



# BAHRAIN TELECOM PRICING INTERNATIONAL BENCHMARKING 2021

August 2022

# Contents

|   |    |
|---|----|
| Report overview   | 3  |
| Summary of findings   | 4  |
| Fixed voice basket results for GCC countries, including time series | 6  |
| Mobile basket results for GCC countries, including time series      | 9  |
| Fixed broadband results for GCC countries, including time series    | 12 |
| Mobile broadband results for GCC countries, including time series   | 17 |
| Leased lines  | 20 |
| Aggregate residential basket analysis                               | 22 |
| Aggregate business basket analysis                                  | 24 |
| Acronyms used in the context of this report                         | 26 |

# 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 several 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 Q4 2021.

References to both GCC and Arab averages are included, for comparison. Where relevant the OECD average is also shown. There may be some variations in averages compared to the main AREGNET study, notably for the fixed broadband baskets, where additional providers STC Bahrain and Zain Bahrain are considered for the Bahrain report only and are not included in the AREGNET study.

























The results are shown in US\$/PPP, based on exchange rates taken from oanda.com as of December 2021. The PPP conversion uses World Bank "Comparative Price Levels" from 2020. Similar to the approach taken in 2020, the OECD results have been PPP adjusted using World Bank CPLs, in line with the AREGNET countries. This has been done to ensure greater comparability between OECD and AREGNET results. This does mean, however, that the OECD results cannot be viewed as the official OECD results.




Results based on residential pricing are presented inclusive of VAT, while results based on business pricing are presented exclusive of VAT.

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\*

\* AREGNET Price Benchmarking Methodology 2021

# Summary of findings (1)

|                               | Bahrain results compared to GCC averages   | Bahrain results compared to Arab averages  | Bahrain results compared to OECD averages  |
|-------------------------------|--|--|--|
| