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Oman Telecom Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

Turkey's telecom market is expected to grow at a CAGR above 5% over the next five years. Oman's demographics are favourable due to a growing young population. The need for data services would continue to be driven by expanding smartphone usage, particularly among younger people, along with growing OTT and social media consumption. The highly saturated mobile market and the growing data demand would fuel the mobile business profits for the Omani telecom carriers.

Key Highlights
In Oman, the 5G network is expanding quickly alongside 5G Fixed Wireless Access (FWA), which offers fixed internet services. Also, operators are planning to spend aggressively building the 5G network to boost income for the fixed-line sector. Further, to take advantage of the expanding prospects in Oman's underserved fixed-line market, businesses are also preparing for Fibre To The Home (FTTH) development. Fixed wireless connection is an essential component of the telecom operators' plan to offer high-speed internet access throughout Oman.
Cellular technologies have a vital role in the growth of communication and the transformation of enterprises and society, with a connection at the center of industry change. With the advent of 5G, operators can create new use cases, apps, services, and income streams geared at consumers, businesses, and other markets and sectors. To establish 5G mobile networks, Oman's service providers spend more money on network coverage, dependability, and speed improvements across the country. The mobile ecosystem is drastically changing and is becoming more pervasive and broader than ever as 5G technology enters the Omani market. The moment has come for operators to use their cutting-edge technology to create products that empower consumers and companies.
After 2019, mobile broadband service penetration will be above 100%, driven by growing data consumption. The number of mobile broadband subscribers fell last year, but the trend is projected to change thanks to an increasingly young population and increased demand for data. According to the GSMA, mobile data traffic in the GCC area is anticipated to be spurred by rising

smartphone use, and increased use of social and OTT platforms would quadruple by 2027. With an anticipated rise in subscriber base and better ARPU, the mobile broadband segment of the country is anticipated to promote sector-wide revenue growth.
With Vodafone Oman's debut in the first half of the current year, the rivalry in the domestic telecom industry is set to intensify even further. This is anticipated to significantly influence the dynamics of a competitive market that is already saturated, as seen by the increase in mobile virtual network carriers (MVNO). With its extensive expertise and advanced technological skills, Vodafone Oman might seriously threaten current industry leaders' ability to hold onto market share. Vodafone is rapidly increasing its market share in Oman by providing services at costs below cost, posing a severe challenge to established businesses' ability to hold onto their market positions. Particularly in the mobile prepaid market, the pricing conflict is predicted to worsen, putting pressure on ARPU.
The telecommunication business potential in Oman is still expanding quickly despite the enormous commercial hurdles brought on by the COVID-19 pandemic. To capitalize on the increased need for Data centers, Unified Communications and Collaboration (UCC), contact centers, cloud computing, managed security, blockchain, the Internet of Things (IoT), and big data analytics, telecom firms are continuously investing in ICT. Omantel and Ooredoo recently installed high-capacity underwater cable networks linking Oman with the ROW. It might be a game-changing strategy to work with foreign operators, allowing Omani operators to keep up with changes worldwide and have access to high-speed internet.

Oman Telecom Market Trends

Growth in OTT Services

Without a cable or satellite television subscription, entertainment films and TV series may be directly supplied to digital consumers using Over-The-Top (OTT) platforms. Due to the considerable proportion of young people who utilize digital media (such as social, economic, OTT, and IoT), there would likely be a rise in demand for data services, which would help the Omani telecom industry. Favorable demographic trends are therefore promising for the home telecom industry. Over the past two years, the SVOD industry has expanded quickly. In the current year, it is expected to rise across the country. According to Dataxis, this market's growth curve will soar over the following five years and is anticipated to have a 170% home penetration rate by 2026.
The pandemic has expedited the country's adoption of streaming video content (OTT video) and music and increased interest in online gaming. With the start of the lockdown, the percentage of OTT video subscribers and their viewing time grew. Also, the growth in the OTT sector is attributable to partnering with leading telecom operators to simplify payment methods, localizing offers in terms of language and cost, and differentiating from rivals in specialized and premium categories to enable double-subscription and package bundles.
Consumers now prefer video OTT services to watch live TV and on-demand content due to the fast expansion of high-speed internet and digital infrastructure. To ensure their interaction with the platform is smooth, immersive, and customized, the top OTT providers in the country have made considerable investments in content delivery systems. With the use of these technologies, clients may enjoy premium watching options. For example, via Jawwy TV's cloud-based solutions, which provide Ultra-HD and 4K content, subscribers may set up several accounts for each family member. This helps the service provider deliver personalized suggestions and parental restrictions.
Telecom operators are entering adjacent markets like those for video services to monetize their networks and establish differences from their rivals. By doing so, they may raise ARPU and lower churn. Additionally, telecom carriers are frequently collaborating with several OTT video providers. This creates a win-win situation for both parties. It enables them to deal with only one partner and provides clients access to all the material they need in one location. While OTT providers contribute a multitude of expertise in delivering outstanding digital content directly to customers' devices for a top-notch watching experience, telecom operators bring a sizable customer base of connected people through a trusted brand. For instance, Ooredoo Oman partnered with STARZ PLAY for digital content.
According to the Capital report on Oman Telecom Sector, Oman has an excellent demographic profile, with around 45% of the

