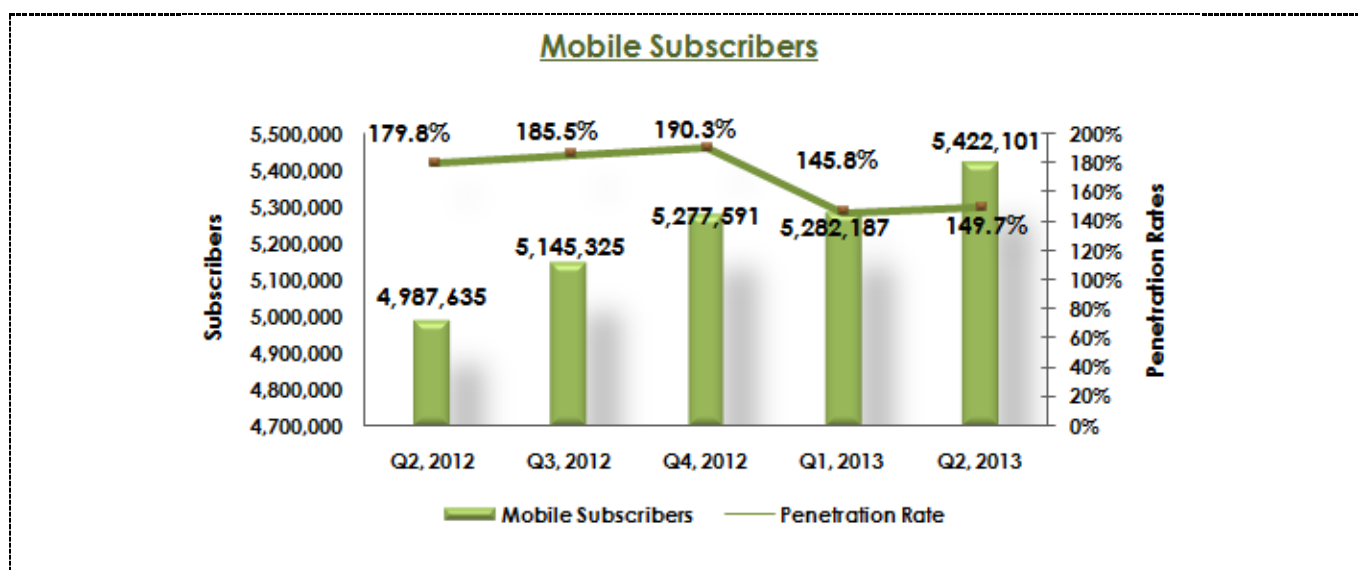
The split between fixed residential and business lines stands at 65.7% and 34.3% respectively.

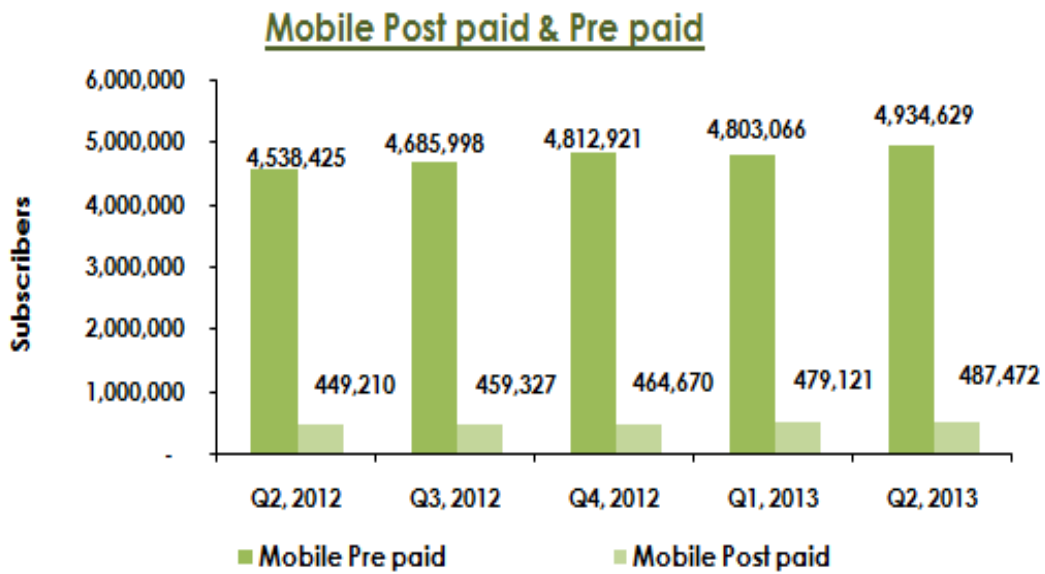
## Mobile Services

| 2. Mobile Subscribers   | As of June 2013  | As of March 2013 | % change      |
|---|------------------|------------------|---------------|
| <b>2.1 Post Paid</b>  |                  |                  |               |
| 2.1.1 Operators   | 487,472          | 479,121          | 1.7%          |
| 2.1.2 Resellers   |                  | -                |               |
| <b>Total Postpaid Subscribers</b>                               | <b>487,472</b>   | <b>479,121</b>   | <b>1.7%</b>   |
| <b>2.2 Pre Paid</b>   |                  |                  |               |
| 2.2.1 Operators   | 4,420,571        | 4,306,869        | 2.6%          |
| 2.2.2 Resellers   | 514,058          | 496,197          | 3.6%          |
| <b>Total Prepaid Subscribers</b>                                | <b>4,934,629</b> | <b>4,803,066</b> | <b>2.7%</b>   |
| <b>Total Mobile Subscribers: (2.1+2.2)</b>                      | <b>5,422,101</b> | <b>5,282,187</b> | <b>2.6%</b>   |
| <b>Mobile Penetration/100 Inhabitant</b>                        | <b>149.66%</b>   | <b>145.80%</b>   | <b>2.6%</b>   |
| <b>BlackBerry Subscribers:</b>                                  |                  |                  |               |
| 3.1 Post Paid   | 15,497           | 16,670           | -7.0%         |
| 3.2 Pre-Paid  | 108,882          | 118,917          | -8.4%         |
| <b>Total BlackBerry Subscribers (3.1+3.2)</b>                   | <b>124,379</b>   | <b>135,587</b>   | <b>-8.3%</b>  |
| <b>% of BlackBerry Mobile Subscribers of total Base in Oman</b> | <b>2.3%</b>      | <b>2.6%</b>      | <b>-11.5%</b> |

- Note: the penetration rate has been calculated as per latest statistics provided by NCSI of Mid-Year 2012 (3,623,001).

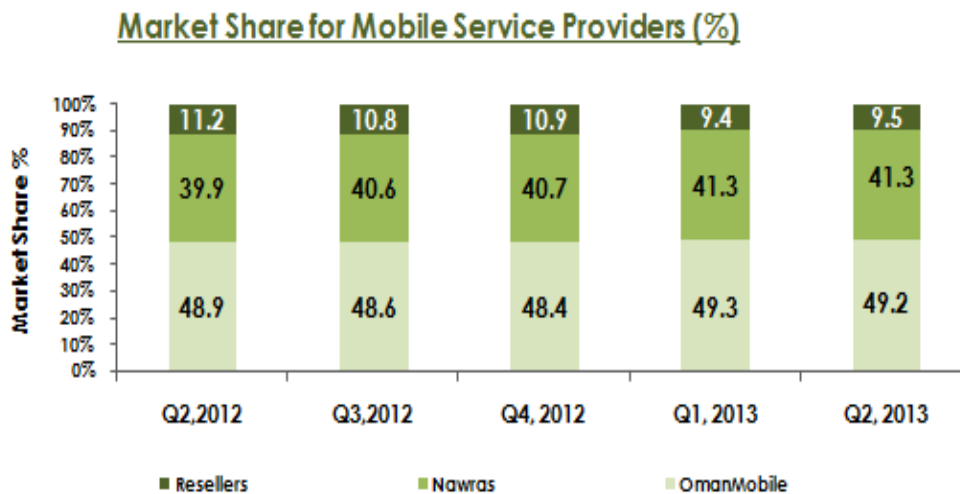
- By end of Q2, 2013 total mobile subscribers stood at 5,422,101 with an increase of 139,914 subscribers during this quarter.
- The penetration rate of mobile subscribers increased from 145.80% to 149.7%.



