



هيئة تنظيم الاتصالات  
Telecommunications Regulatory Authority  
Kingdom of Bahrain - مملكة البحرين

# Bahrain Telecom Pricing

International Benchmarking

December 2015



2015



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# Report overview

- 📍 This report focusses specifically on Bahrain retail prices for telecommunications services in compared to GCC countries\*, Arab average and OECD average.
- 📍 The services covered in this report are the same as the services covered in the main AREGNET report, namely:
  - 📍 Fixed voice (PSTN)
  - 📍 Mobile telephony
  - 📍 Fixed Broadband
  - 📍 Mobile Broadband
  - 📍 Leased lines
- 📍 In addition, aggregate analyses have been included, to illustrate the likely total costs faced by consumers and businesses separately who subscribe to a number of communications services. In this analysis, 3 types of user have been defined for consumers; with low usage, medium usage and high usage, and 2 types of user for businesses; medium and high usage.
- 📍 All the results contained in the report are derived directly from data from the main AREGNET study, which is based on OECD methodologies, and which uses data gathered in June 2015.
- 📍 References to both GCC and Arab averages are included, for comparison
  - 📍 Where relevant the OECD average is also shown
- 📍 An overview of the study methodology, as well as a description of the baskets considered within each service can be found in a separate document\*\*

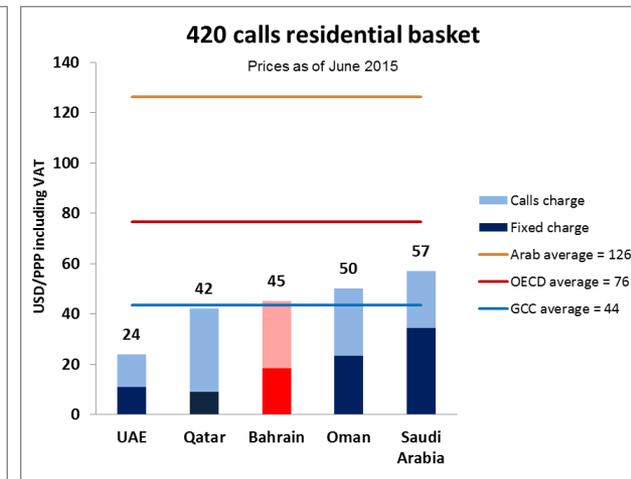
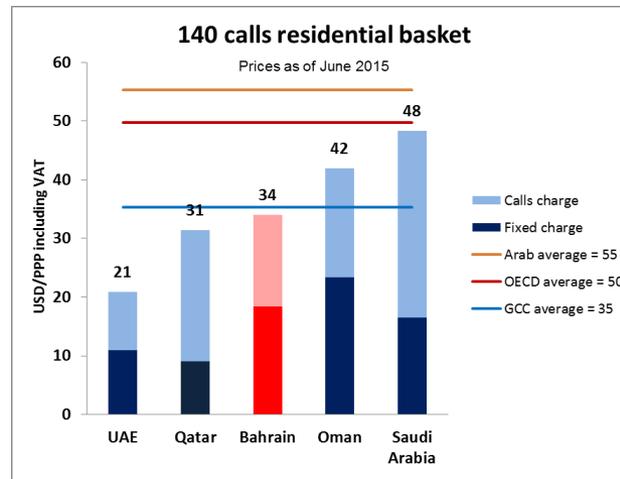
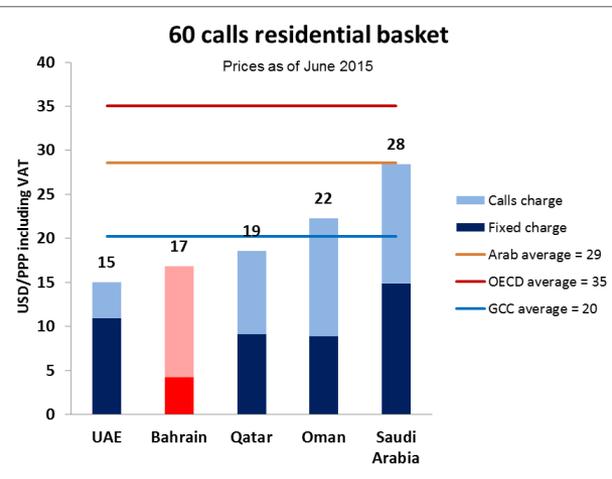
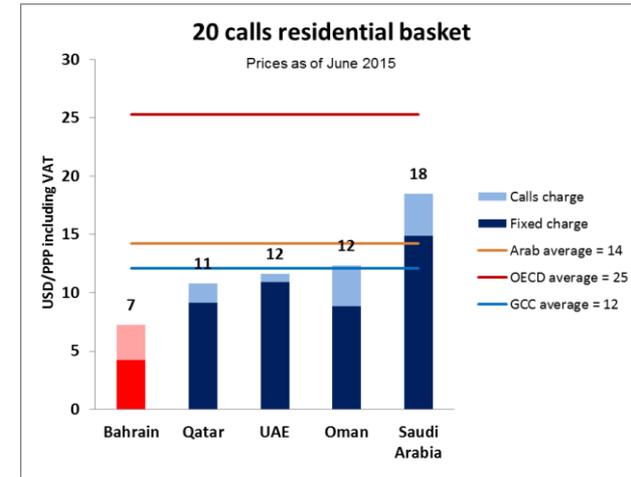
\* Data for Kuwait is only available for mobile services

\*\* AREGNET Price Benchmarking Methodology 2015



# PSTN residential baskets

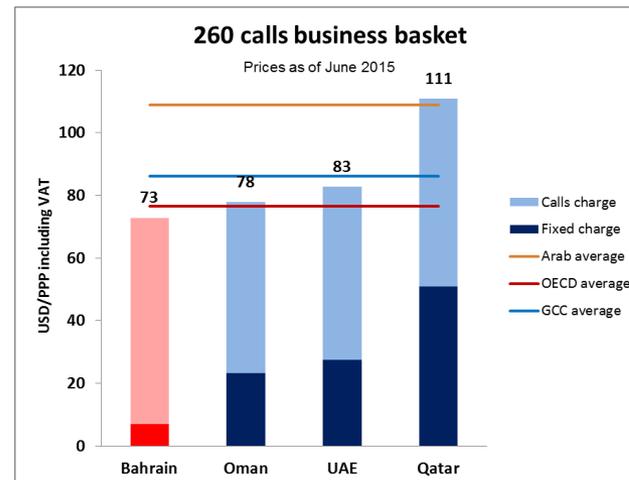
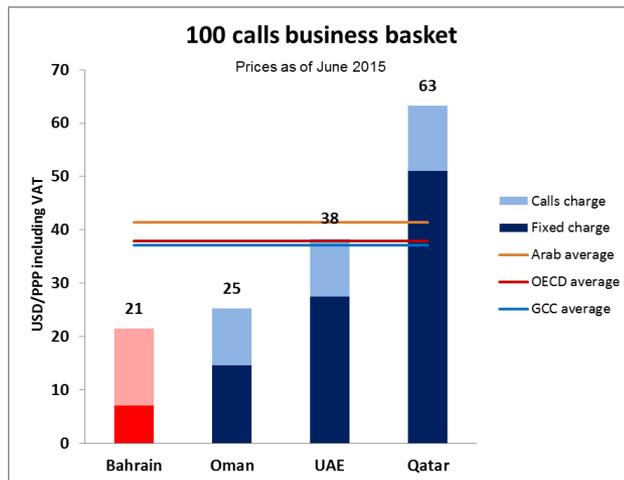
- Bahrain has the lowest fixed charge for residential telephone lines, for most baskets, and relatively high calling charges, and is the cheapest GCC country for low usage, while the ranking moves towards the middle of the GCC countries as usage increases.
- The Batelco tariff with unlimited on-net calls benefits higher usage baskets. Many of the other GCC countries already have lower or “free” fixed line calls.