population between the ages of 25 and 54, reflecting the country's growing and youthful population. The people of these age groups are mainly attracted to the OTT and SVOD platforms as they have grown up with smartphones, social media, and video games, which provide finely tailored social, and interactive experiences.

5G Starts Taking Pace

With a predicted acceptance rate of 49% by 2025 and a total subscriber base of 41 million, the GCC area is outpacing other worldwide markets in implementing 5G technology. Oman's telecom providers, who launched 5G in 2019 and would have 45% of the population covered by it by 2021, are growing their 5G infrastructure at a rapid rate, much like other regional companies like STC. According to the GSMA, 4G adoption would peak next year when customers switch to 5G contracts. In addition, telecom providers are preparing for a more comprehensive route for technologies like 5G, IoT, and cloud computing as part of Oman's Vision 2040 to satisfy the nation's insatiable demand for mobile and internet services.

With several initiatives for digital transformation in various industries already underway, the commercial segment is also anticipated to offer the most significant incremental potential in the 5G era. In certain markets, the average 5G data usage is 2.6 times higher than the average 4G consumption. A similar development is anticipated in Oman's 5G data consumption, which would boost service revenues for telecom carriers. Alongside Oman's expanding 5G network, 5G Fixed Wireless Access (FWA) delivering fixed internet services has continued to grow quickly, and the operators are seeking to spend actively in growing this 5 G network.

With its vast network capacity and extremely low latency, 5G is the essential enabler for Industry 4.0 technologies, including IoT, Cloud Computing, Big Data & Analytics, Augmented Reality, and Artificial Intelligence. Telecom firms like Omantel and Ooredoo are constantly laying the foundation to assist the public and business sectors in taking advantage of the expanding opportunities brought on by technological advancements. The commercial introduction of 5G for fixed home internet and mobile in Oman was initially announced by Omantel. With expanded network coverage, flexible options, and solid partnerships, the firm keeps strengthening its position as the nation's 5G leader.

Regarding the quickest 5G download speed, Ooredoo beat Omantel. According to an Ookla report, during Q3 of last year, Ooredoo also had the fastest 5G in Oman at 346.37 Mbps beating Omantel's 228.25 Mbps median 5G download speed. The closest median 5G upload speed for Q3 of last year was between Ooredoo and Omantel, achieving median upload speeds of 27.37 Mbps and 24.78 Mbps, respectively. Also, in terms of 4G availability, Ooredoo bested Omantel. However, Omantel triumphed in terms of 5G availability. Compared to Omantel's 78.4%, Ooredoo had the greatest 4G availability at 84.3%. There was no statistical winner for 5G availability. However, Omantel and Ooredoo both achieved 8.1% and 7.4%, respectively, in Q3 of last year.

According to an Ericsson report, the anticipated number of 5G mobile subscriptions in the Middle East and North Africa (MENA) and Gulf Cooperation Council (GCC) for the forecasts of 2026 is 150 million and 62 million, respectively. Global digitization was expedited by the pandemic, which also emphasized the value of internet access and attributed to this growth.

Oman Telecom Market Competitor Analysis

The Oman telecom market is becoming moderately fragmented. Some major players in the market studied include Oman Telecommunications Company, Ooredoo Oman, Vodafone Oman, and Awaser Oman LLC. The market also hosts several internet service providers (ISPs), MVNOs, and fixed-line service providers. Some of Oman's leading telecommunication companies are competitive internationally and hold firm ground in the global telecom space.

In August 2022, Ooredoo announced the news of initiating three additional data centers in Oman. Following the opening of its first location in Muscat last year, the data centers have been established in the three coastal cities of Barka, Salalah, and Sohar. The Salalah and Barka locations would also have 2Africa cable landing facilities.

In March 2022, Vodafone Oman, a subsidiary of Oman Future Telecommunications (OFT), joined Omantel and Ooredoo as the third mobile network provider in the nation with the formal beginning of commercial mobile operations in the Sultanate. In December of the previous year, the company stated that it had started offering services to customers and that Muscat.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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