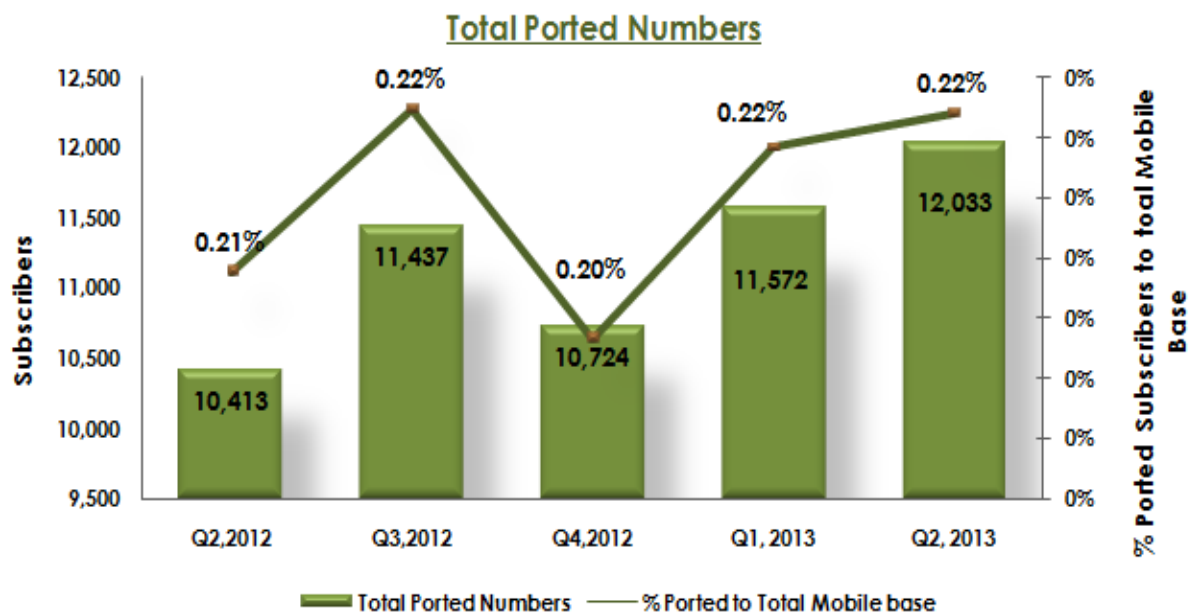


Post-paid mobile subscribers stood at 487,472 at the end of 2<sup>nd</sup> Quarter 2012 showing an increase of 1.7% compared to previous quarter.

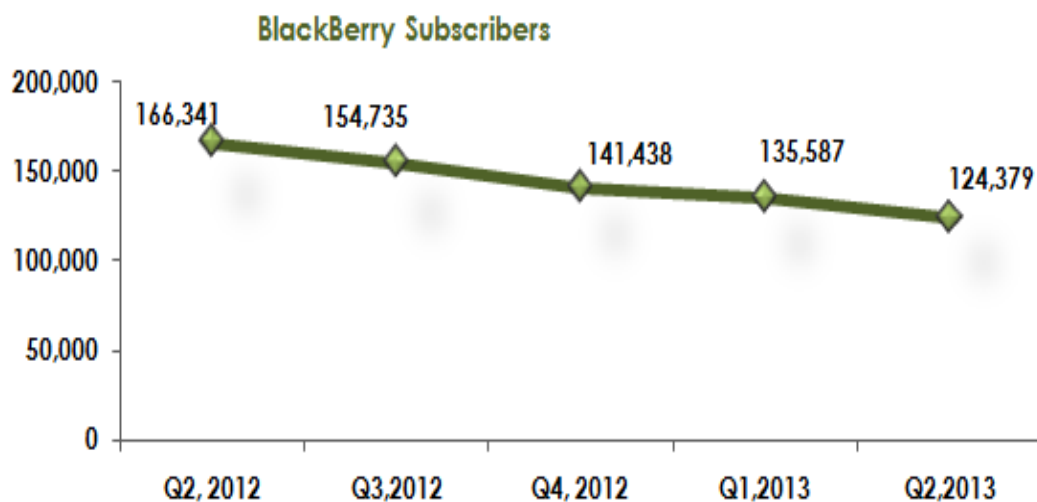
Prepaid mobile subscribers were 4,934,629 showing a growth of 2.7% compared to 1<sup>st</sup> quarter.



As of end of Q2, 2013, Oman Mobile possessed a market share of 49.2% while Nawras had 41.3%. The resellers achieved 9.5% market share during the reported quarter.



Total numbers ported during Q2, 2013 were 12,033 while during Q1, 2013 there were 11,572 with a growth of 3.98% over the previous quarter. During the quarter the ported numbers represented 0.22% of the total mobile subscribers' base.

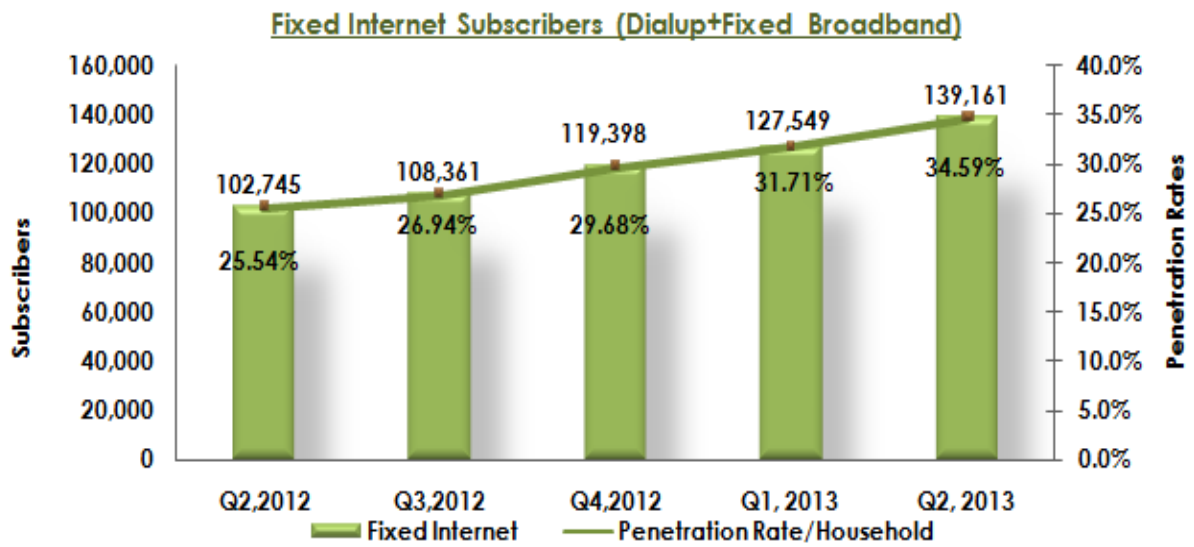


BlackBerry Subscribers at the end of Q2, 2013 represented 2.3% of the total Mobile Subscribers base with the total of 124,379 subscribers.

