سلطنة عُمان
Sultanate of Oman

هيئة تنظيم الاتصالات
Telecommunications Regulatory Authority

Quarterly Report on Telecom Sector Indicators

Q1, 2015

Competition and Tariffs Unit

Table of Content

➢ Introduction

It is our pleasure to present Q1 2015 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 of these aspects 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

Q1, 2015

The penetration of different services stood at the following levels at the end of the Q1 2015:

- Fixed line 9.28% per inhabitants

- Mobile subscriptions 150.18% per inhabitants

- Internet 46.99% per households.

The Active Mobile Broadband Subscribers' Penetration rate reached 70.57% by the end of Q1/ 2015 with total active subscribers reaching 2,932,342.

The Blackberry Subscribers represent 1.2% of the total Mobile Subscribers base at the end of Q1/2015 as compared to 1.4% of total mobile subscribers as at the end of preceding quarter.

During the First Quarter 2015, the TRA received and approved:

- 2 Tariff Plans for Revisions.

- 16 New tariff plans.

- 41 promotional tariff offers

TRA type approved 485 telecom equipments, renewed 51 registrations of telecom dealers and registered 121 new dealers. TRA Issued 475 releases to customs for importing telecom equipments.

TRA carried out 71 inspections of dealers to check compliance of TRA regulations.

Summary of Main Telecommunications Indicators

Q1, 2015

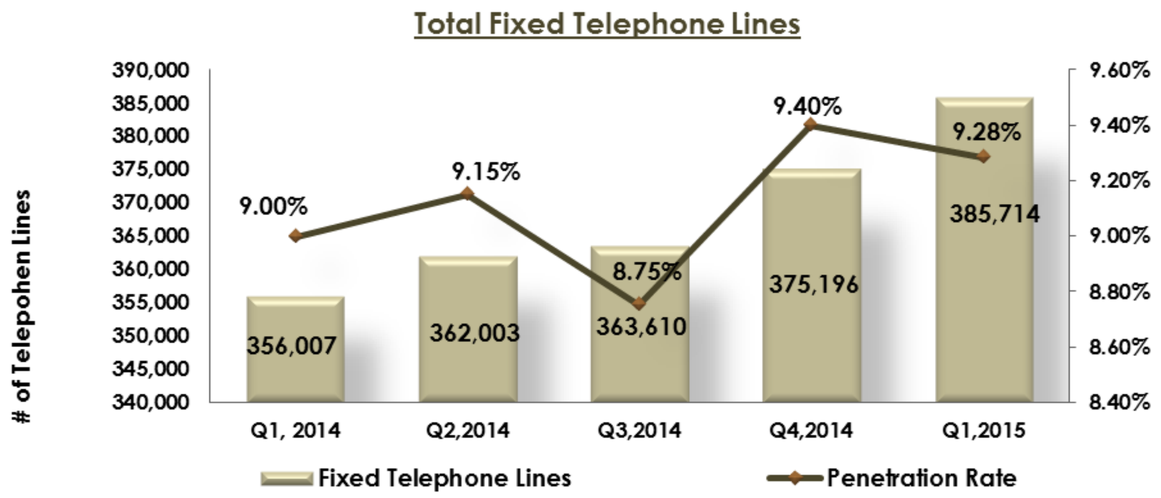
Indicator	Fixed Telephony Service *(other than Fixed Internet)*	Fixed Internet Service	Mobile Service
Subscribers	**385,714**	**189,048**	**6,240,320**
Penetration rate	**9.28% of household**	**46.99% of household**	**150.18% of inhabitant**
Revenue (Mln.RO)	**54.167**	**18.946**	**142.163**
International Outgoing Voice Minutes, (million)	**5.631**	**NA**	**206.714**
ARPU, (RO)	**6.03**	**33.41**	**7.59**
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

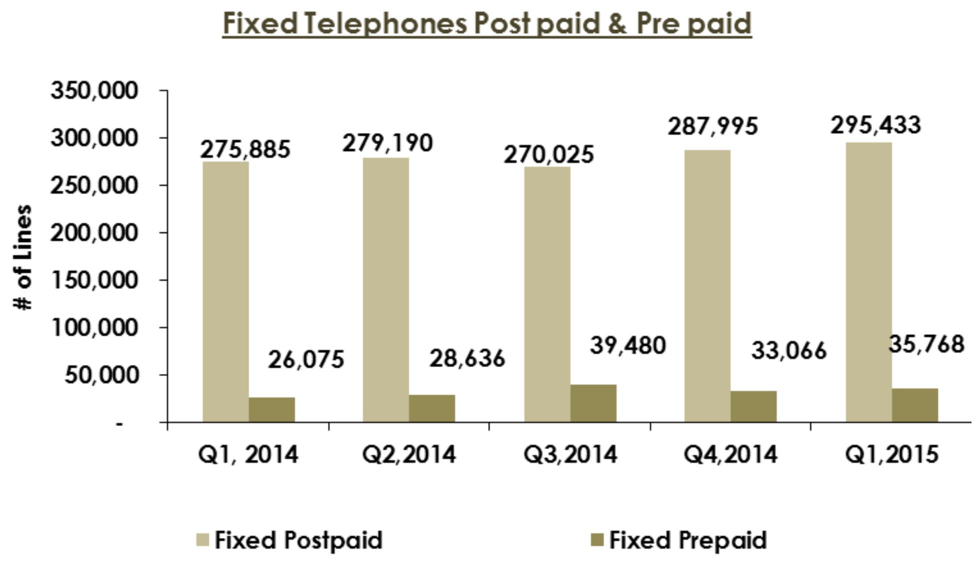
Type of Service	Q1/2015	Q4/2014	% Change
1. Fixed Telephone Lines:			
1.1 Post Paid	295,433	287,995	**3%**
1.2 Pre-Paid	35,768	33,066	**8%**
1.3 Public Telephone – Payphone	6,801	6,801	**0%**
1.4 ISDN Equivalent Channels	45,928	45,524	**1%**
1.5 WLL Connections	1,784	1,810	**-1%**
Total Fixed Telephone Lines in Operation (1.1-1.5)	**385,714**	**375,196**	**3%**
Fixed Line Penetration /100 Inhabitant	**9.28%**	**9.40%**	**-0.12%**
Fixed Line Penetration /100 household	**95.88%**	**93.27%**	**2.61%**

- **Note: The Q1/2015 penetration rates are calculated based on the population (4,155,125), as per the latest bulletin published by NCSI – April 2015.**
- **Households: 402,286 (as per census 2010)**

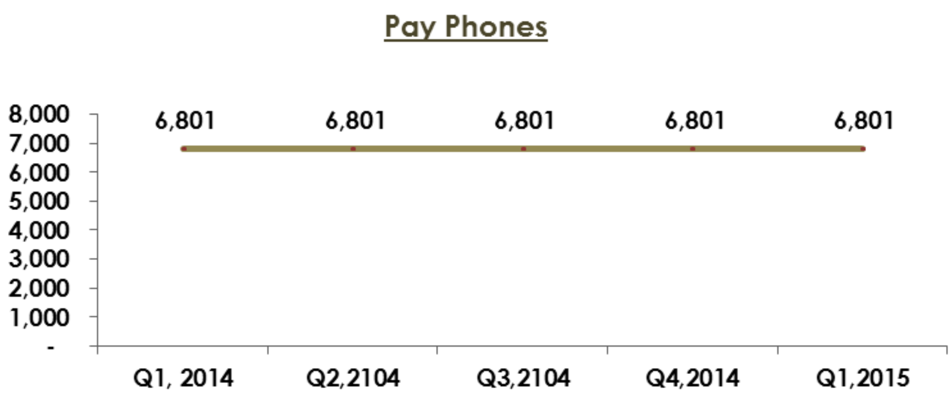


Note: the steep drop in penetration in Q3/2014 and again in Q1/2015 was due to revised Population figure published by NCSI.

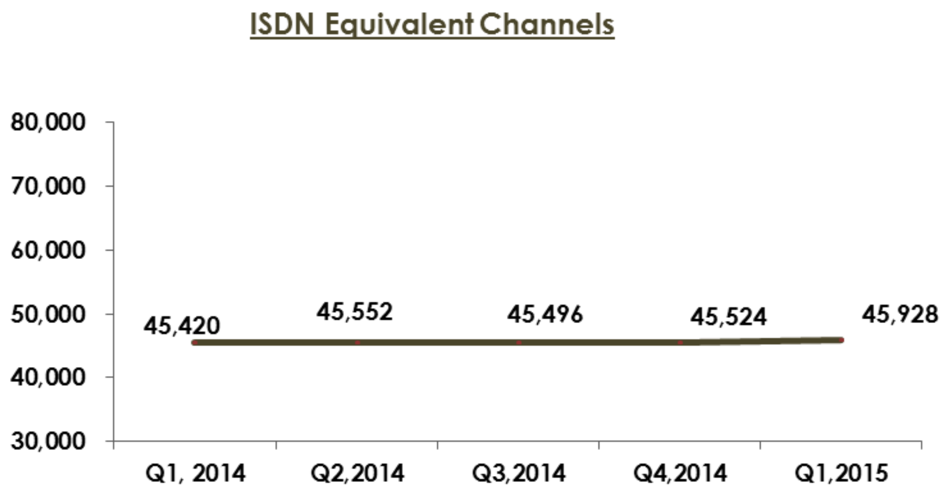
- First Quarter 2015 achieved 385,714 fixed line subscribers with an increase of 10,518 lines as compared to the previous quarter (Q4/2014).
- The penetration rate of the fixed line subscribers declined slightly due to the update in the number of population during the same period.



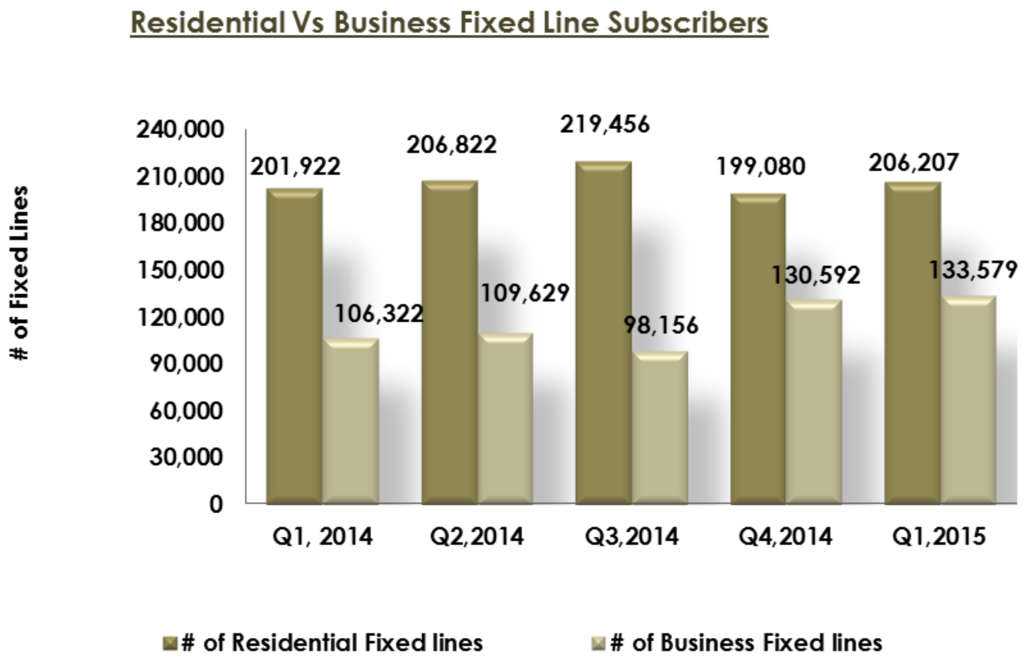
Both the fixed postpaid and pre-paid subscriptions grew during the first quarter 2015 by 3.3%, and 8% respectively.