# PSTN business baskets

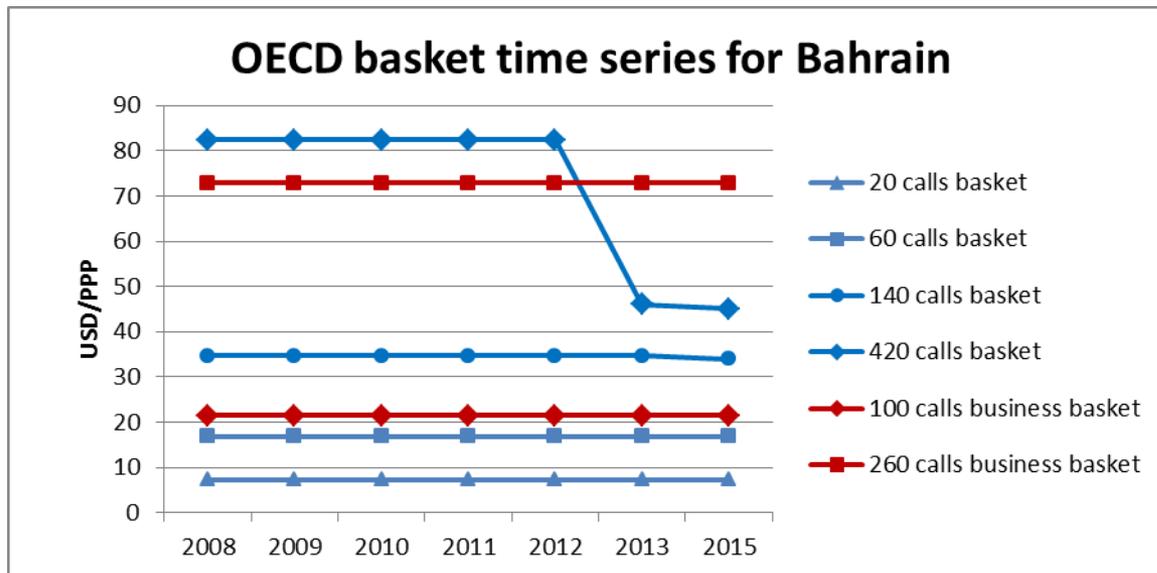
- 📍 Bahrain has the lowest fixed charge for business telephone lines, and relatively high calling charges (especially for domestic fixed-to-fixed calls).
- 📍 Bahrain is performing well for low usage, e.g. for the low call basket (100 calls).
- 📍 Bahrain is also the most competitive country among the GCC for the high call basket (260 calls), although Oman is only slightly more expensive.
- 📍 Usage charges will escalate faster with usage in Bahrain than in the other countries.
- 📍 Little has changed since last update, except for minor price reductions in UAE.





# PSTN baskets results time series for Bahrain

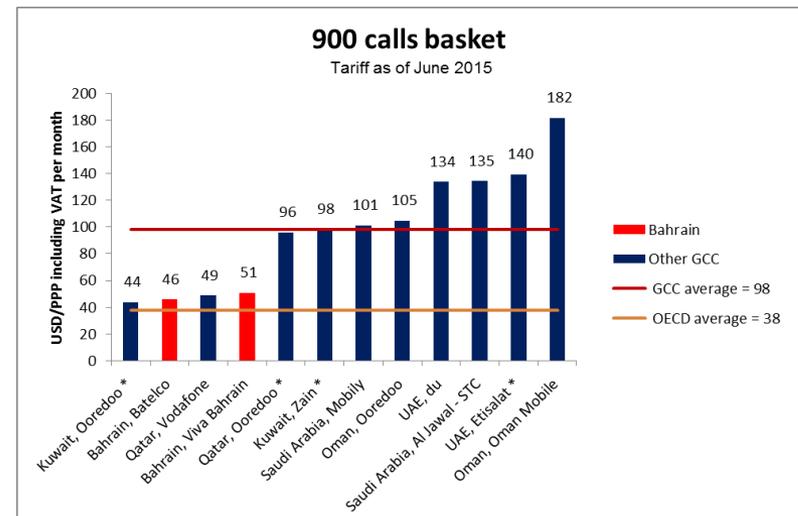
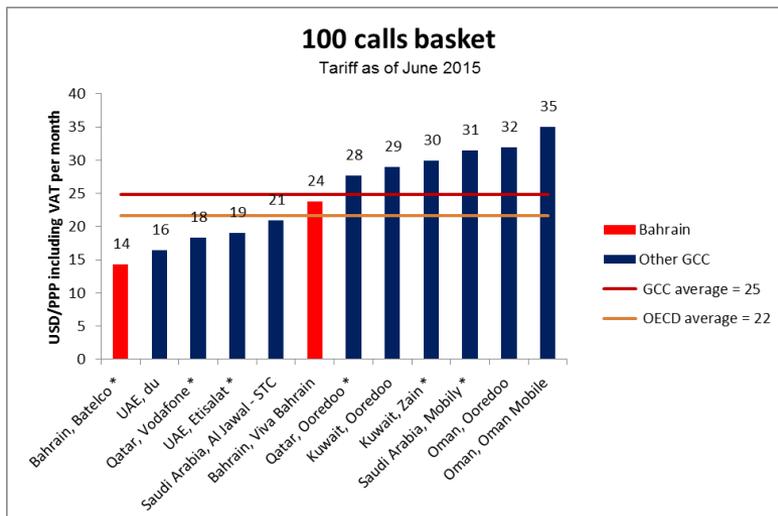
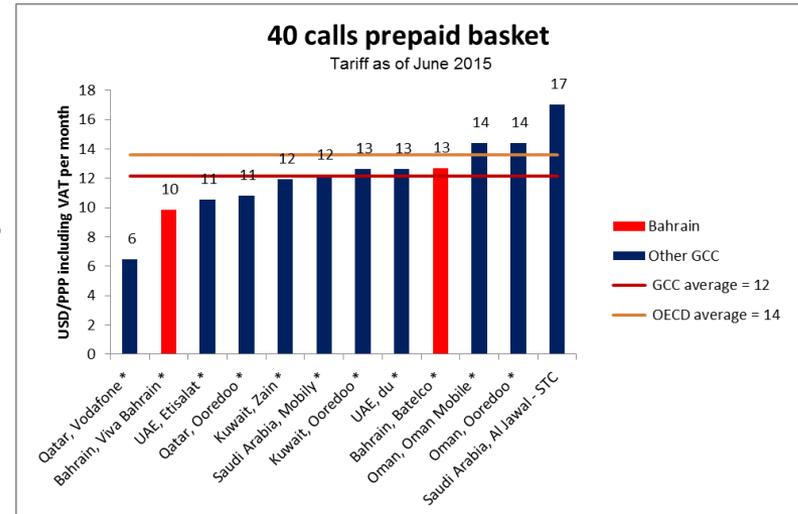
- 📍 PSTN pricing in Bahrain has been static since 2008 for most users. The introduction of an unlimited calling option for residential customers has resulted in a sharp fall in costs in 2013 for the high usage residential basket.
- 📍 Prices have remained competitive during this time, compared to other GCC countries.