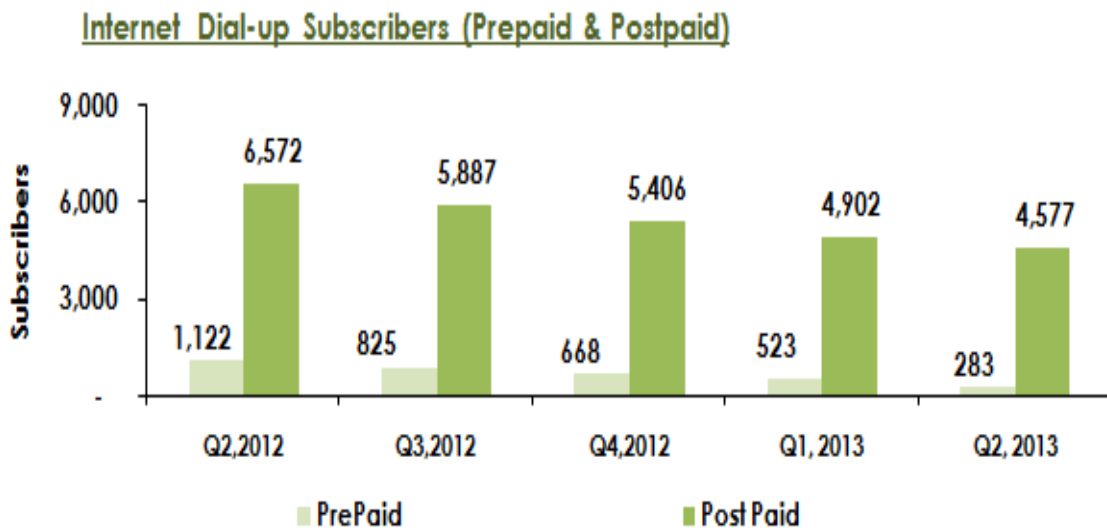
This has registered a drop of 11.5% over the previous quarter when it was 2.6% of the total mobile subscriber base in Oman.

## Internet Services

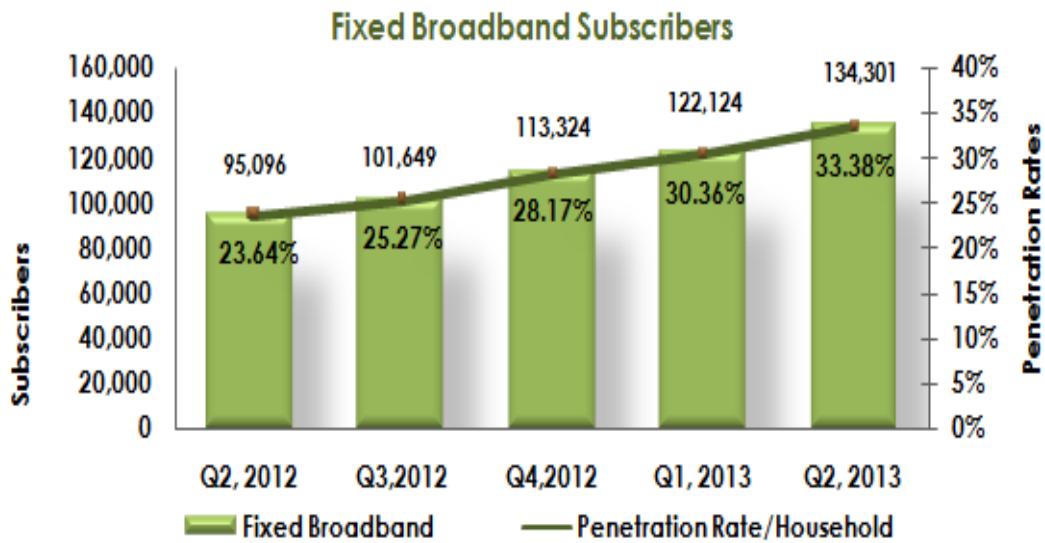
| Type of Service  | As of June 2013  | As of March 2013 | % Change      |
|--|------------------|------------------|---------------|
| <b>Dial Up Subscribers</b>   |                  |                  |               |
| 1.1 Post Paid  | 4,577            | 4,902            | -6.6%         |
| 1.2 Pre Paid   | 283              | 523              | -45.9%        |
| <b>1. Total Dial-Up Subscribers: (1.1+1.2)</b>                     | <b>4,860</b>     | <b>5,425</b>     | <b>-10.4%</b> |
| <b>Fixed Broadband Subscribers</b>                                 |                  |                  |               |
| <b>2. Total Fixed Broadband Subscribers</b>                        | <b>134,301</b>   | <b>122,124</b>   | <b>10.0%</b>  |
| <b>Total Fixed Broadband Subscribers Penetration/100 Household</b> | <b>33.38%</b>    | <b>30.36%</b>    | <b>9.9%</b>   |
| <b>Total Fixed Internet Subscribers (1+2)</b>                      | <b>139,161</b>   | <b>127,549</b>   | <b>9.1%</b>   |
| <b>Total Fixed Internet Penetration /100 Household</b>             | <b>34.59%</b>    | <b>31.71%</b>    | <b>9.1%</b>   |
| <b>3. Active Mobile Broadband Subscribers</b>                      |                  |                  |               |
| 3.1 Dedicated mobile-broadband Subscribers                         | 1,354,575        | 1,224,176        | 10.7%         |
| 3.2 Standard mobile-broadband Subscribers                          | 720,410          | 675,343          | 6.7%          |
| <b>Total Active Mobile Broadband Subscribers (3.1+3.2)</b>         | <b>2,074,985</b> | <b>1,899,519</b> | <b>9.2%</b>   |
| <b>Active Mobile Penetration Rate /100 Inhabitant</b>              | <b>57.27%</b>    | <b>52.43%</b>    | <b>9.2%</b>   |



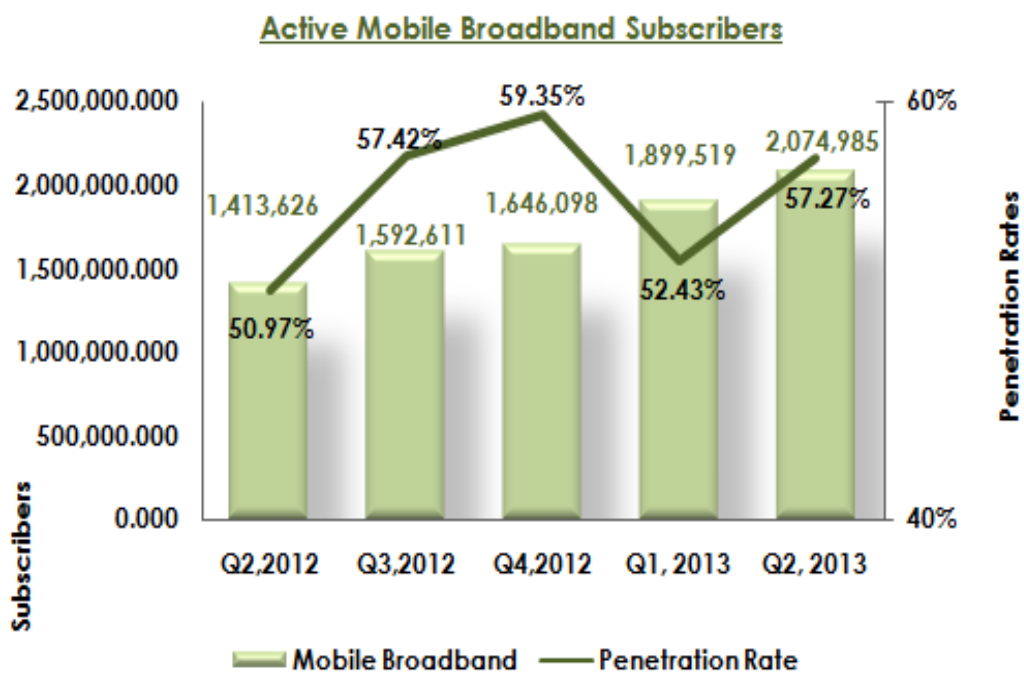
- At the end of Q2, 2013 there were 139,161 total fixed Internet subscribers showing an increase of 9.1% against the first quarter.
- Fixed internet subscribers' penetration rate per 100 Household increased to 34.59% by end of the second quarter.