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



During the first quarter 2015, the ISDN equivalent channels reached 45,928 channels with an increment of 404 channels.



The residential fixed line subscribers added up by 3.6% during the first quarter 2015. Similarly, the business subscribers grew by 2.3% during the same period.

The split between fixed residential and business lines stood at 60.7% and 39.3% respectively.

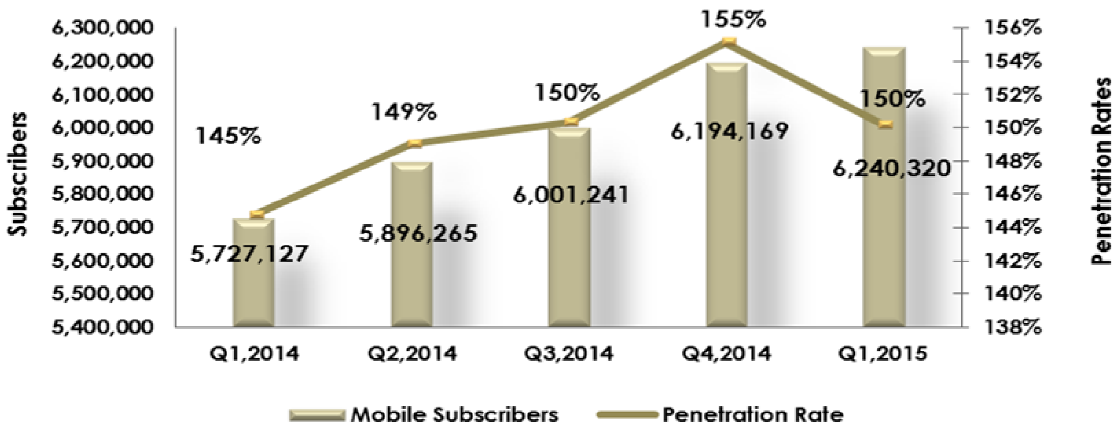
Mobile Service

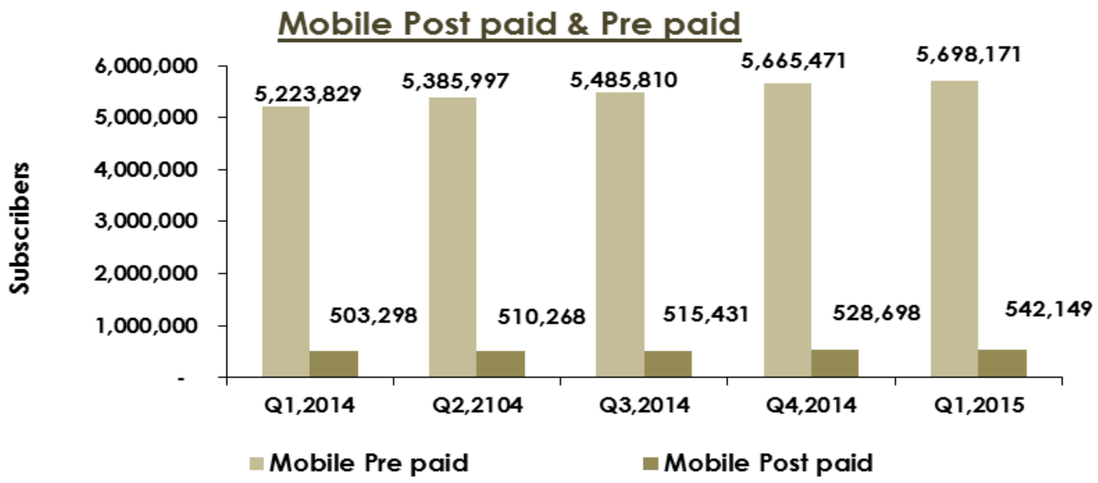
2. Mobile Subscribers	Q1, 2015	Q4, 2014	% change
2.1 Post Paid			
2.1.1 Operators	542,149	528,698	3%
Total Postpaid Subscribers	**542,149**	**528,698**	3%
2.2 Pre-Paid			
2.2.1 Operators	4,955,033	4,943,615	0.2%
2.2.2 Resellers	743,138	721,856	2.9%
Total Prepaid Subscribers	**5,698,171**	**5,665,471**	0.6%
Total Mobile Subscribers: (2.1+2.2)	**6,240,320**	**6,194,169**	0.7%
Mobile Penetration/100 Inhabitant	**150.18%**	**155.13%**	-4.9%
3.1 Post Paid	7,427	8,458	-12%
3.2 Pre-Paid	68,986	76,886	-10.3
Total BlackBerry Subscribers (3.1+3.2)	**76,413**	**85,344**	-10.5
% of BlackBerry Mobile Subscribers of total Base in Oman	**1.2%**	**1.4%**	-0.2%

- **Note: The Q1/2015 penetration rates are calculated based on the population (4,155,125), as per the latest bulletin published by NCSI – April 2015.**

- The mobile subscribers grew slightly with 0.7% during the first quarter 2015 achieving a total of 6,240,320.
- However, mobile penetration dropped from 155.13% to 150.18% in comparison to the Q4/2015 due to the update in the number of population during the same period.

Mobile Subscribers

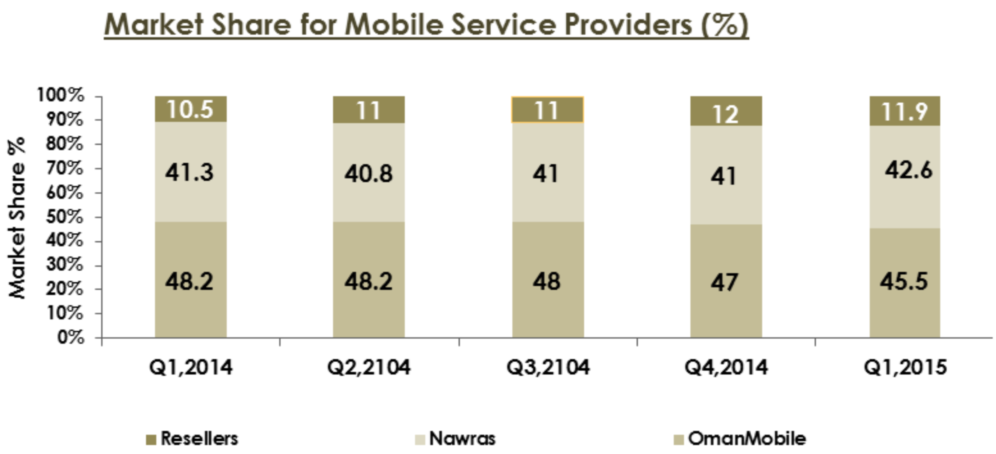




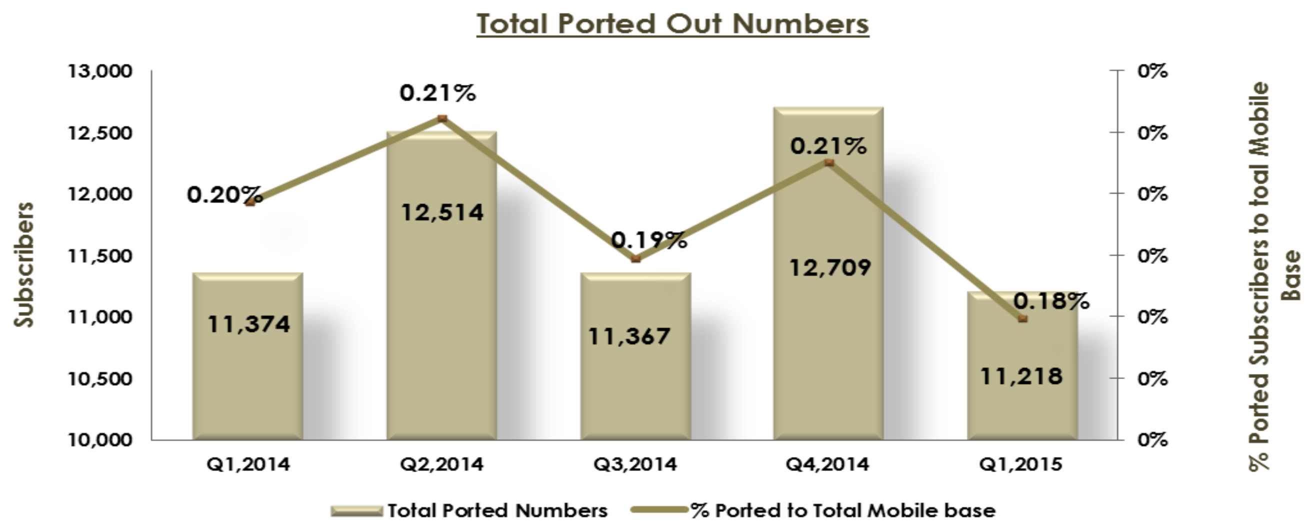
- Both the mobile postpaid and prepaid subscribers grew during the first quarter 2015.

- Post-paid mobile subscribers reached 542,149, with 3% growth over the previous quarter.