# Mobile baskets without data

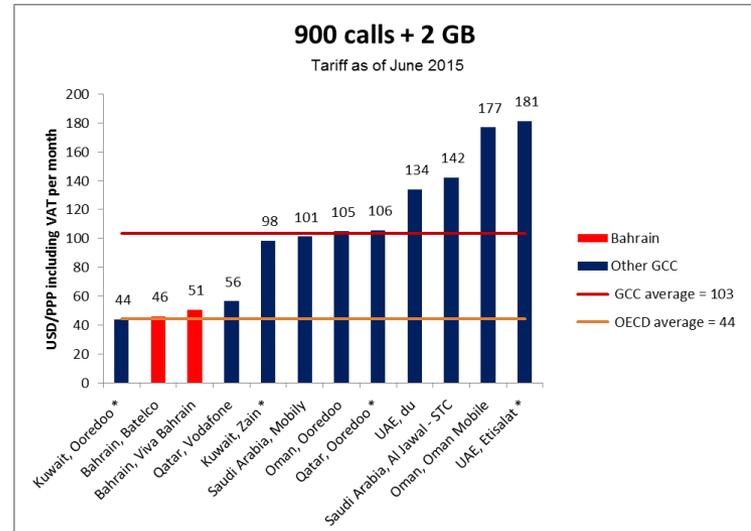
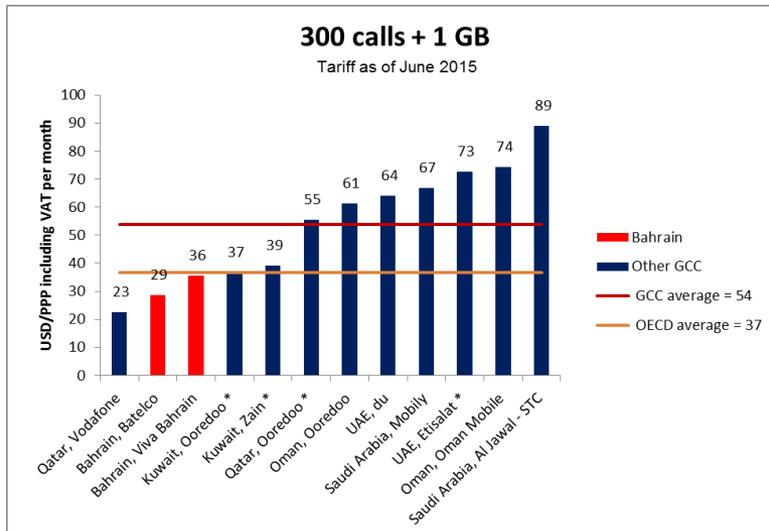
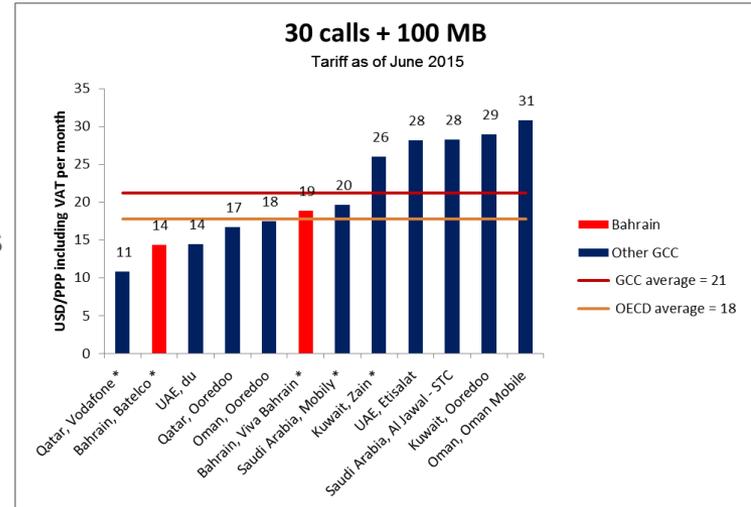
- Bahraini operators typically lie below the GCC average across the mobile baskets.
- Bahrain, and in general, most of the GCC providers are much more in line with the OECD average for lower usage baskets. For higher usage baskets, Bahrain is significantly above the OECD average.





# Mobile baskets with data

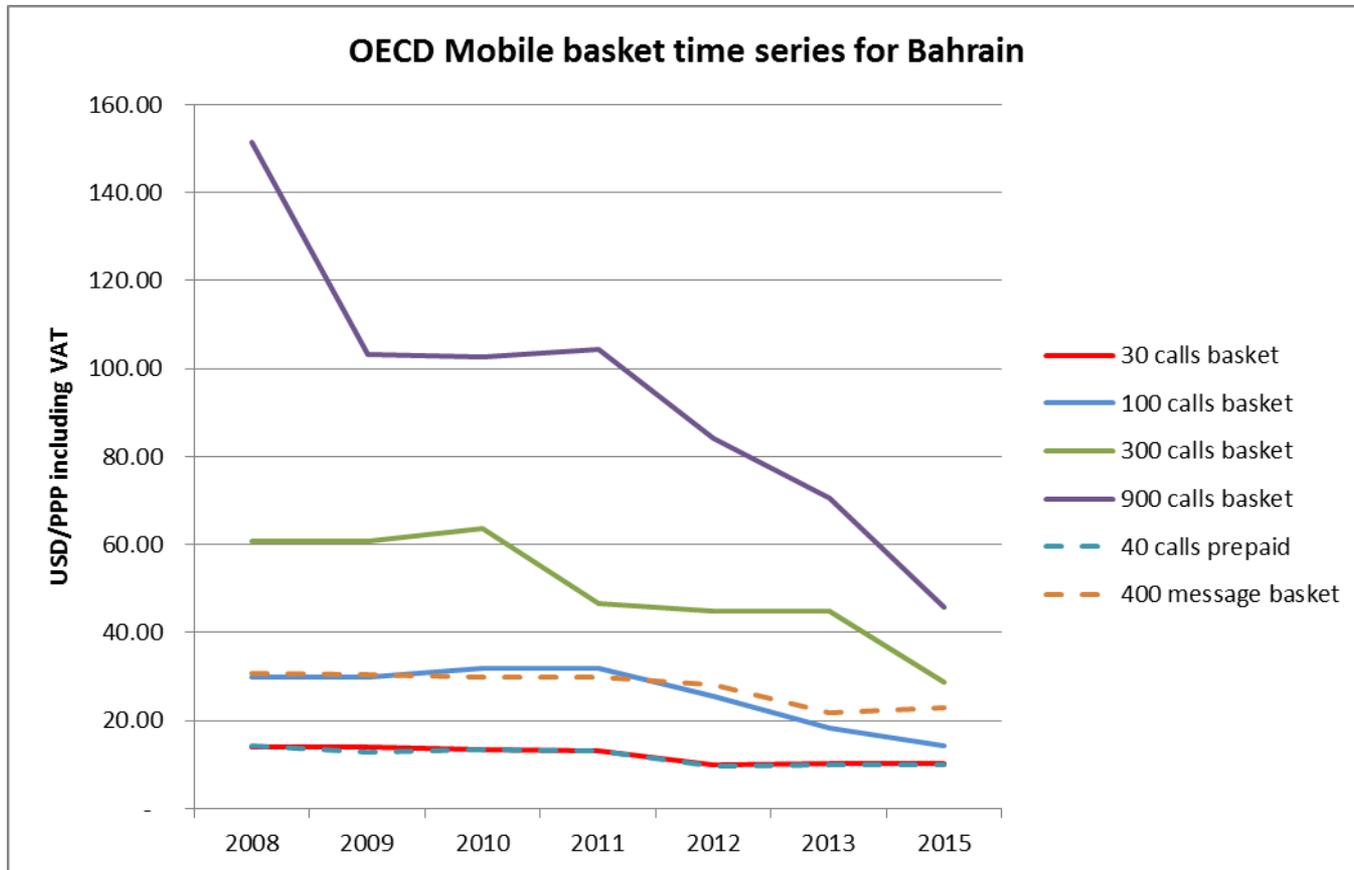
- Bahraini operators typically lie close to the OECD average for mobile baskets that include data
- Prices in Bahrain compare favourably with the prices in other GCC countries.
- Prices in Bahrain has gone down since the last update, but so have prices in other GCC countries.