The Dial up subscribers are showing continuous decline since the last year. The Q2, 2013 shows a decline of 10.4% from Q1, 2013.

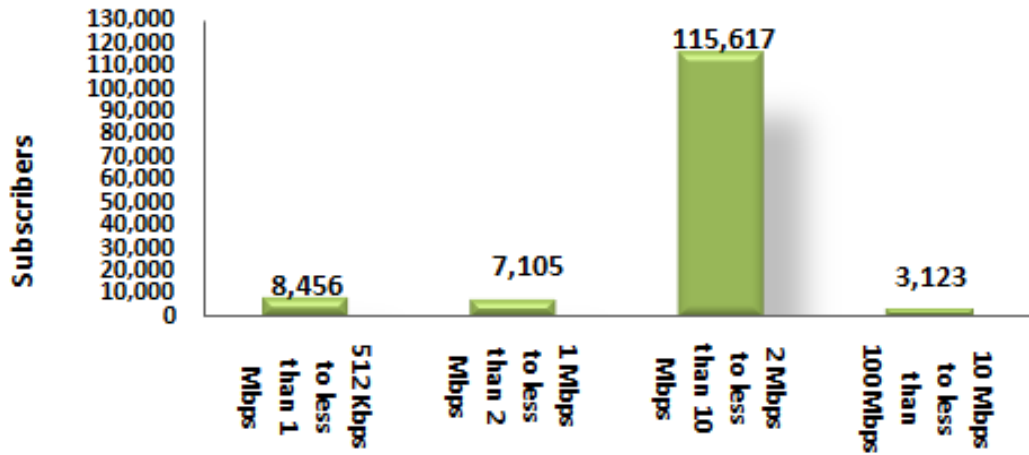


Fixed Broadband subscription increased by 10% (from 122,124 to 134,301). Penetration rate per Household also increased to 33.38% from 30.36% during Q2, 2013.



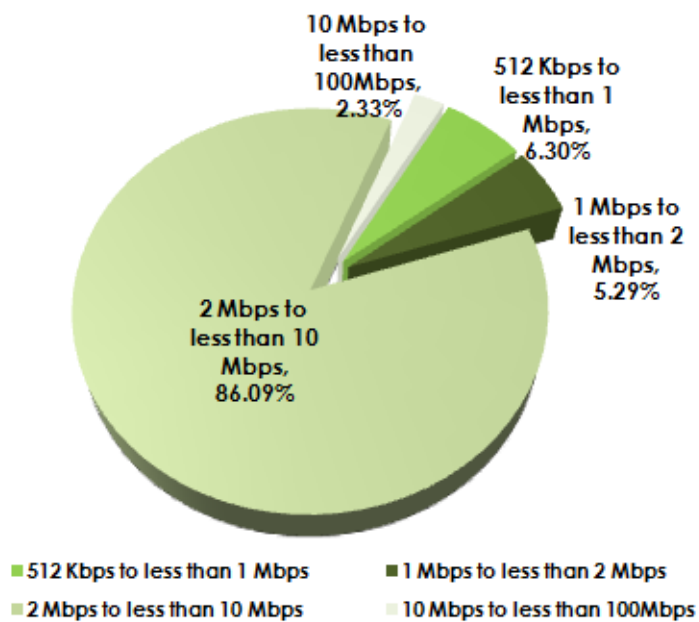
➤ At the end of Q2, 2013 the Total Active Mobile Broadband subscribers as per ITU definition increased to 2,074,985 from 1,899,519 of Q1, 2013. The penetration rate grew by 9.2% and stood at 57.27%.

**Broadband Subscribers by Internet Speed, (Q2/2013)**

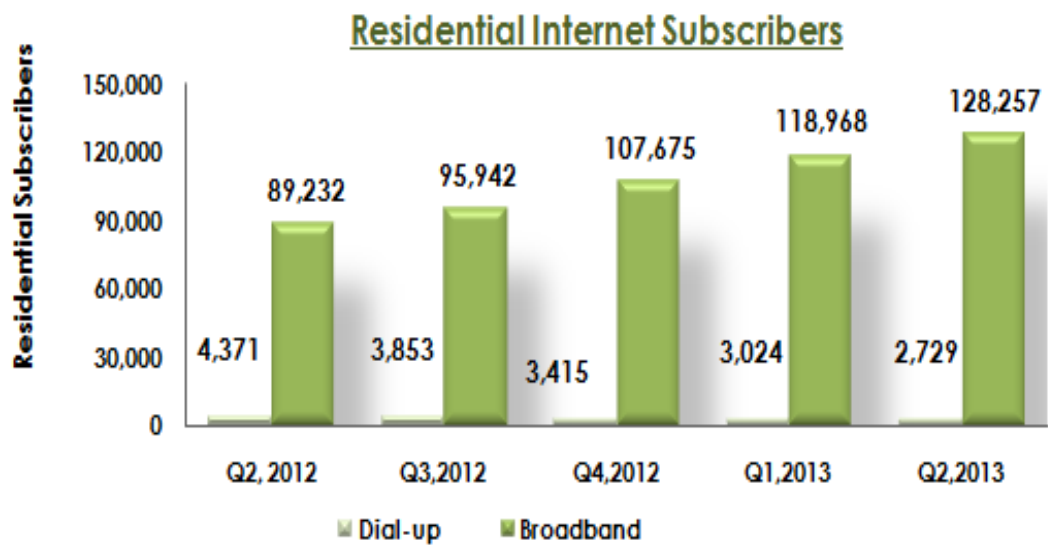


- 6.3% of Broadband subscribers during Q2, 2013 had access speed of 512Kbps to less than 1 Mbps.
- 5.29% of Broadband subscribers during Q2, 2013 had access speed of 1Mbps to less than 2 Mbps.
- 86.09% of Broadband subscribers during Q2, 2013 had access speed of 2 Mbps to less than 10 Mbps.
- 2.3% of the broadband subscribers have access to 10 Mbps and above.