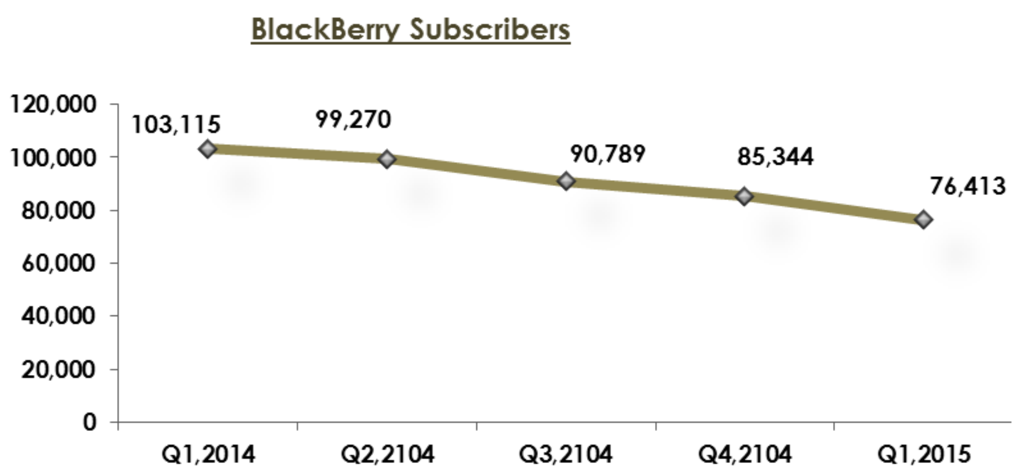
- Prepaid mobile subscribers also added with 0.6% and reached 5,698,171 subscribers.



- Oman mobile continued scoring the highest market share achieving 45.5% during the first quarter 2015, while Ooredoo scored 42.6% market shares. The Resellers attained 11% market share during the reported quarter.



- The number of mobile ported out shrank during the first quarter 2015 by 12% from 12,709 to 11,218 numbers.
- Accordingly, the percent contribution to the mobile base declined from 0.21% to 0.81% over the previous quarter



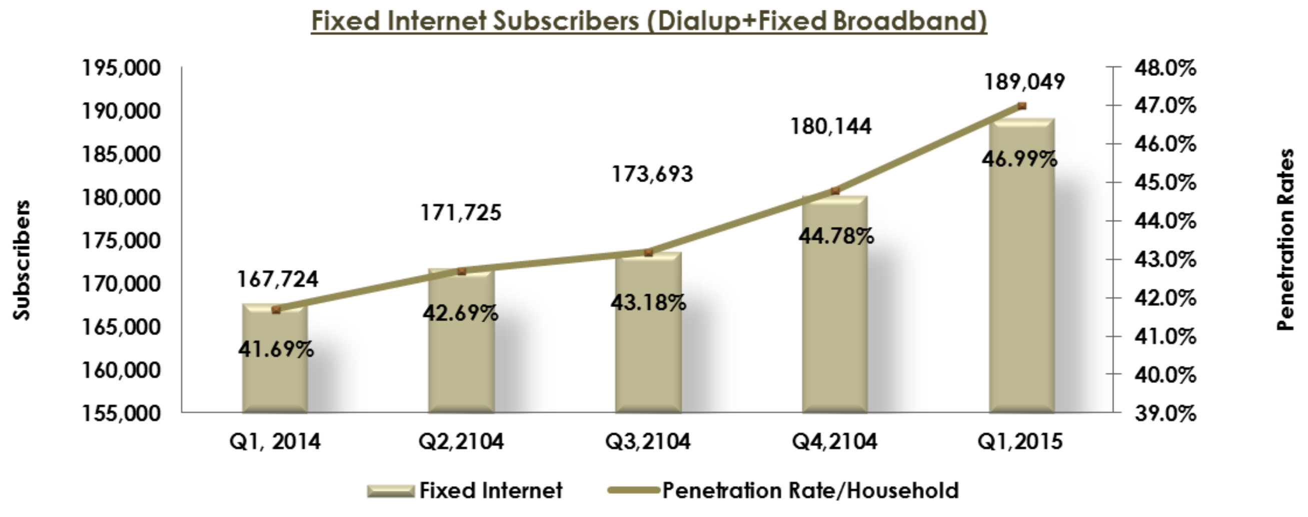
- By end of first quarter 2015, the blackberry subscribers reached 76,413 with 10.5% drop in comparison with the fourth quarter 2014.

- Blackberry subscribers represent 1.2% of the total mobile subscribers as compared to the previous quarter when it was 1.4%.

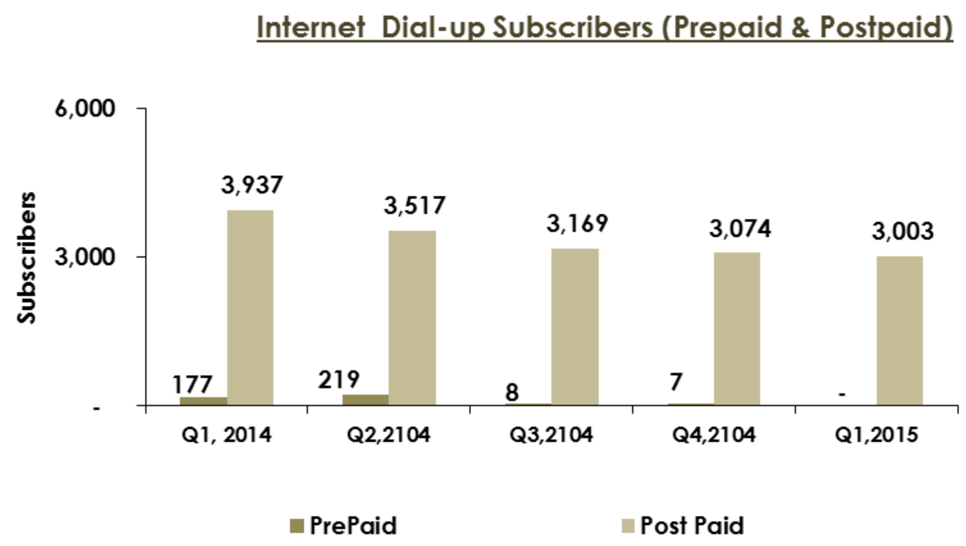
Internet Services

Type of Service		Q1,2015	Q4, 2014	
Dial Up Subscribers				
	1.1 Post Paid	3,003	3,074	**-2%**
	1.2 Pre-Paid	0	7	**-100%**
1.	**Total Dial-Up Subscribers: (1.1+1.2)**	**3,003**	**3,081**	-3%
Fixed Broadband Subscribers				
2.	**Total Fixed Broadband Subscribers**	**186,046**	**177,063**	5.1%
	Total Fixed Internet Subscribers (1+2)	**189,049**	**180,144**	4.9%
	Fixed Internet Penetration /100 Household	**47%**	**44.78%**	2.2%
	Fixed Broadband Subscribers Penetration/100 Household	**46.25%**	**44.01%**	2.2%
3. Active Mobile Broadband Subscribers				
	3.1 Dedicated mobile-broadband Subscribers	2,097,459	2,010,301	**4.3%**
	3.2 Standard mobile-broadband Subscribers	834,883	883,260	**-5.5%**
	Total Active Mobile Broadband Subscribers (3.1+3.2)	**2,932,342**	**2,893,561**	1.3%
	Active Mobile Penetration Rate /100 Inhabitant	**70.57%**	**72.47%**	-2%

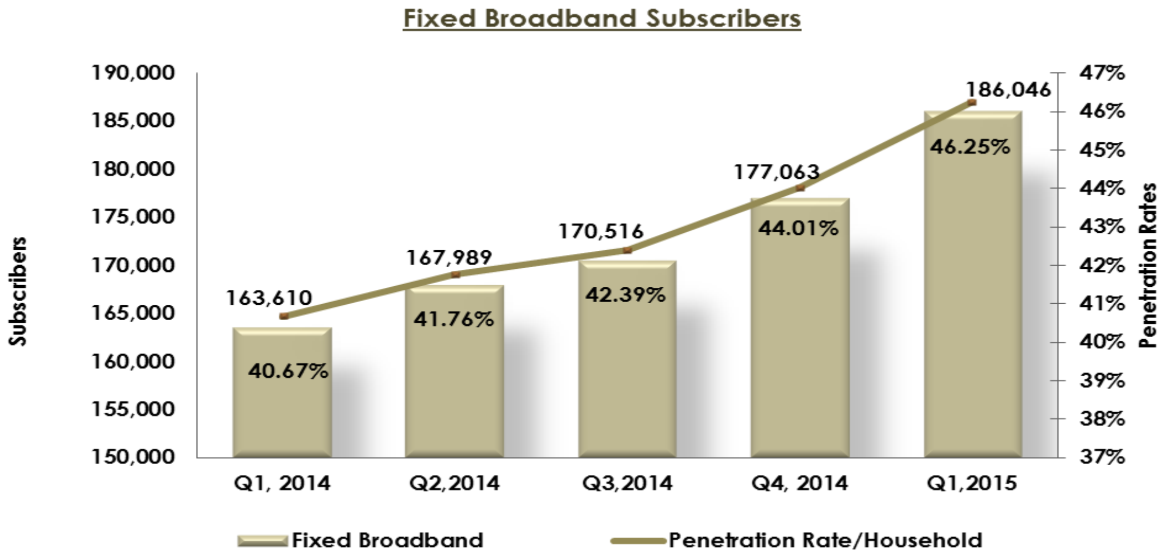
- **Note: The Q1/2015 penetration rates are calculated based on the population (4,155,125), as per the latest bulletin published by NCSI – April 2015.**
- **Households: 402,286 (as per census 2010)**



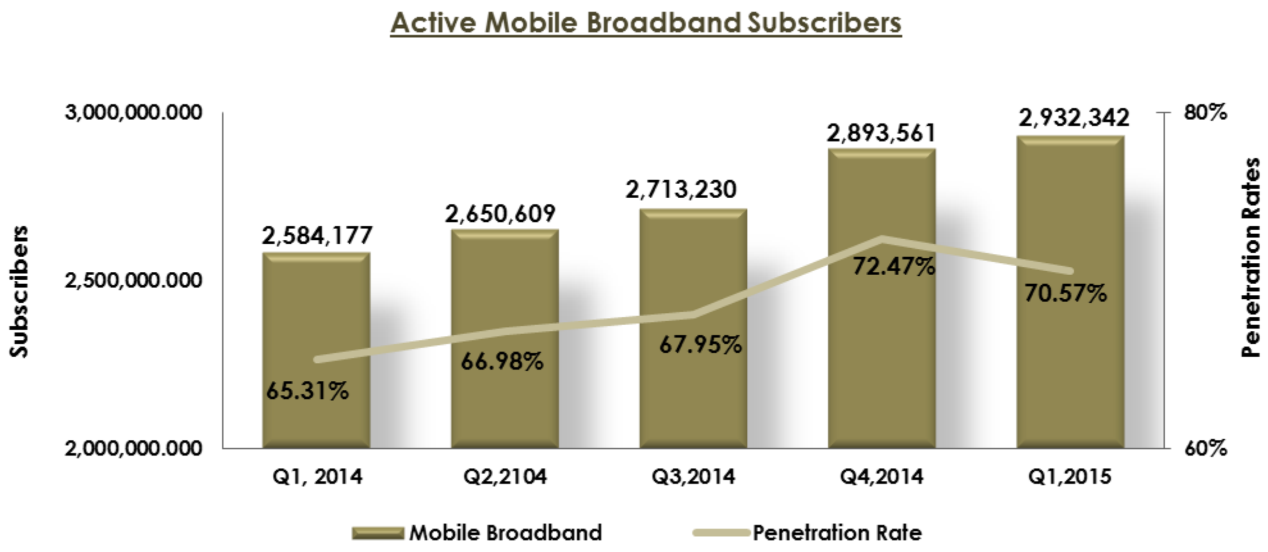
- The fixed internet subscribers added up by 8,905 subscribers during the first quarter 2015. This showed 4.9% growth over the previous quarter.
- During the reported quarter, the fixed internet penetration rate per household recorded 47% which is 2.2% more than the previous quarter.