# Mobile baskets results time series for Bahrain

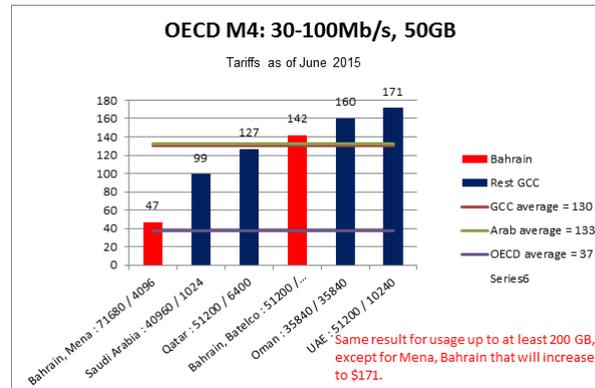
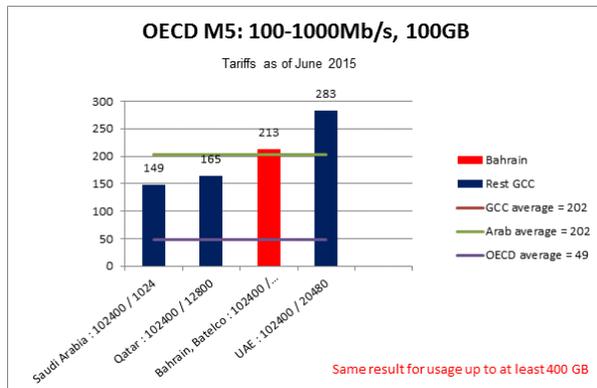
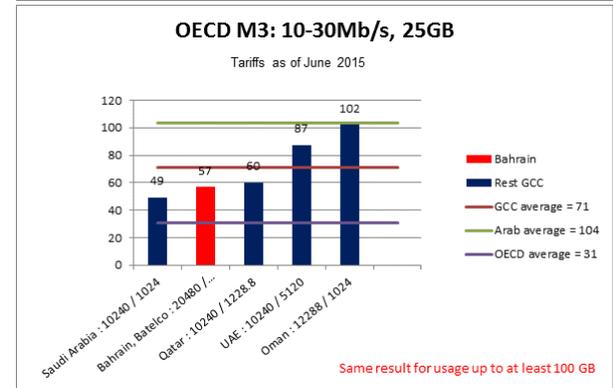
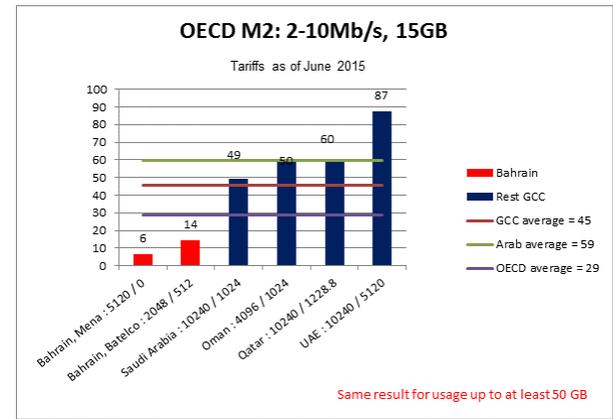
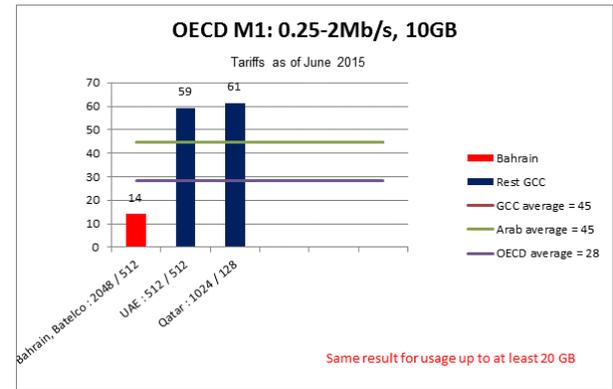
📶 Mobile prices in Bahrain have fallen 25% on average between 2013 and 2015 and by 48% over the last five years.





# Fixed broadband baskets, residential tariffs

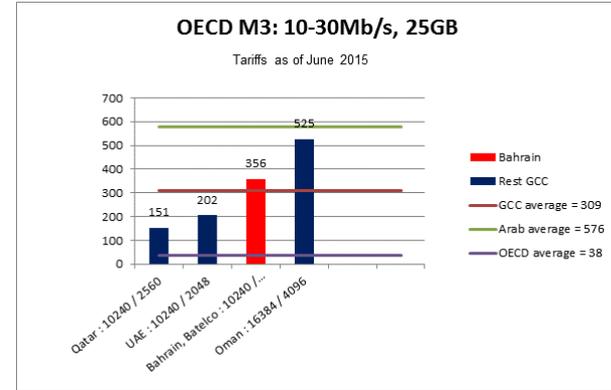
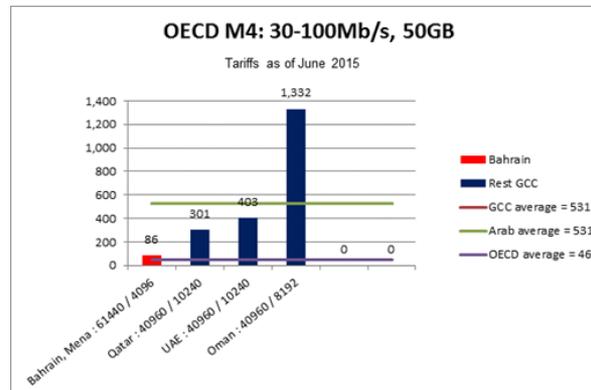
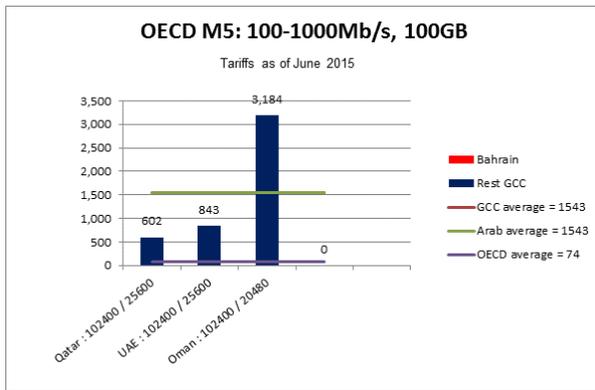
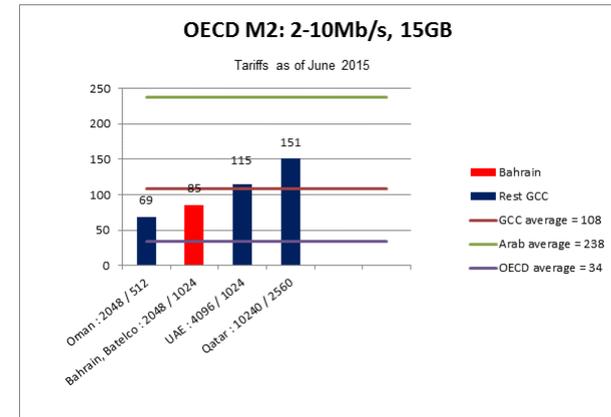
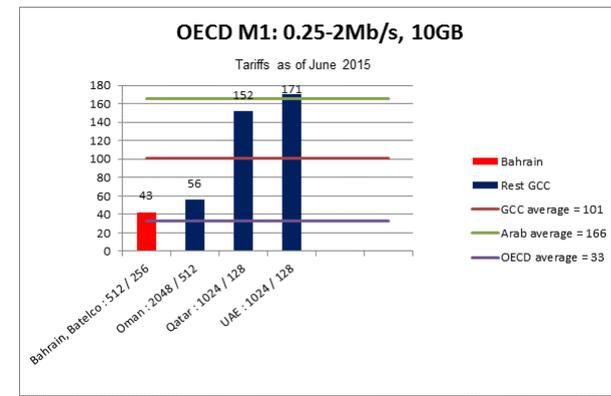
- 📍 OECD basket structure has changed, now included specific speed ranges.
- 📍 For all speed ranges but one, the results do not vary with data volume. For 30-100 Mb/s the cost for Mena (Bahrain) services vary significantly with usage.
- 📍 The position of Bahrain varies, depending on the speed of the basket, and the provider.
- 📍 For the higher speed basket (>10 Mb/s), the cost for Batelco rises dramatically.
- 📍 The OECD average is significantly lower than both the GCC and Arab averages, particularly for the high speed basket
- 📍 The results shown, including average results are for medium usage baskets.
- 📍 OECD Medium baskets are used (M1-M5), with increasing speed and usage requirements.