**Broadband Subscribers - Proportion by Speed (Q2, 2013)**

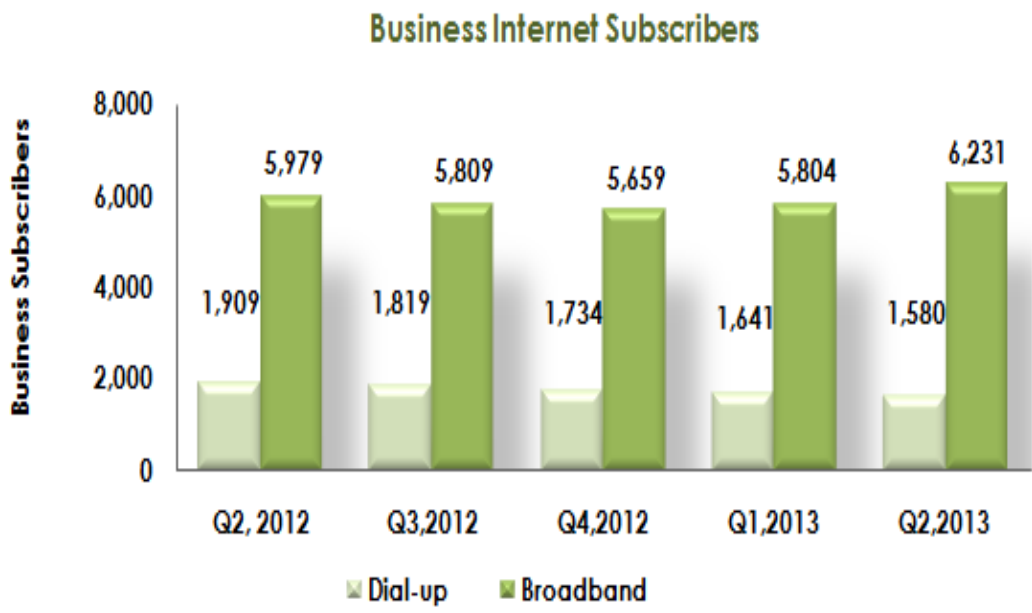


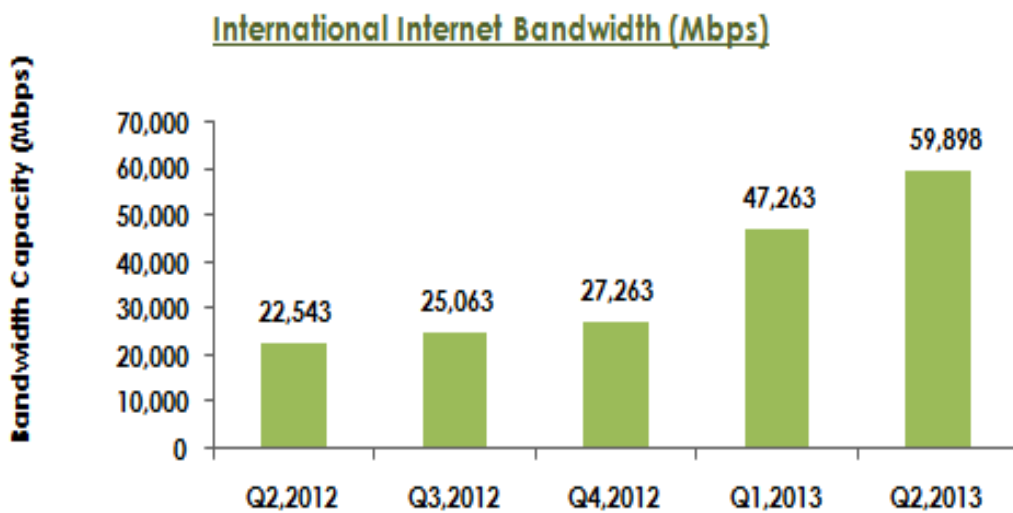




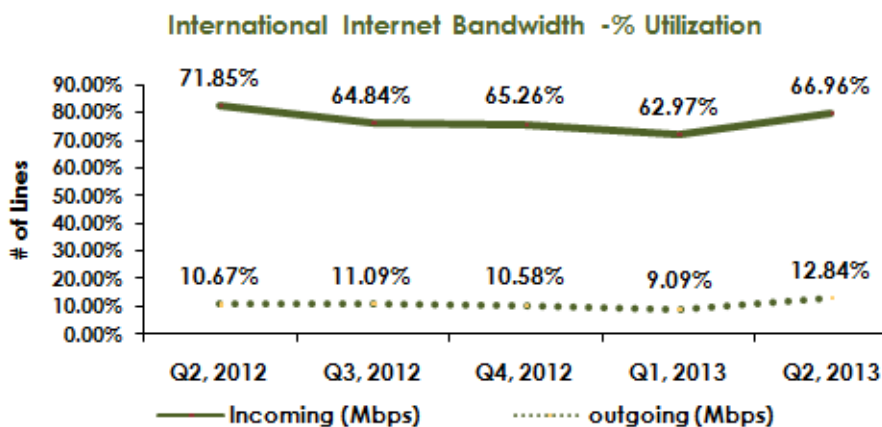
The above Residential and below Business Internet Subscribers' charts shows that:

- The residential and business internet broadband subscribers increased during the second Quarter 2013 by 7.8% and 7.4% respectively.
- On the other hand, the Dial up was showing continuous drop during the last year.



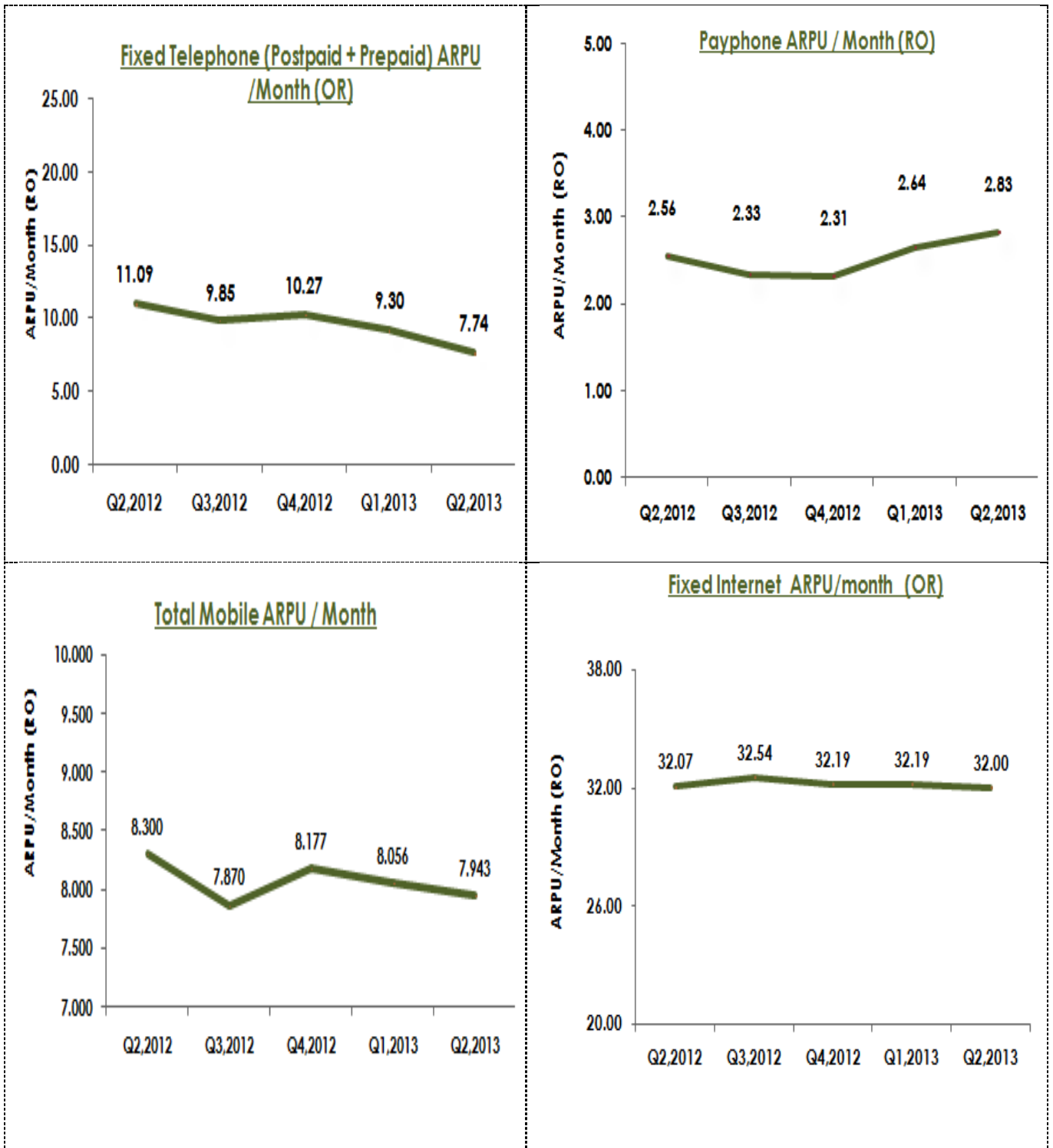


- Q2, 2013 recorded 59,898 Mbps as total of international internet bandwidth capacity in the market, an increase of 26.7% over the previous quarter.