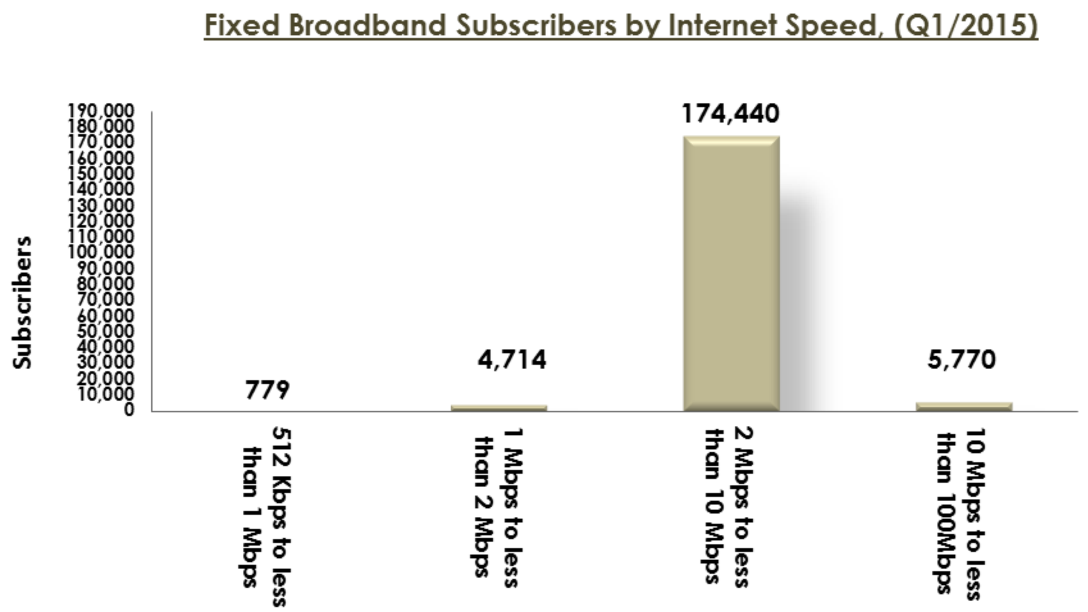
- Since the last year, dial up postpaid internet subscribers have been continuously shrinking and reaching to 3,003 subscribers by end of Q1, 2015.
- First Quarter 2015, registered zero internet prepaid subscribers.



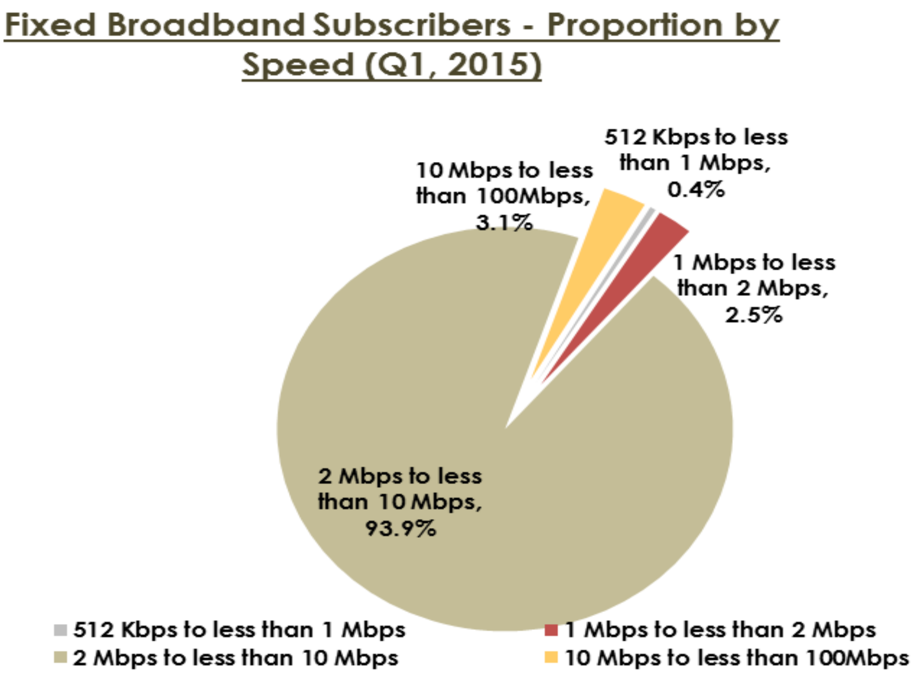
➢ During the first quarter 2015, fixed broadband segment has experienced 5.1% growth over the previous quarter. Fixed Broadband subscription reached 186,046 with penetration rate of 46.25% per household.

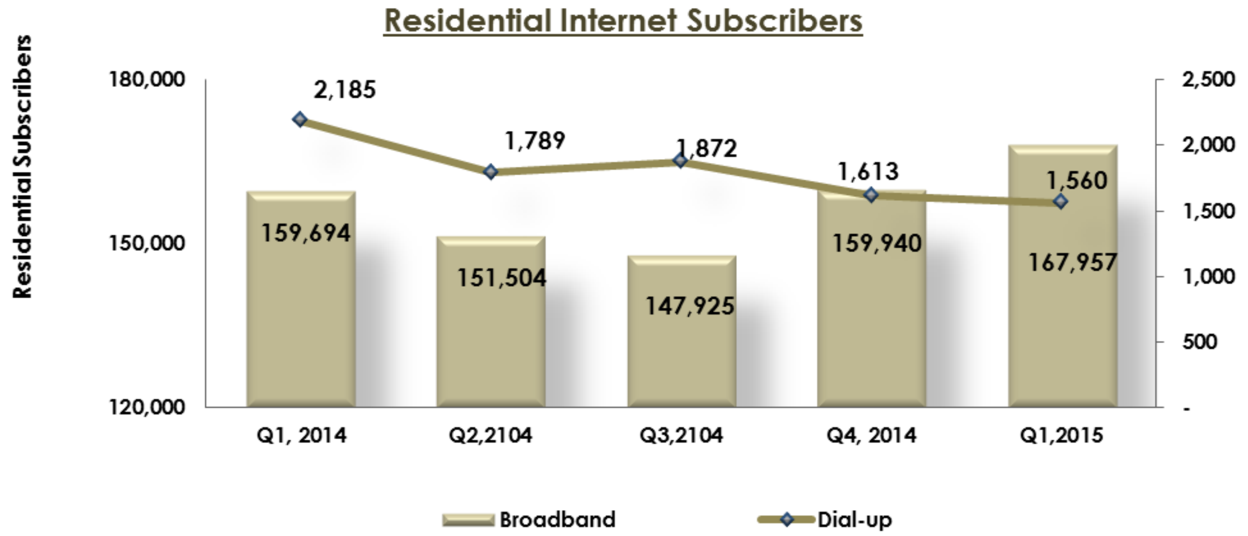


➢ Total active mobile broadband subscribers rose slightly by 1.3% to 2,932,342 from 2,893,561. The penetration rate showed a 2% drop against during the first quarter 2015 due to the update in the number of population during the same period.



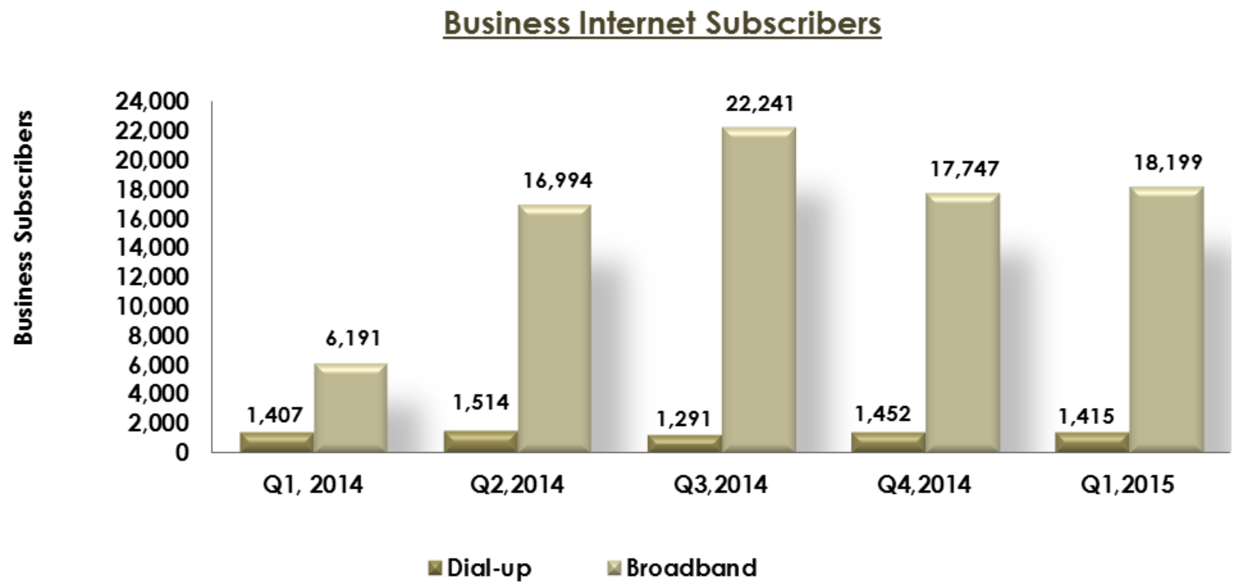
- 0.4% of fixed Broadband subscribers during Q1, 2015 had access speed of 512 Kbps to less than 1 Mbps.
- 2.5% of fixed Broadband subscribers during Q1, 2015 had access speed of 1Mbps to less than 2 Mbps.
- 93.9% of fixed Broadband subscribers during Q1, 2015 had access speed of 2 Mbps to less than 10 Mbps.
- 3.1% of fixed broadband subscribers have access of 10 Mbps and to less than 100 Mbps.