# Fixed broadband baskets, business tariffs

- 📍 Similar to the residential tariff basket results, the position of Bahrain varies depending on the provider and the speed of the basket
  - 📍 The prices for Batelco services increase with speed range
  - 📍 Due to the nominal speed offered by Mena for their services based on LTE network, these will only appear in the 30-100 Mb/s range, at a very competitive price.
- 📍 In general, there is a fundamental difference between prices for business services in Arab and OECD countries.
- 📍 The results shown, including average results are for medium usage
- 📍 OECD Medium baskets are used (M1-M5), with increasing speed and usage requirements.





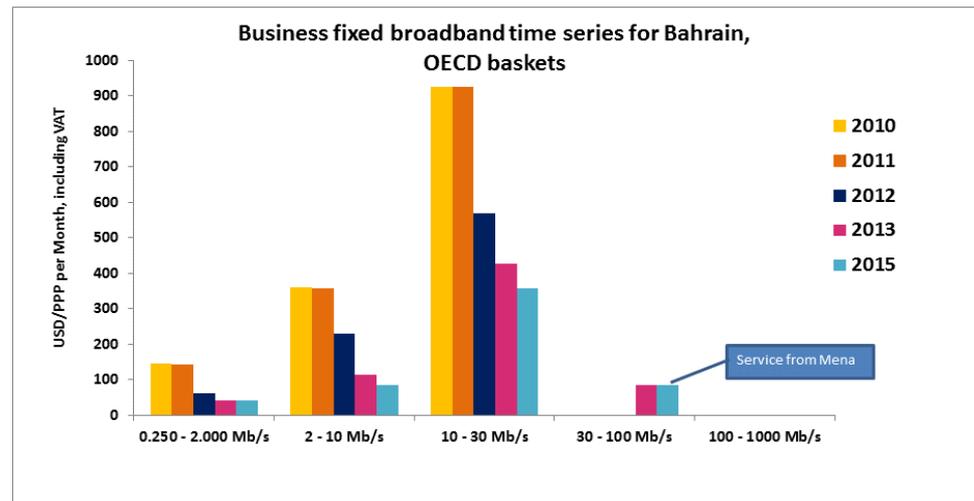
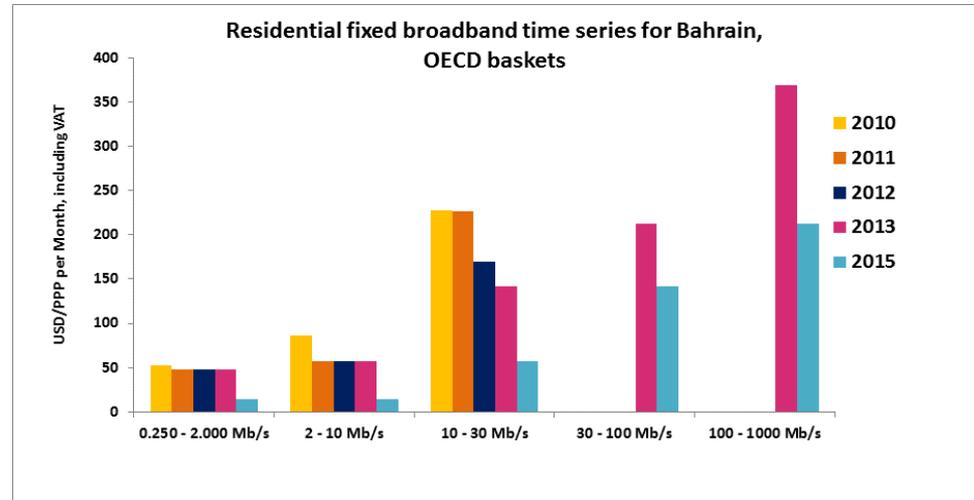
# Fixed broadband baskets results time series for Bahrain

Residential fixed broadband prices in Bahrain have fallen dramatically across all speed ranges.

- On average a drop of 56% in the last 18 months, and 77% since 2010.
- There is a fundamental difference in offers from Batelco, which are mainly distinguished by speed, and offers from Mena, which are mainly distinguished by data allowance.

Business fixed broadband prices in Bahrain have fallen since the last update, but not to the same ratio as in past years.

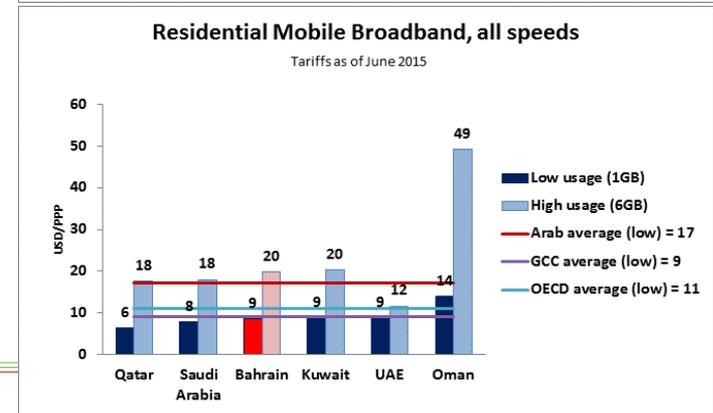
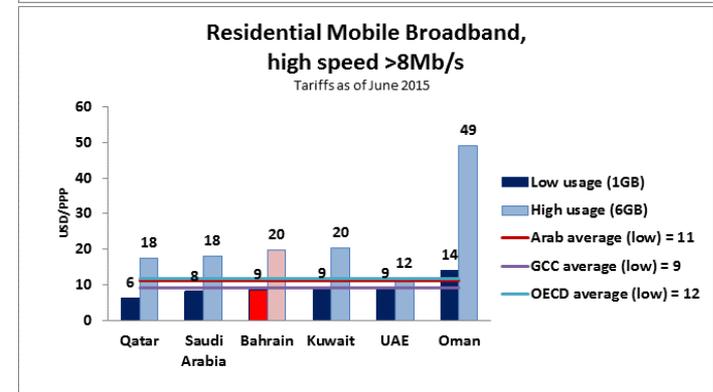
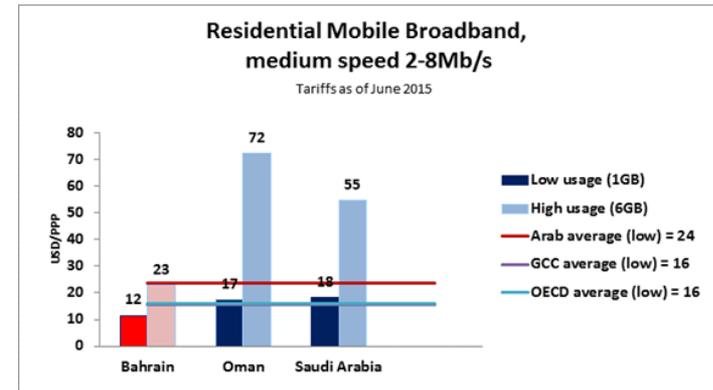
- On average a drop of 10% in the last 18 months, and 70% since 2010.
- The Mena services have a nominal speed in the 60-70 Mb/s range. Actual experienced speed may be lower.