- Out of 59,898 Mbps capacity, on an average 12.84% has been utilized for the outgoing and 66.96% for the incoming traffic.

# ARPUs



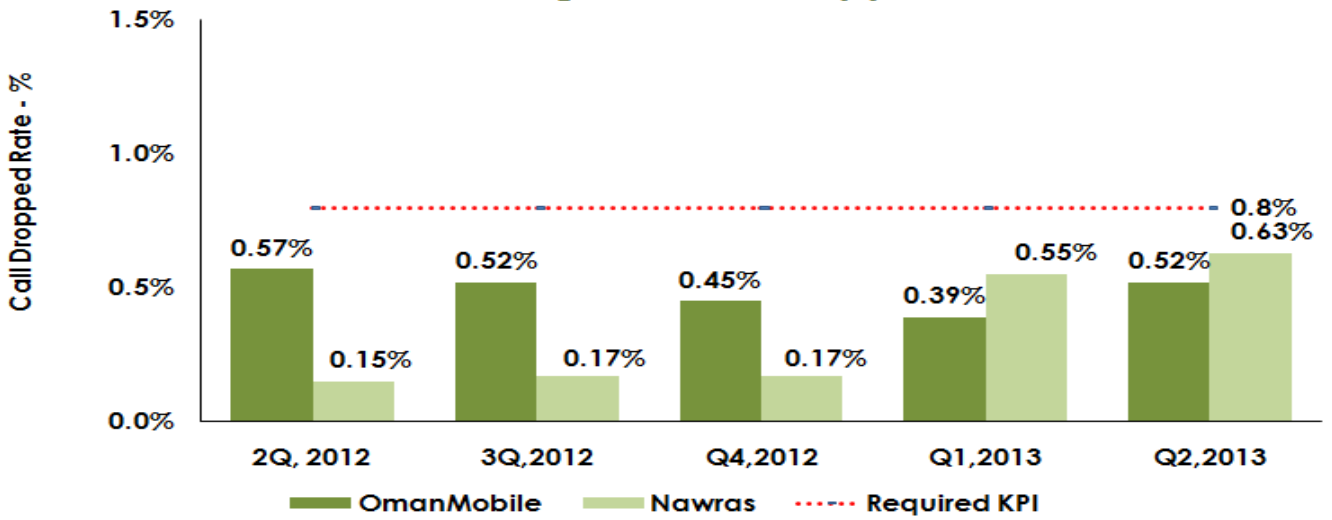
# Quality of Service

## Mobile Services KPIs\*

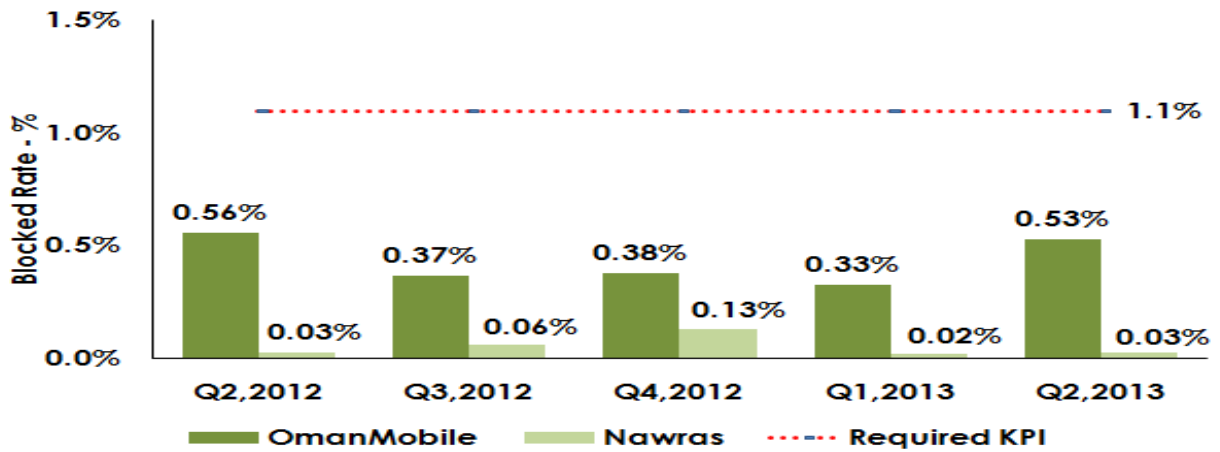
(As measured and reported by the operators)

| Mobile Services KPIs  | Required KPI<br>(Bi-Annual) | Q2/2013     |        | Q1/2013     |        |
|---|-----------------------------|-------------|--------|-------------|--------|
|   |                             | Oman Mobile | Nawras | Oman Mobile | Nawras |
| 1. Percentage of Calls Dropped                                      | Less than 0.8%              | 0.52%       | 0.63%  | 0.39%       | 0.55%  |
| 2. Percentage of Calls Blocked due to Congestion                    | Less than 1.1%              | 0.53%       | 0.03%  | 0.33%       | 0.02%  |
| 3. Percentage of billing complaints resolved within 20 working days | More than 96%               | 100.00%     | 100%   | 100.00%     | 100%   |