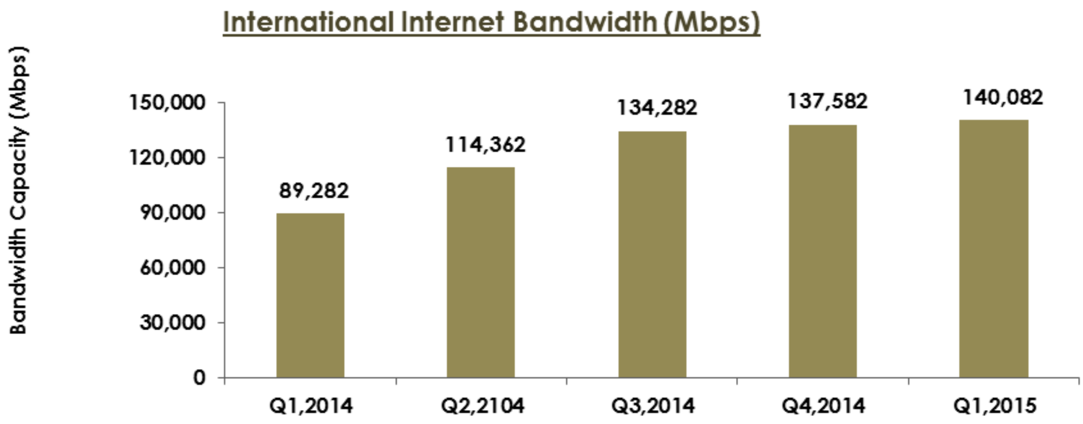




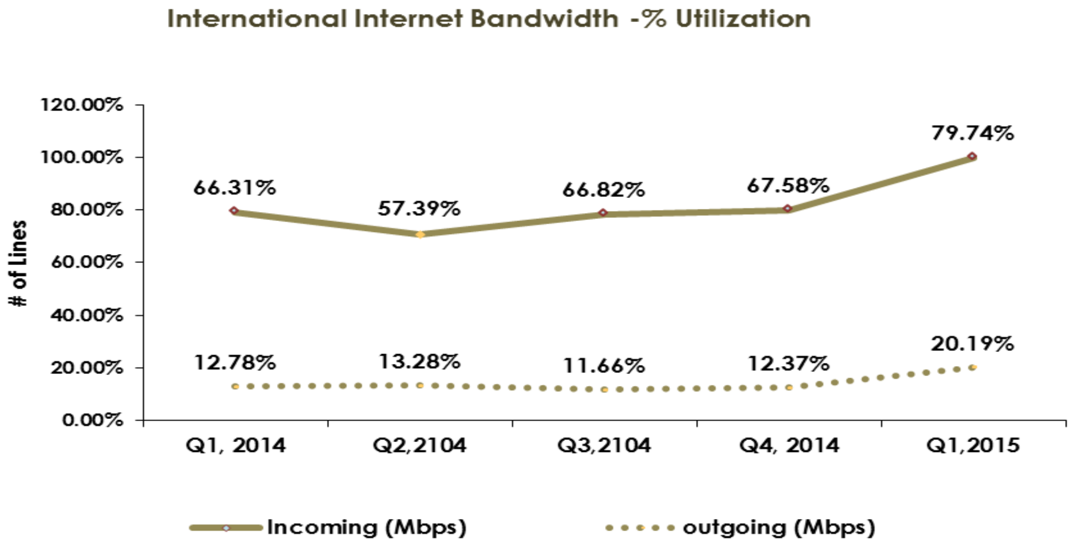
- The residential broadband subscribers in the above chart registered a growth of 5% during the 1st Quarter 2015, on the other hand the residential dial up subscribers dropped by 3.4% over the 4th quarter 2014.

- The below chart presents an increase of 2.5% in the business broadband segment, while 2.5% drop in the dial up internet subscribers.



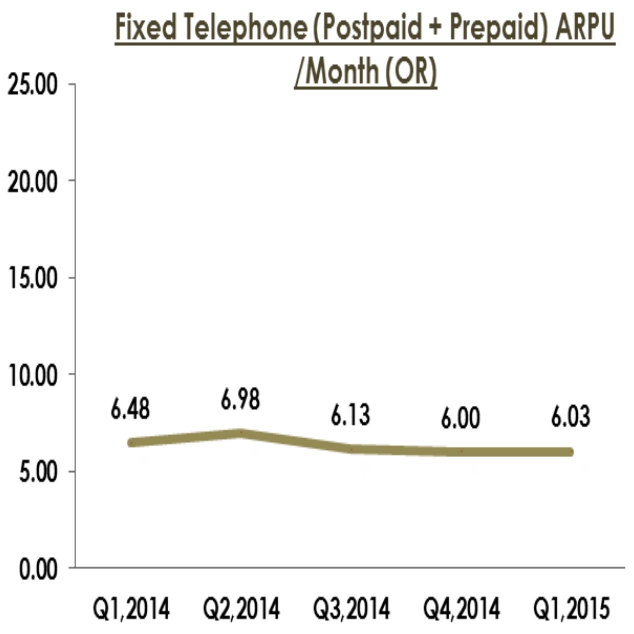


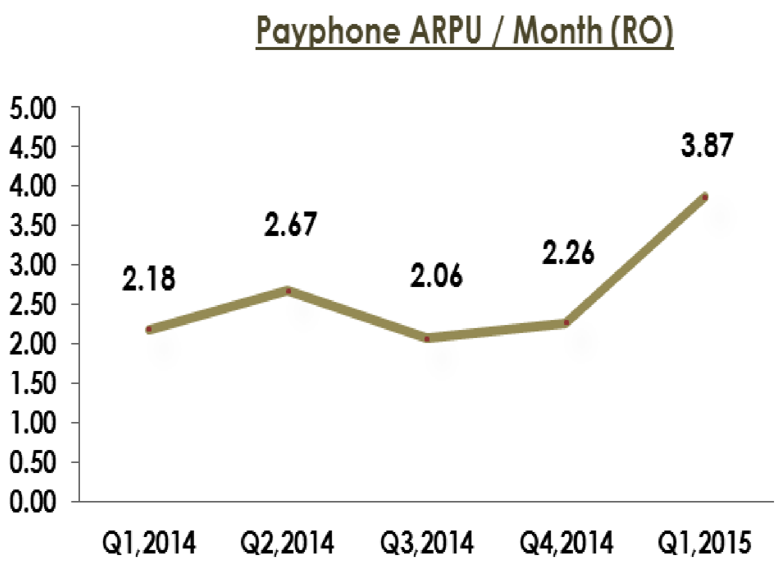
- The first quarter 2015 has 140,082 Mbps capacity for international internet bandwidth with 1.8% increment over the previous quarter when it was 137,582 Mbps.

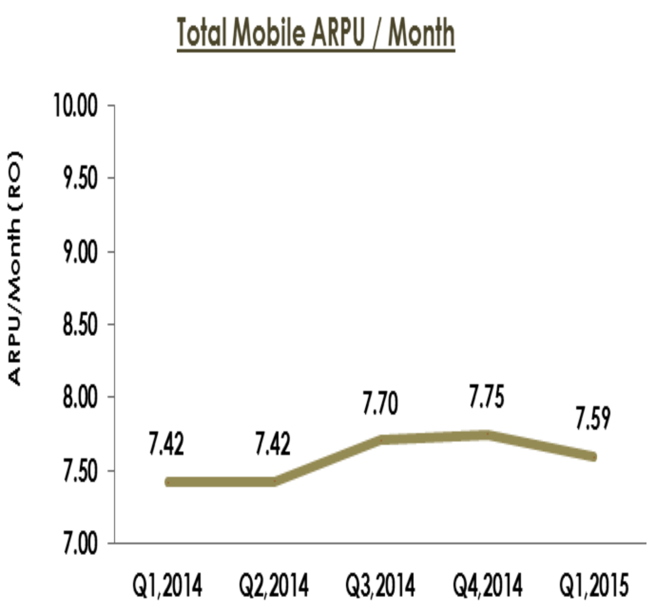


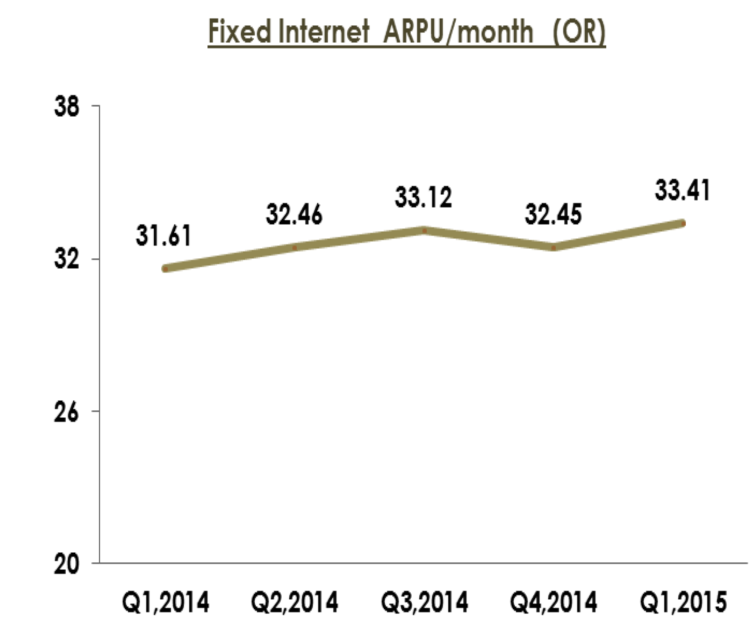
- Out of 140,082 Mbps capacity, on average 20.19% was utilized for the outgoing and 79.74% for the incoming traffic.

ARPUs









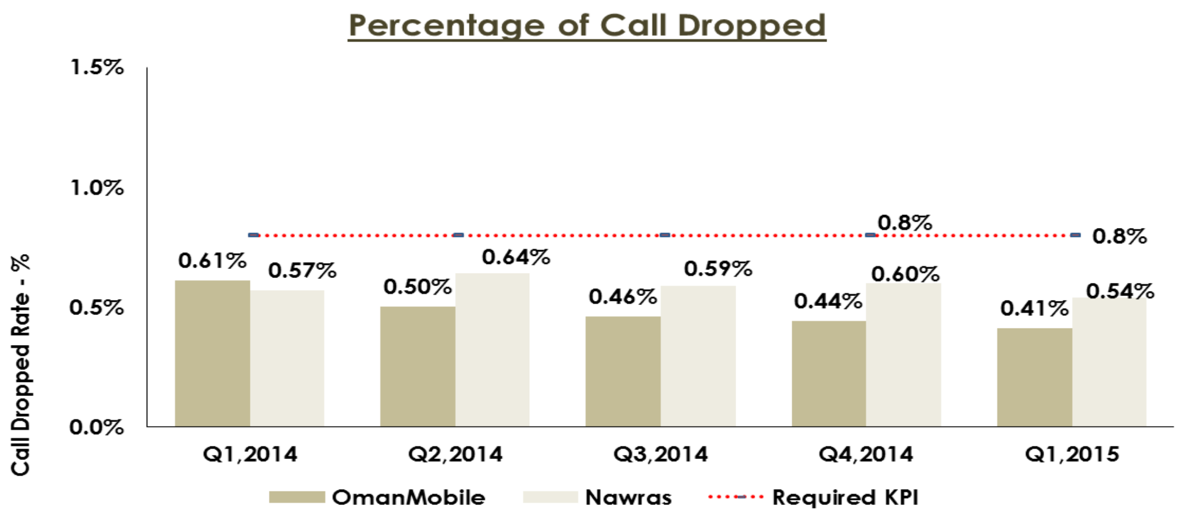
Note: (Calculation of the ARPUs is to divide the total revenue of a service on number of subscribers of that service divide by 3).