# Mobile broadband baskets, residential tariffs

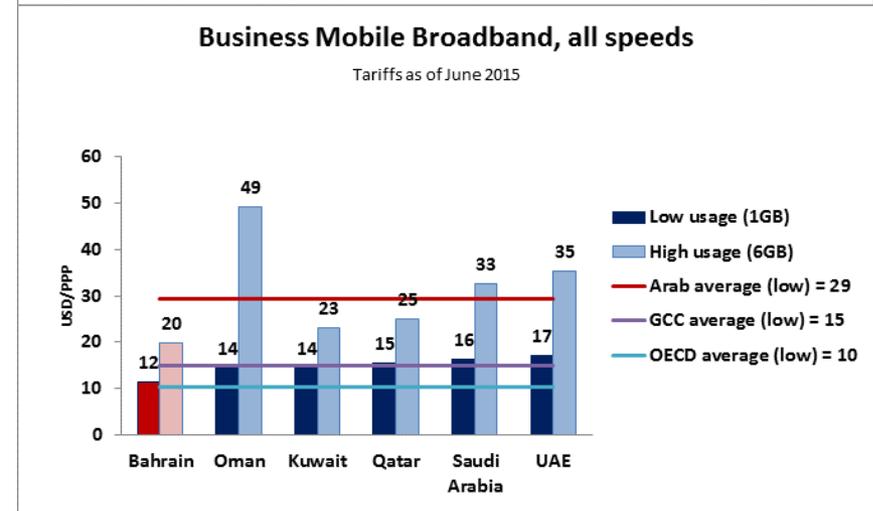
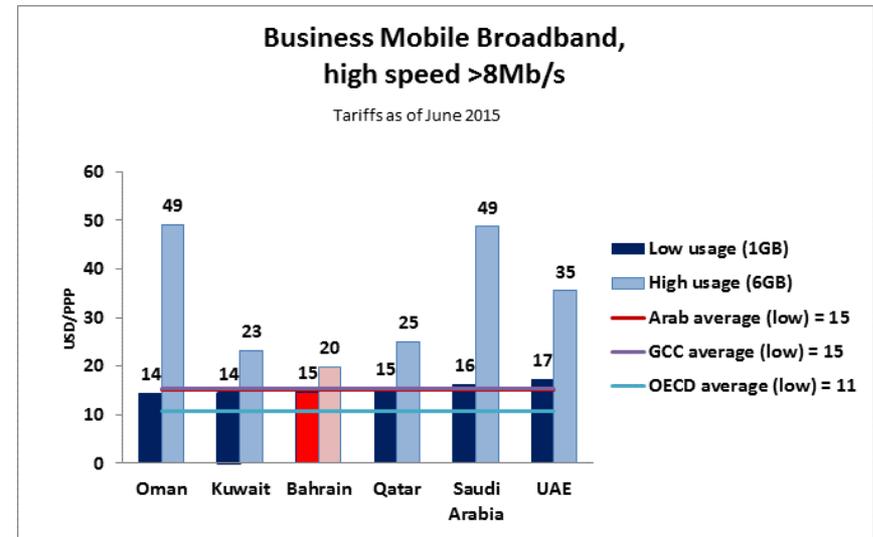
- At the medium speed (2-8 Mb/s), Bahrain is the cheapest of GCC for low usage and high usage.
- For the high speed (>8 Mb/s) baskets, Bahrain is the third cheapest of the GCC countries for low usage, and fourth for high usage.
- When all speeds are considered, Bahrain is the third cheapest for low usage and fourth for high usage, and is on par with several other GCC countries.
- The OECD average is lower than the Arab average, while the GCC average is on par with or below the OECD average, depending on speed of service. When all service speeds are considered, the average cost of mobile broadband in GCC countries is on par with OECD average.
- Bahrain typically compares favorably against the OECD average at all speeds and usage levels.





# Mobile broadband baskets, business tariffs

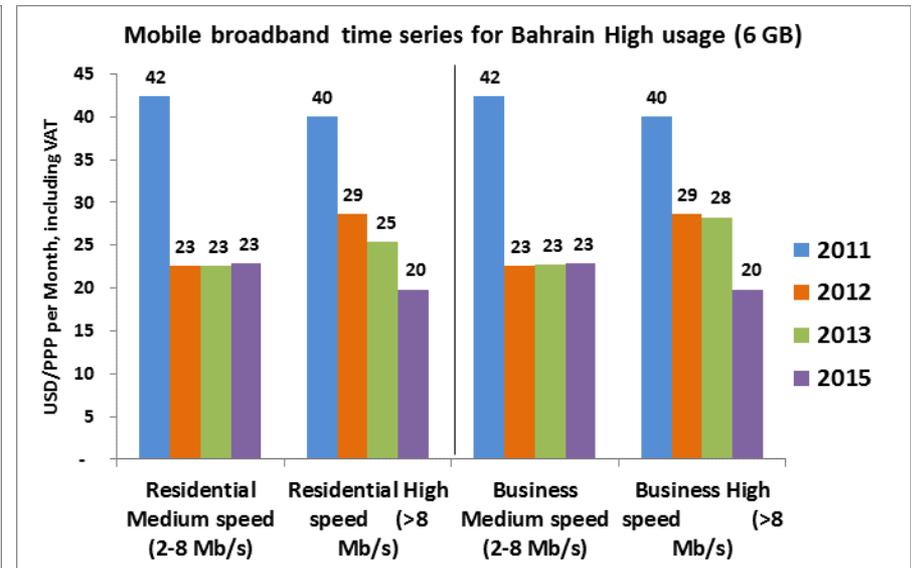
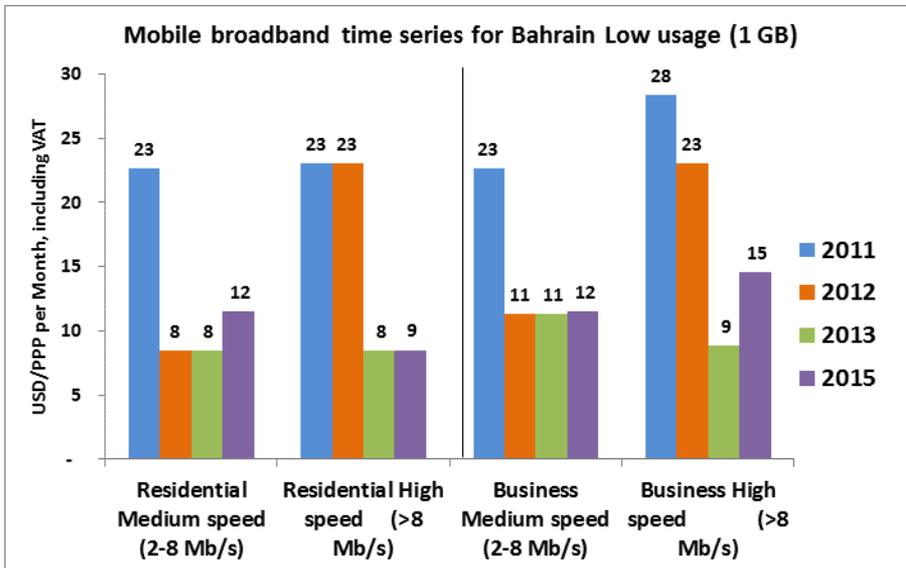
- 📶 Bahrain is generally very competitive among the GCC countries for mobile broadband.
- 📶 For the high speed basket, low usage, Bahrain is the third cheapest country, but improves in the rankings for high usage.
- 📶 When all speeds are considered, Bahrain is the cheapest country.
- 📶 Bahrain low usage is broadly on par with the OECD low usage average.
- 📶 Bahrain has the lowest cost increase from low to high usage for the high speed services. However, this difference is a result of a switch from one provider to another, and cannot be easily realized by a real user.





# Mobile broadband baskets results time series for Bahrain

- 📍 Mobile broadband prices in Bahrain have fallen by about 50% on average since 2011, but increased slightly since last update for the low usage segment.
- 📍 The lowest price services generally cost about half of what they did four years ago.
- 📍 There have been some increases for low speed services since the last update, while some high usage services have reduced in price.
  - 📍 This is a common price behavior as operators are moving towards higher speeds, and are phasing out lower speed offers.