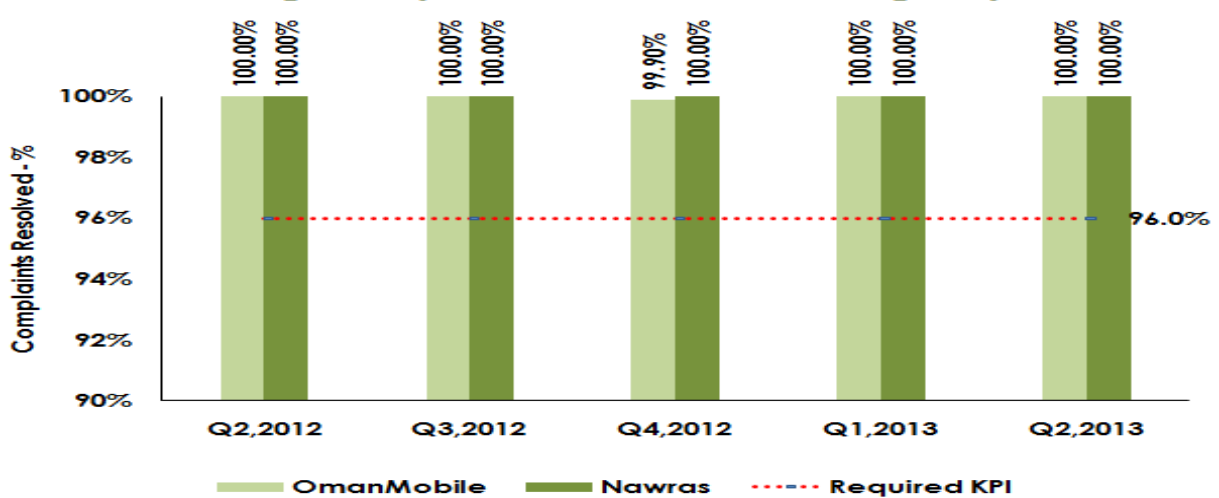
### Percentage of Call Dropped



### Call Blocked due to Congestion



### Billing Complaints within 20 Working days



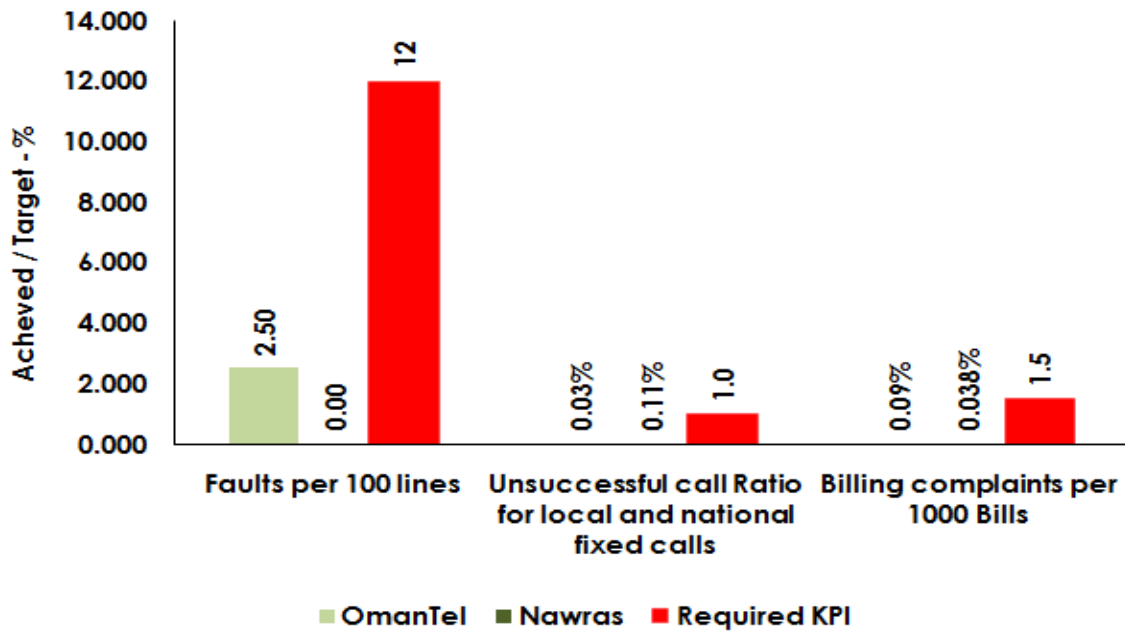
## Fixed Services KPIs

(As measured and reported by the operators)

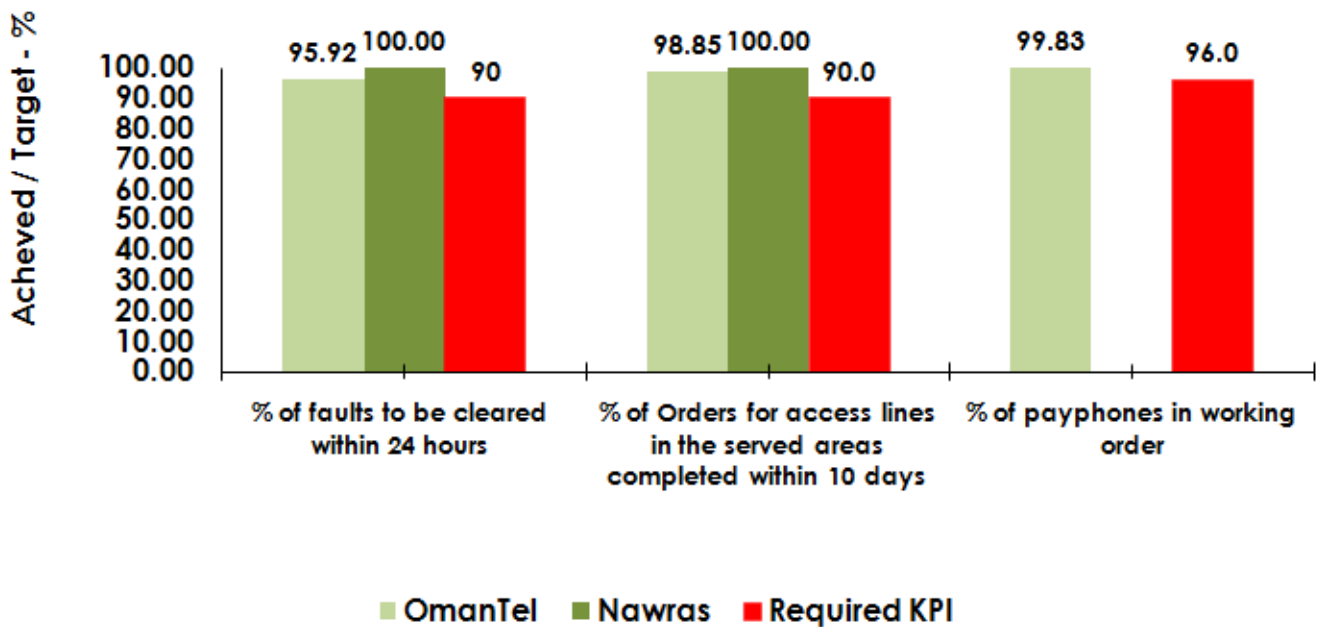
| Fixed Services KPIs   | Required KPI<br>(Bi-Annual) | Q2/2013 |        | Q1/2013 |        |
|---|-----------------------------|---------|--------|---------|--------|
|   |                             | Omantel | Nawras | Omantel | Nawras |
| 1. Faults per 100 lines   | Less than 12                | 2.50    | 0.00   | 2.58    | 7.00   |
| 2. % of faults to be cleared within 24 hours  | More than 90%               | 95.92   | 100.00 | 95.92%  | 100.0% |
| 3. Unsuccessful call Ratio for local and national fixed calls                         | Less than 1%                | 0.03%   | 0.11%  | 0.02%   | 0.11%  |
| 4. Percentage of Orders for access lines in the served areas completed within 10 days | More than 90%               | 98.85   | 100.00 | 98.58%  | 97.9%  |
| 5. Percentage of payphones in working order   | More than 96%               | 99.83   | 0.00   | 99.70%  | NA     |
| 6. Billing complaints per 1000 Bills  | Less than 1.5               | 0.09%   | 0.038% | 0.14    | 0.013  |
| 7. Percentage of billing complaints resolved within 20 working day                    | More than 96%               | 100%    | 100%   | 100%    | 100%   |

\*The figures are not audited by TRA.