Quality of Service

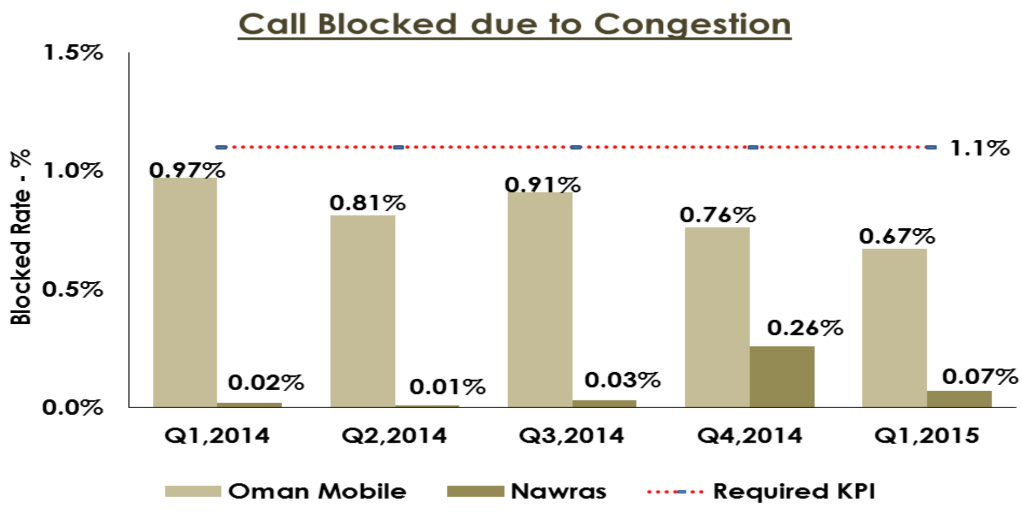
Mobile Services KPIs*

Mobile Services KPIs	Required KPI (Quarterly)	Q1/2015		Q4/2014	
		Oman Mobile %	Ooredoo %	Oman Mobile %	Ooredoo %
1. Percentage of Calls Dropped	Less than 0.8%	0.41	0.54	0.44	0.60
2. Percentage of Calls Blocked due to Congestion	Less than 1.1%	0.67	0.07	0.76	0.26
3. Percentage of billing complaints resolved within 20 working days	More than 96%	99.99	99.72	100	100

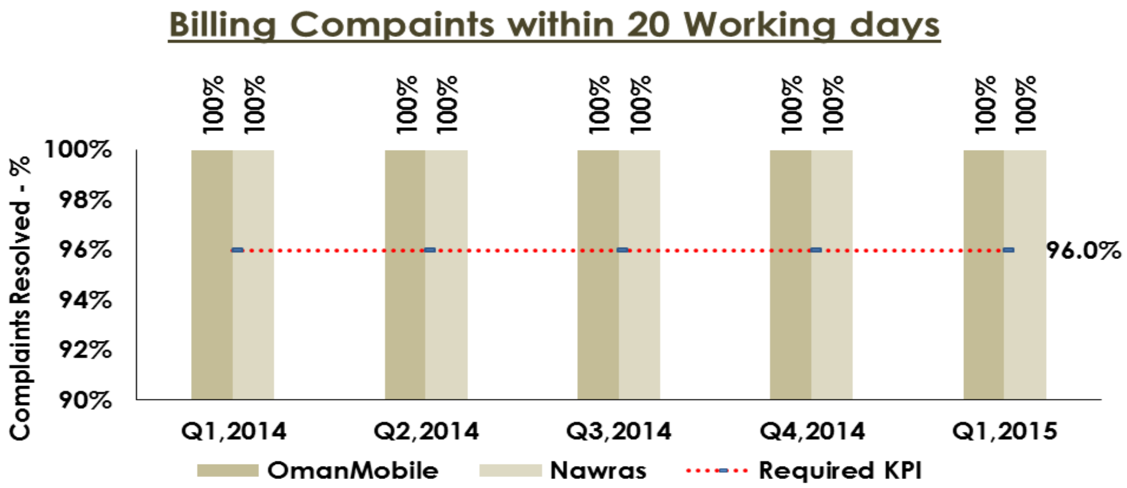
*(QoS indicators are as measured and reported by the operators, not audited or verified figures by TRA)



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%
0.41%
0.54%
0.8%
0.8%
Q1,2014
Q2,2014
Q3,2014
Q4,2014
Q1,2015
OmanMobile
Nawras
Required KPI



Call Blocked due to Congestion
Blocked Rate - %
1.5%
1.0%
0.5%
0.0%
0.97%
0.02%
0.81%
0.01%
0.91%
0.03%
0.76%
0.26%
0.67%
0.07%
1.1%
Q1,2014
Q2,2014
Q3,2014
Q4,2014
Q1,2015
Oman Mobile
Nawras
Required KPI



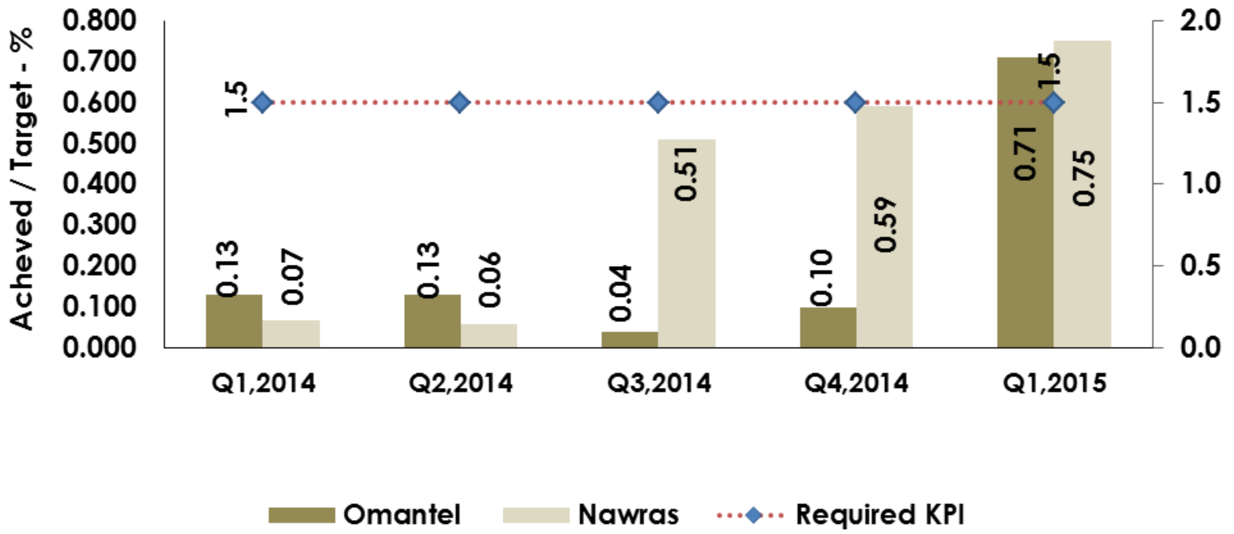
Billing Compaints within 20 Working days
Complaints Resolved - %
100%
98%
96%
94%
92%
90%
100%
100%
100%
100%
100%
100%
100%
100%
100%
100%
96.0%
Q1,2014
Q2,2014
Q3,2014
Q4,2014
Q1,2015
OmanMobile
Nawras
Required KPI

Fixed Services KPIs*

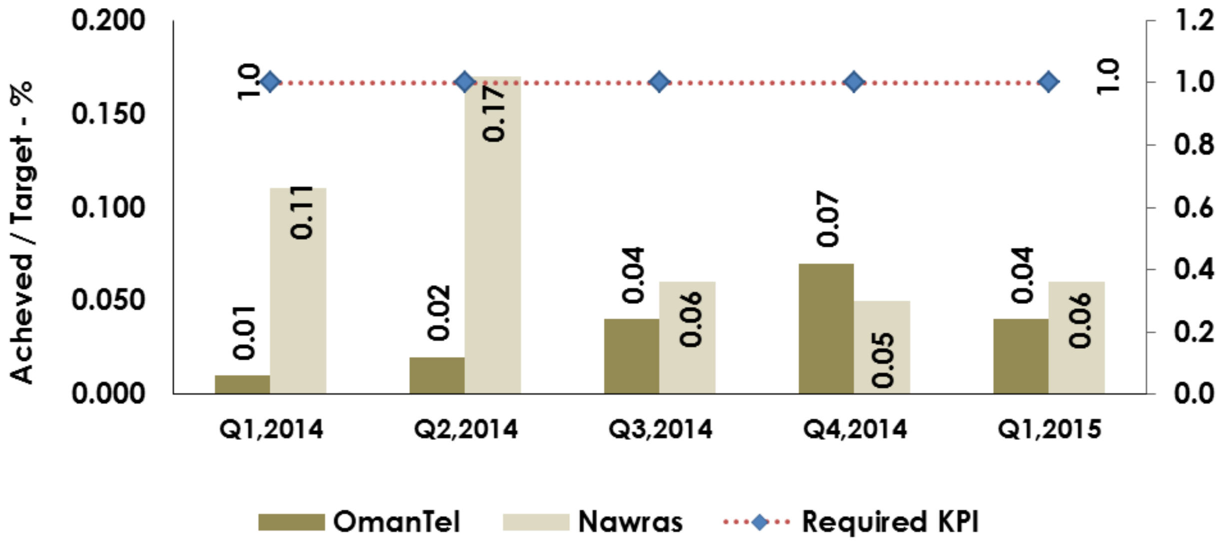
Fixed Services KPIs	Required KPI (Quarterly)	Q1/2015		Q4/2014	
		Omantel	Ooredoo	Omantel	Ooredoo
1. Faults per 100 lines per quarter	Less than 3	2.15	3.00	2.42	4.00
2. % of faults to be cleared within 24 hours	More than 90%	95.69	90.00	87.43	96.97
3. Unsuccessful call Ratio for local and national fixed calls	Less than 1%	0.04	0.06	0.07	0.05
4. Percentage of Orders for access lines in the served areas completed within 10 days	More than 90%	98.52	99.69	96.48	99.77
5. Billing complaints per 1000 Bills	Less than 1.5	0.71	0.75	99.8	-
6. Percentage of billing complaints resolved within 20 working day	More than 96%	100	100	100	100