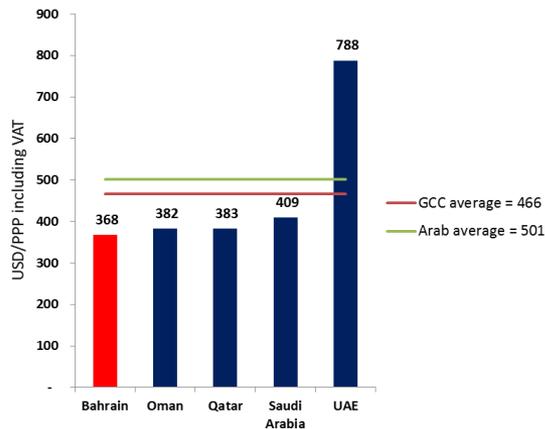




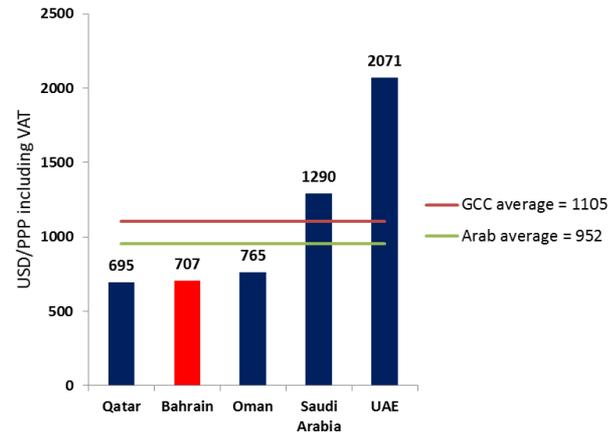
# Leased line baskets

- 📍 The position of Bahrain among its peers varies, depending on the speed of the circuit
- 📍 For the 64 Kb/s basket, Bahrain is the cheapest of the GCC countries.
- 📍 For the 256 kb/s basket, Bahrain is the second cheapest amongst the GCC countries.
- 📍 For the 2 Mb/s basket, Bahrain is the second most expensive of the GCC countries.
- 📍 Prices for circuits above 2 Mb/s are not available for Bahrain

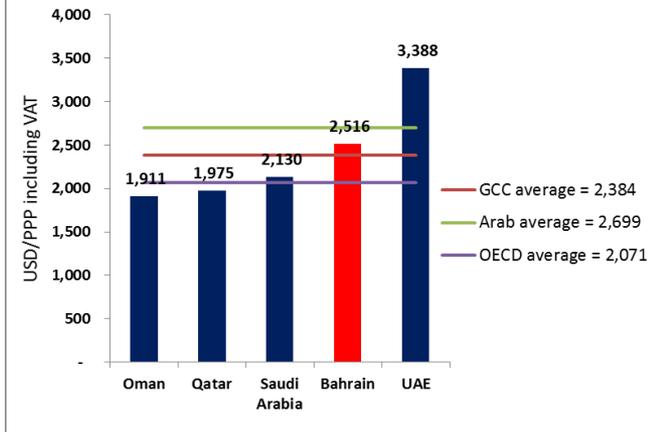
**Leased line basket 64 kb/s circuit prices**  
Tariffs as of June 2015



**Leased line basket 256 kb/s circuit prices**  
Tariffs as of June 2015



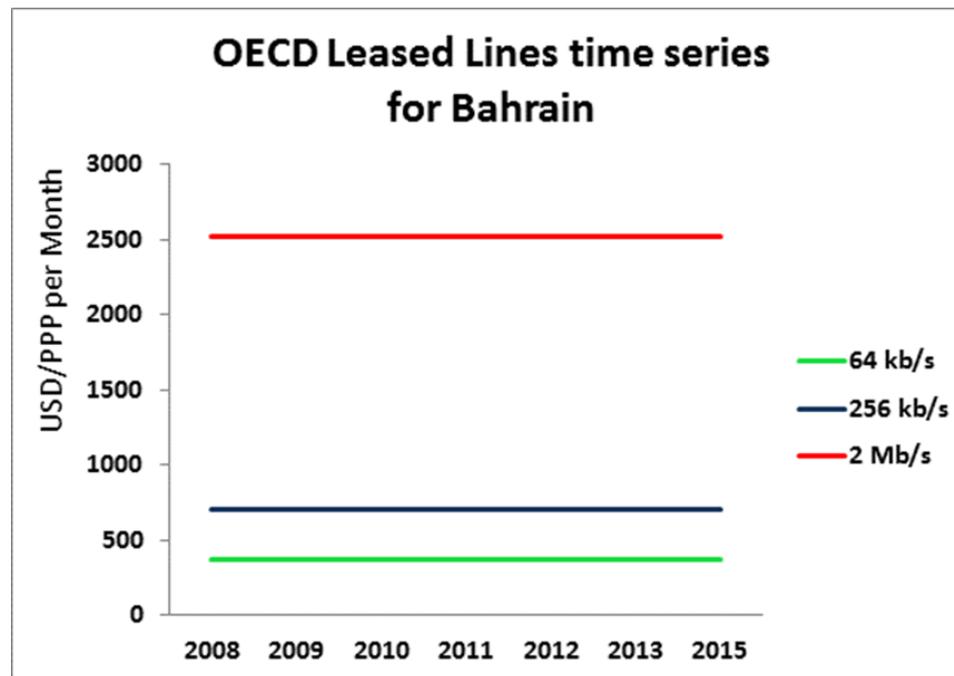
**Leased line basket 2 Mb/s circuit prices**  
Tariffs as of June 2015





# Leased lines baskets results time series for Bahrain

- As is the case in most of the GCC countries, the prices for leased lines in Bahrain have not changed since first Arab Price Benchmarking Study in 2008
  - A similar trend has been observed in many OECD countries
  - Price changes in UAE since last update has changed the Bahraini position for 2 Mb/s circuits, as seen on the preceding page





# Residential aggregate basket analysis

📍 A simple aggregation of services for residential use has been constructed, based on three separate usage profiles, as follows:

📍 Low user: low usage across fixed and mobile voice, and with a requirement for only basic fixed broadband

PSTN	Mobile voice	Fixed broadband
20 calls	30 calls + 100MB	L2: 2-10Mb/s, 5GB

📍 Medium: a user who makes modest use of fixed and mobile voice and broadband services

PSTN	Mobile voice	Fixed broadband	Mobile broadband
60 calls	100 calls + 500MB	L3: 10-30Mb/s, 10GB	all speeds, low usage

📍 High: a more intensive user, with high use of services, and with a requirement for higher broadband speeds than a medium user

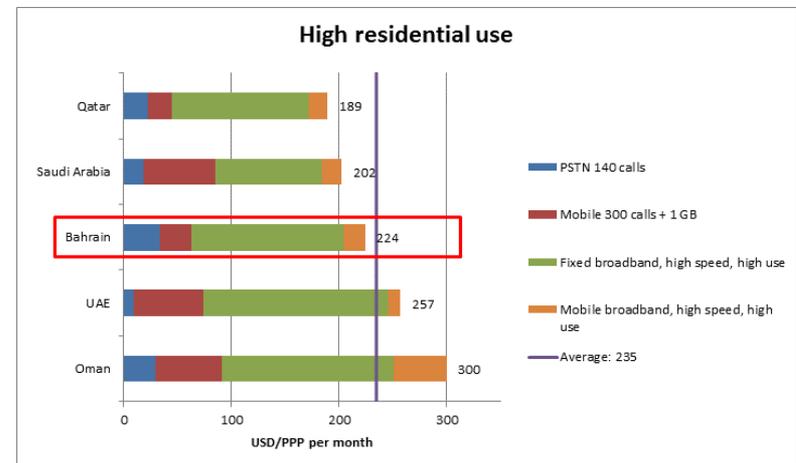
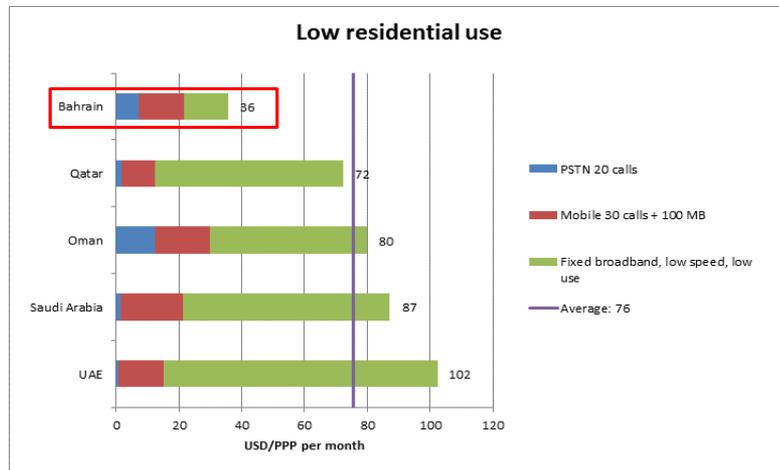
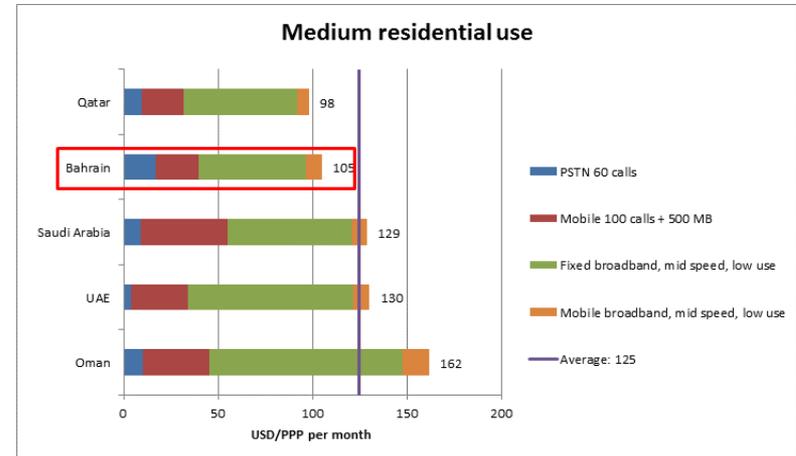
PSTN	Mobile voice	Fixed broadband	Mobile broadband
140 calls	300 calls + 1GB	H4: 30-100Mb/s, 200GB	all speeds, high usage