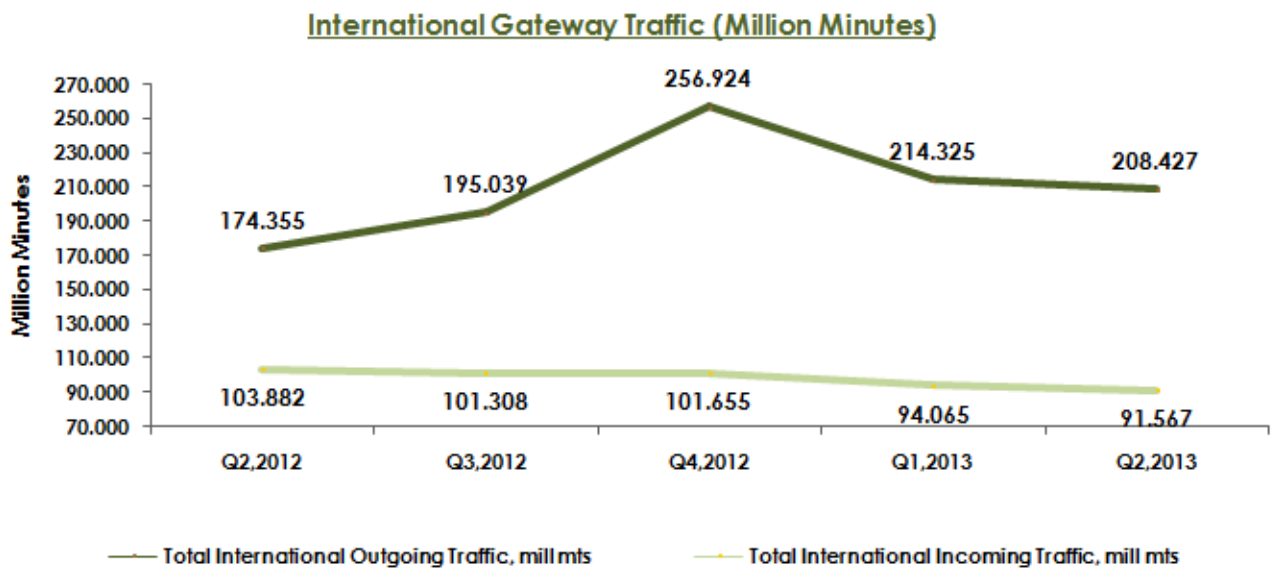
**Fixed KPIs (Lower than RED bar is GOOD)**



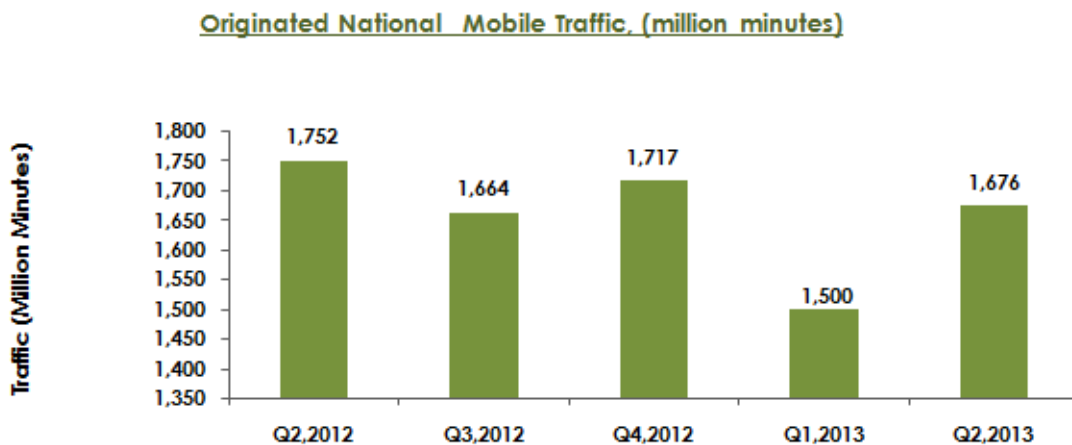
**Fixed KPIs (Higher than RED bar is GOOD)**



# Traffic

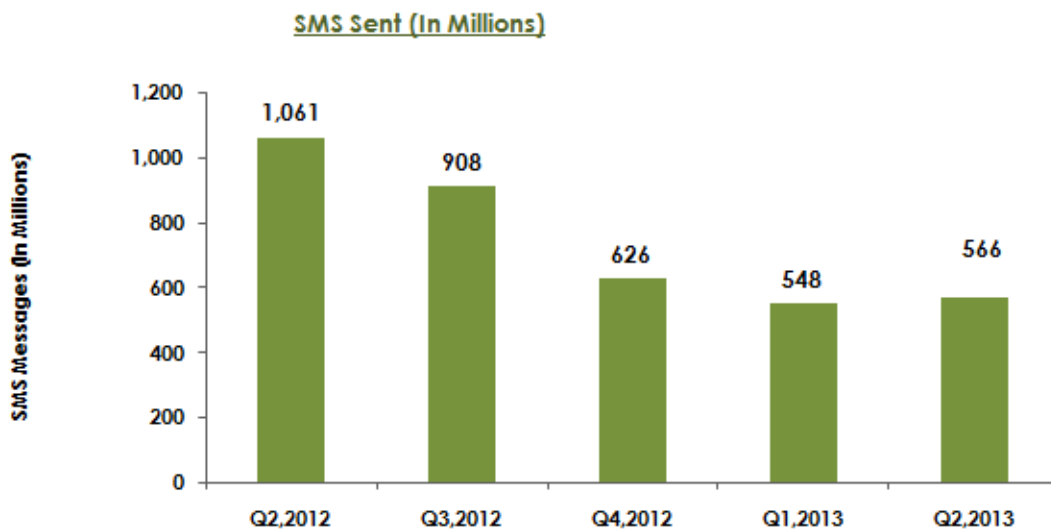


During the second quarter of 2013, both the outgoing and incoming minutes from the international gateway registered drop of 2.8% and 2.7% respectively.

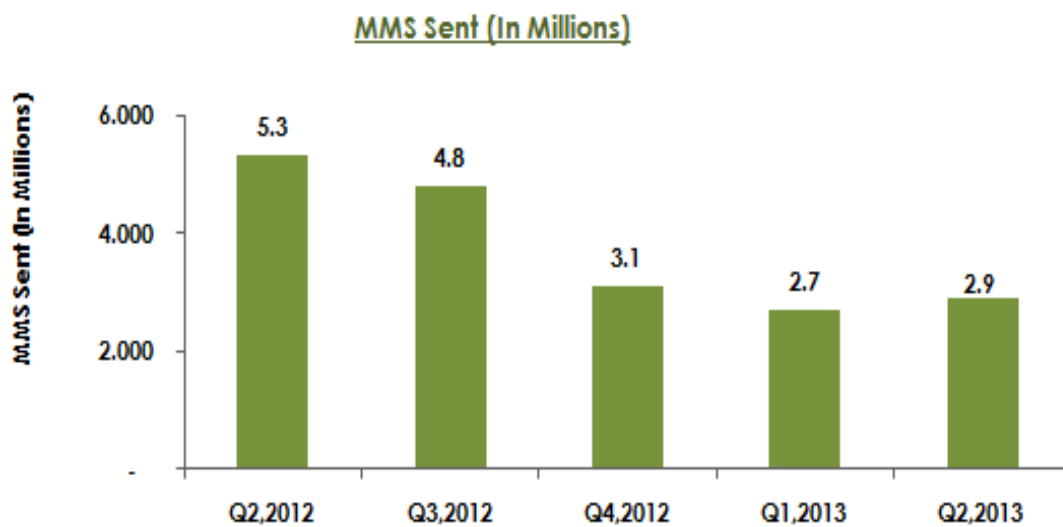


The originated national mobile traffic has been fluctuating during the previous quarters. The second quarter of 2013 has shown an increase of 11.7% against the first quarter of 2013.





During the quarter, the total volume of Sent SMS messages increased to 566 million from 548 million SMS which is 3.3% more compared to Q1, 2013.



The number of MMS grew during the Q2, 2013 by 7.4% against Q1, 2013, reaching to a total of 2.9 million.

# Type Approval

**During the Q1<sup>ST</sup> Quarter 2013, TRA :**

- Approved a total number of 445(Previous Quarter 312) Telecom Equipments.
- Renewed 90(Previous Quarter: 84) registrations of Telecom Dealers.
- Registered 97(Previous Quarter: 120) new dealers.
- Issued 424(Previous Quarter: 372) Releases to Customs for Imported Telecom equipments.
- Inspected 148 (Previous month 227) dealerships.