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

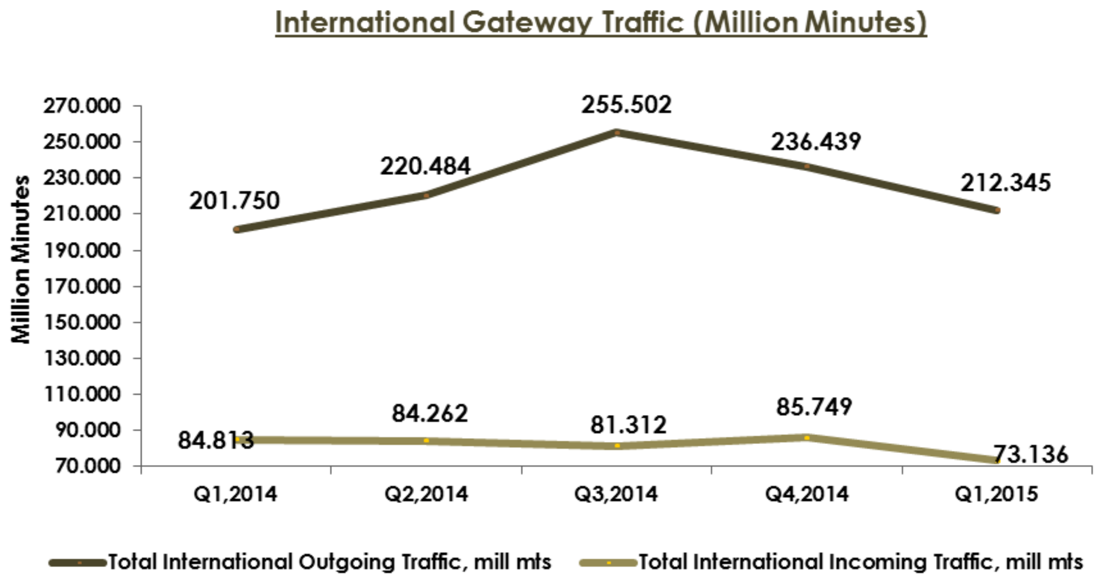
Billing complaints per 1000 Bills (Lower than RED bar is GOOD)



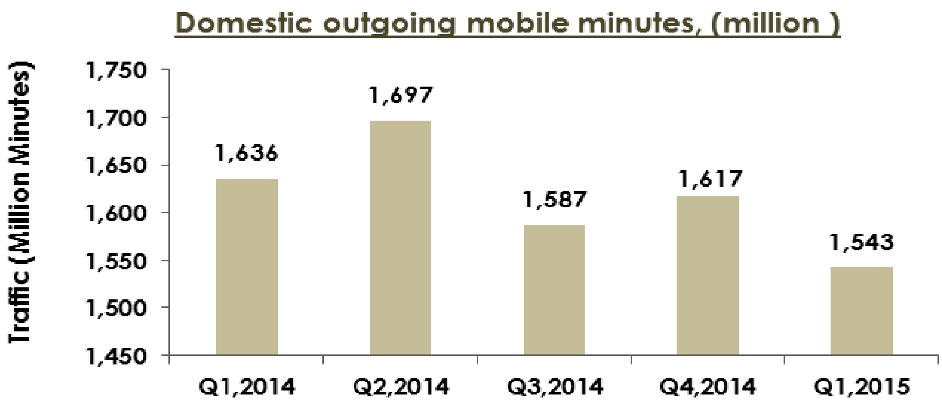
Unsuccessful call Ratio for local and national fixed calls (Lower than RED bar is GOOD)



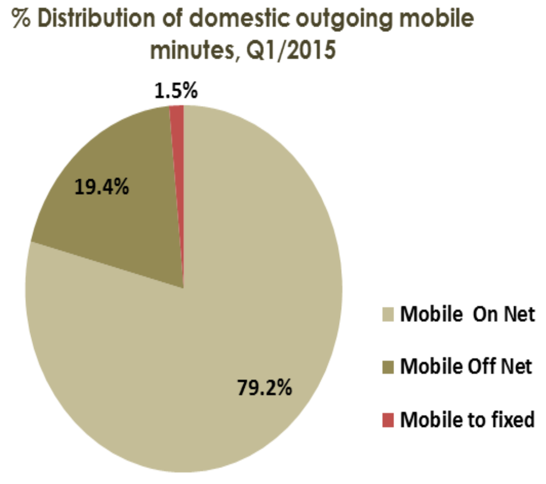
Traffic

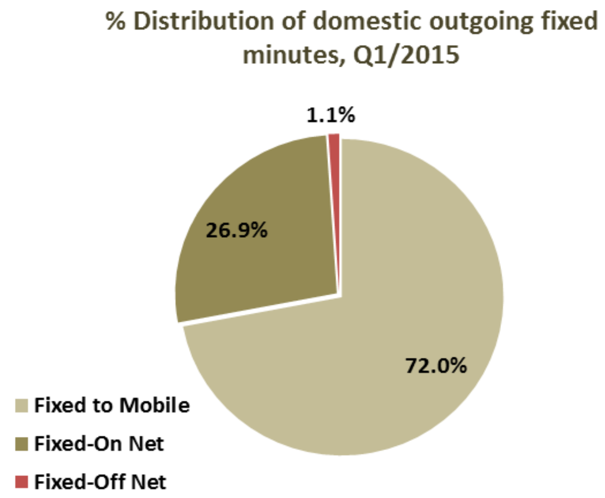


- The first quarter 2015 experienced negative trend in the international outgoing traffic. Both the outgoing and incoming international outgoing traffic declined by 10.2% and 14.8% correspondingly.



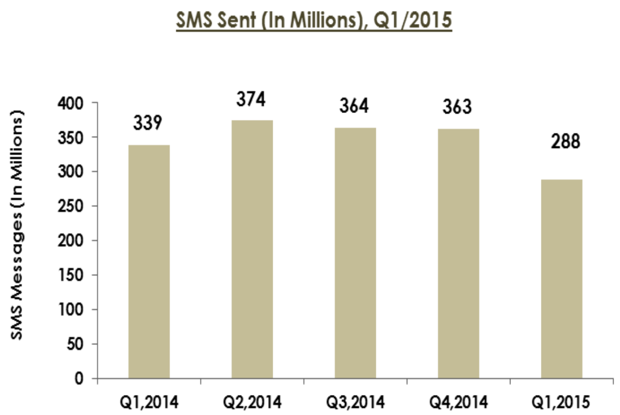
- The domestic outgoing mobile minutes experienced fluctuated trend during the last year. The first quarter 2015, it recorded 4.6% against the 4th quarter 2014.

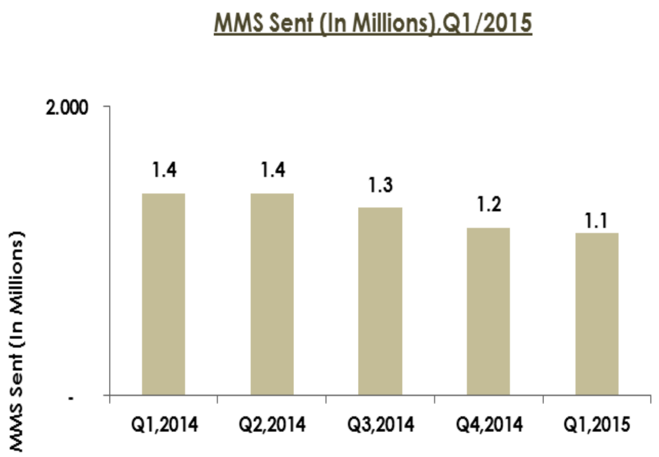




- By the end of the 1st quarter 2015, mobile to mobile (On net) has the major share of the 79.2% out of the total domestic outgoing traffic. While the Off net mobile domestic traffic has 19.4%, and 1.5% was made by the mobile to fixed.

- During the first quarter 2015, the domestic outgoing fixed traffic achieved 72% for fixed to mobile, 26.9% for fixed to fixed (On-net), and 1.1% for fixed to fixed (Off-net).





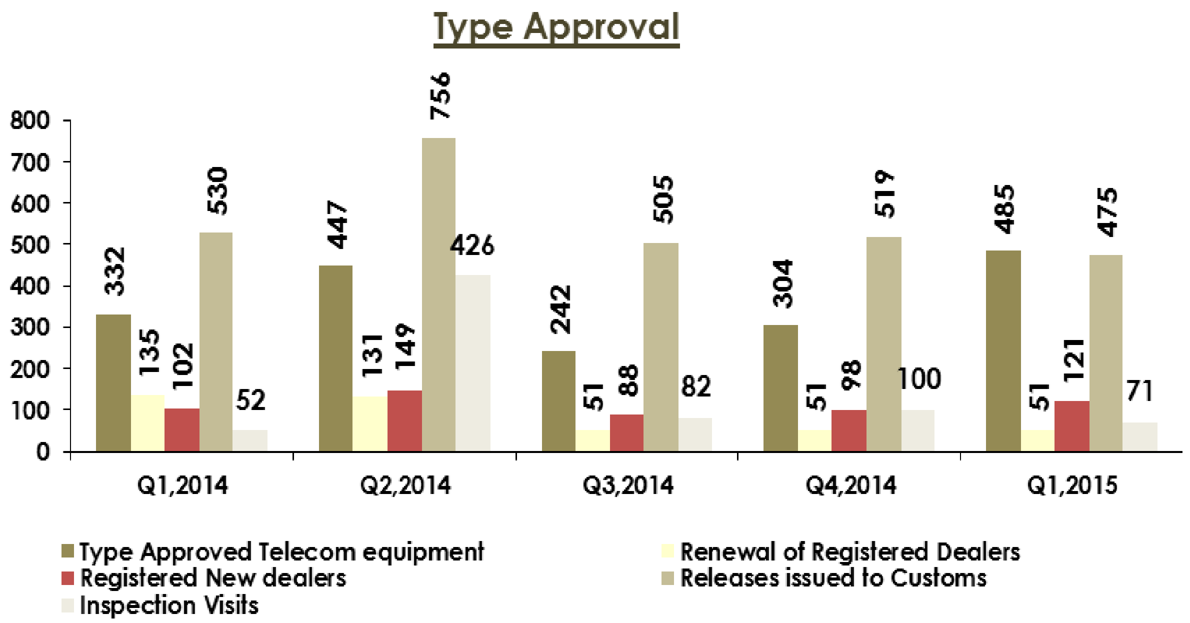
- Continuously for one year back, the number of sent SMS has been shrank reaching 288 million messages by end of the first quarter 2015 from 339 million messages in the same quarter last year, 2014.