📍 Each user profile has been costed by taking the result for each individual service basket, and summing to produce a total cost. This is a relatively simplistic method for considering multiple service use, however, it provides an indication of likely overall costs that different types of users will face.



# Residential aggregate basket results

- 📍 Bahrain is the cheapest country in the GCC for the low usage aggregate basket.
- 📍 This position changes when usage increases.



Results include any adjustment due to reduced cost where the fixed broadband offer includes fixed voice service.



# Business aggregate basket analysis

Similar to the approach for residential use, a simple aggregation of services has been constructed for business use, based on two separate usage profiles, as follows:

Medium: a user who makes modest use of fixed and mobile voice and broadband services

PSTN	Mobile voice	Fixed broadband	Mobile broadband
100 calls (business)	100 calls + 500MB	L2: 2-10Mb/s, 5GB	all speeds, low usage

High: a more intensive user, with high use of services, and with a requirement for higher broadband speeds than a medium user

PSTN	Mobile voice	Fixed broadband	Mobile broadband
260 calls (business)	300 calls + 1GB	M3: 10-30Mb/s, 25GB	all speeds, high usage

The business profiles are similar to the residential profiles but use the business baskets (and business pricing) for fixed voice, and business pricing for fixed broadband. As many business users will use residential services for mobile, the results used for mobile voice and broadband services consider both business and residential offerings.

Each user profile has been costed by taking the result for each individual service basket, and summing to produce a total cost. This is a relatively simplistic method for considering multiple service use, however, it provides an indication of likely overall costs that different types of users will face.

As there are no business-specific fixed plans published for Saudi Arabia, residential services have been used, to ensure it is not entirely excluded from the aggregate analysis.

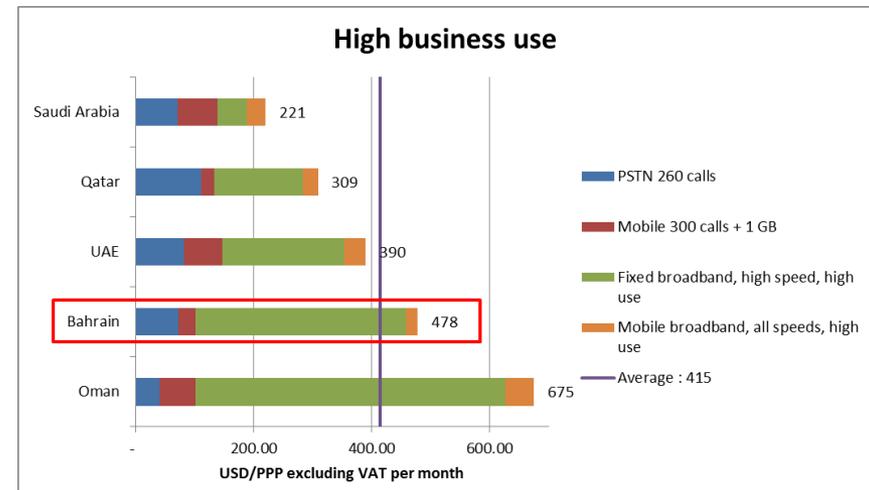
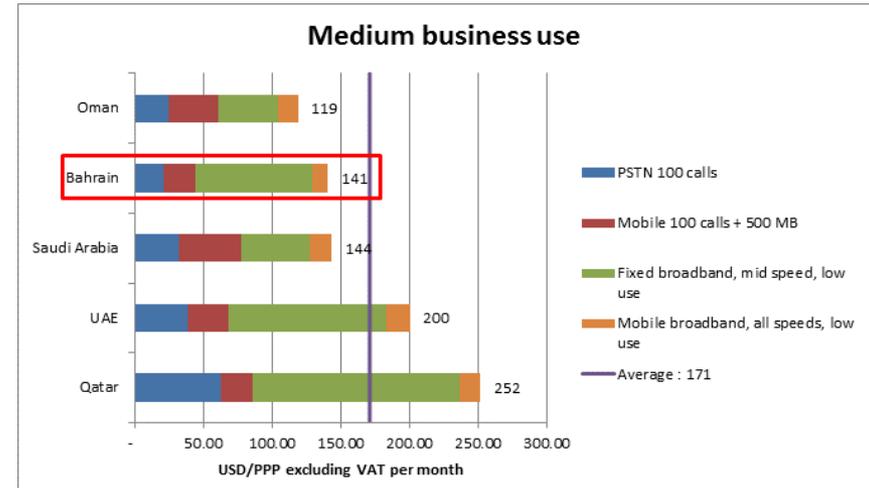


# Business aggregate basket results

📍 For medium business use, Bahrain is ranking in the middle of the GCC countries.

📍 For high business use, Bahrain is the second most expensive country in the GCC, below Oman, but just above the GCC average.

📍 Due to some business tariffs not being published in Saudi Arabia these gaps have been replaced by residential services, which tend to be cheaper than business services.



Results include any adjustment due to reduced cost where the fixed broadband offer includes fixed voice service.



# Summary of findings

	Bahrain results compared to GCC averages	Bahrain results compared to Arab averages	Bahrain results compared to OECD averages
PSTN (Low usage)			
PSTN (High usage)			
Mobile (Low usage)			
Mobile (High usage)			
Fixed broadband (Low speed)			
Fixed broadband (High speed)		Res Bus	
Mobile broadband (Low usage)			
Mobile broadband (High usage)			
Leased lines			*

Better than ...	
On par with ...	
More expensive than ...	

\* Only 2 Mb/s speed can be compared with the OECD data



# Acronyms used in the context of this report

- OECD: Organisation of Economic Co-operation and Development
- OECD countries: Australia, Austria, Belgium, Canada, Chile, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Rep., Slovenia, Spain, Sweden, Switzerland, Turkey, UK, USA
- AREGNET: Arab Regulators Network.
- AREGNET member countries: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, UAE, Yemen
- PPP: Purchasing Power Parity, exchange rates adjusted for the purchasing power of consumers in each country. Used in international comparisons to adjust for market differences.
- Service: A telecommunications service
- Basket: A theoretical usage profile describing the usage volumes across different types of calls and/or different kinds of usage. The basket includes all important elements of the service, including fixed cost elements.
- Tariff: The description of all the end user prices related to a service
- Tariff element: The part of a tariff describing the price(s) for a single type of call or service component.
- Basket calculation: The process where the Basket is applied to the individual tariff in order to calculate the cost of the individual tariff elements and the overall cost.
- Basket result: The cost of using the service as described in the Basket.
- Re-balancing: The process through which the prices are changed so that individual Tariff elements will cover their own cost, and not subsidise other Tariff elements.



*Thank You!*