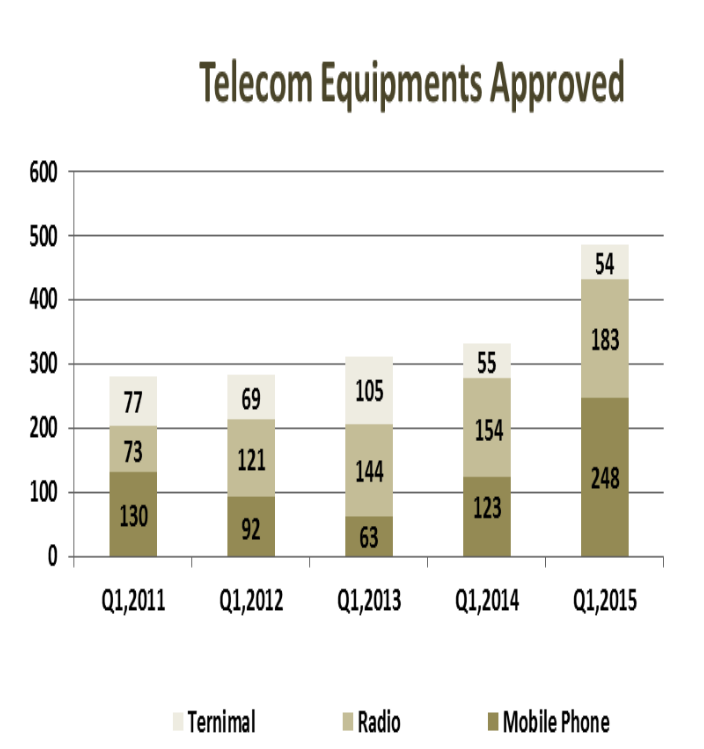
- The number of outgoing MMS has been gradually decreasing during the last year achieving 1.1 million messages by end of the first quarter 2015.

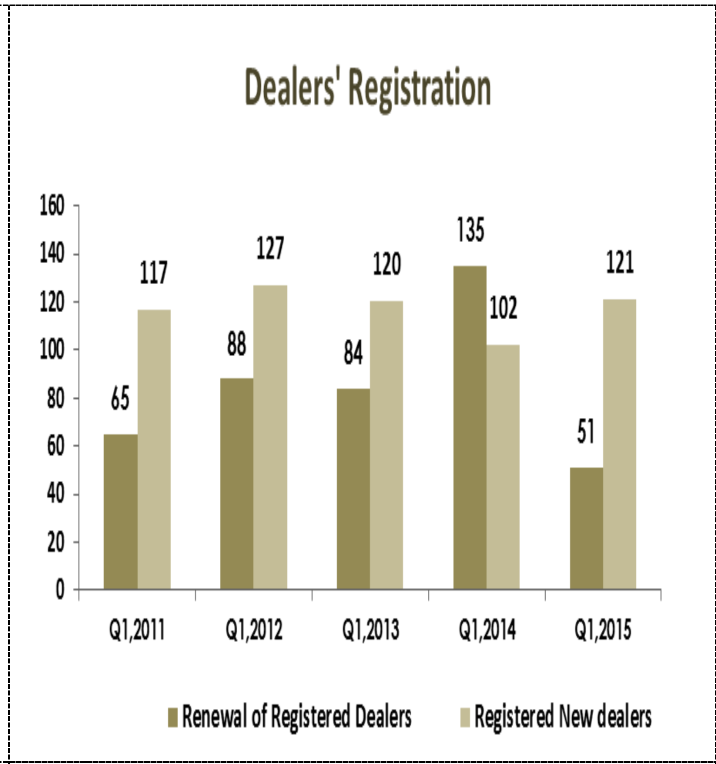
Type Approval

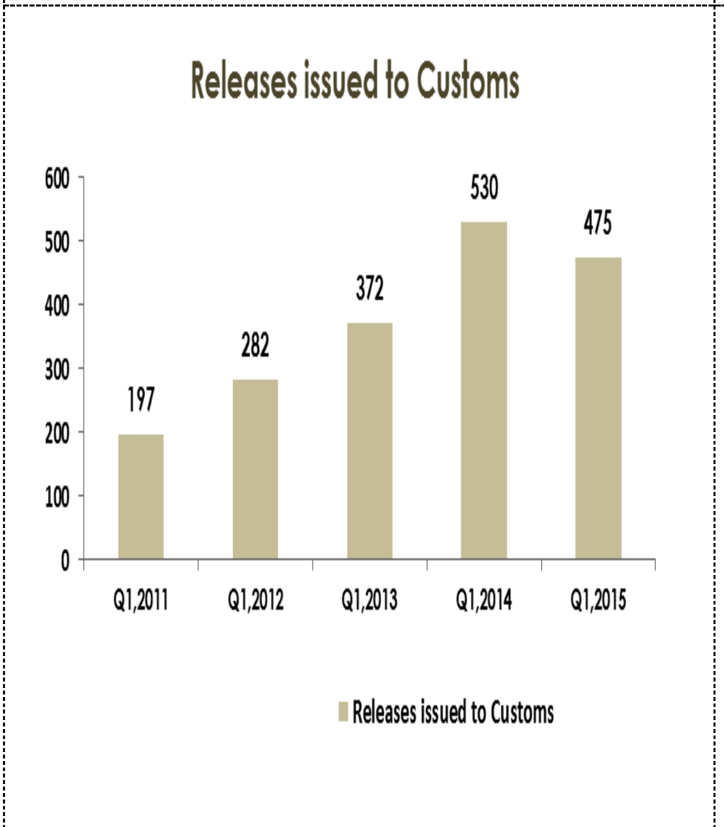
During the First Quarter 2015 , TRA :

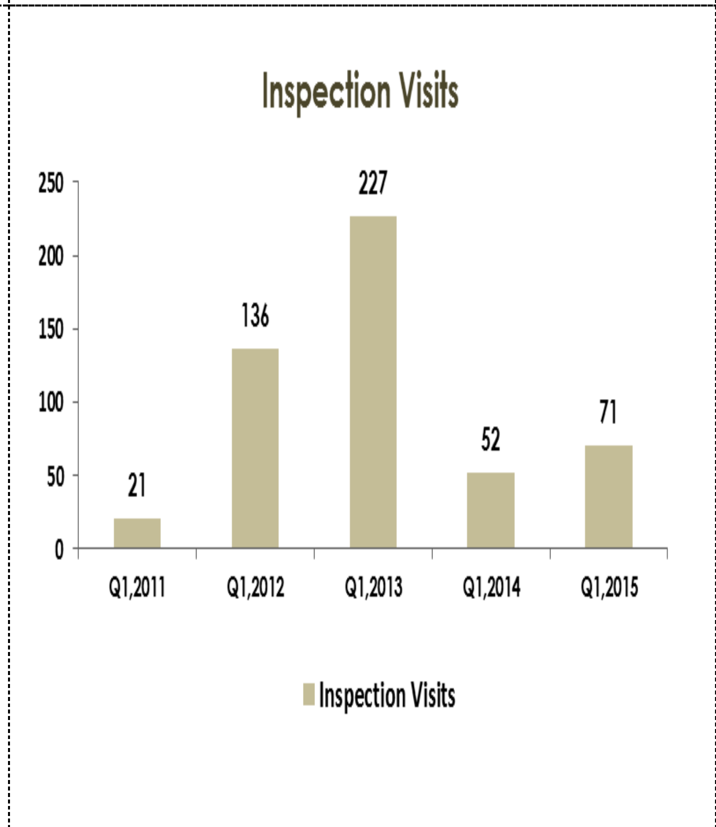
- Approved a total number of 485 (Previous Quarter 304) Telecom Equipment.
- Renewed 51 (Previous Quarter: 51) registrations of Telecom Dealers.
- Registered 121 (Previous Quarter: 98) new dealers.
- Issued 475 (Previous Quarter: 519) Releases to Customs for Import of Telecom equipment.
- Inspected 71 (Previous month 100) dealerships.




Telecom Equipments Approved
600
500
400
300
200
100
0
77
73
130
69
121
92
105
144
63
55
154
123
54
183
248
Q1,2011
Q1,2012
Q1,2013
Q1,2014
Q1,2015
Ternimal
Radio
Mobile Phone


Dealers' Registration
160
140
120
100
80
60
40
20
0
65
117
88
127
84
120
135
102
51
121
Q1,2011
Q1,2012
Q1,2013
Q1,2014
Q1,2015
Renewal of Registered Dealers
Registered New dealers


Releases issued to Customs
600
500
400
300
200
100
0
197
282
372
530
475
Q1,2011
Q1,2012
Q1,2013
Q1,2014
Q1,2015
Releases issued to Customs


Inspection Visits
250
200
150
100
50
0
21
136
227
52
71
Q1,2011
Q1,2012
Q1,2013
Q1,2014
Q1,2015
Inspection Visits

Tariffs & Promotions

Summary of Promotion's Statistics for Q1/2015:

Number of Promotions approved Q1 2015													
Licensee	Voice	Bundles	International Calls	MBB	HBB	International Roaming	Value Added Service	Starter Pack	Top-Up	Voice & Data	Voice & International calls	Leased Lines	Total
Renna	1		1						3				5
Friendi	1	3	2						1				7
Teo			2										2
Omantel	1	1		2		1	1			1			7
Ooredoo	1	2		1		1			1				6
Total	4	6	5	3	0	2	1	0	5	1	0	0	27

Number of new services and Plans approved Q1, 2015													
Licensee	Voice	Bundles	International Calls	MBB	HBB	International Roaming	Value Added Service	Starter Pack	Top-Up	Voice & Data	Voice & International calls	Leased Lines	Total
Renna				1									1
Friendi									1				1
Teo													0
Omantel	1			2	1		3						7
Ooredoo			1				4						5
Total	1	0	1	3	1	0	7	0	1	0	0	0	14

Summary of the tariff activities in Q1/2015:

Promotional Activity

- The number of promotions comparing with the same quarter last year decreased from 34 to 27, some of the promotions was for the safe return of His Majesty to the Home.
- 59% of promotions were for prepaid customers, only 4% of promotions approved were exclusive for postpaid customers, while the remaining were for mixed.
- 85% of promotions focused on Mobile segment.
- International calls promotions account for 19% of the total promotions approved.
- 15% of the promotions were related to voice service.
- 19% of the promotions were on Recharge services, companies tend to offer bonuses for accounts recharges to attract and maintain customers.
- Competition in Roaming services is taking place as during this quarter, the MNOs continued to offer special roaming promotions like "roam like home" and "Jawazak".

New Services and Tariffs

- 14 new services were launched this quarter; MNO's have 86% and Resellers 14% of the total new services.
- 21% of new services were exclusive for business and corporates. These offers for national and international voice as well as the fixed broadband.
- 50% of new services were for value added services.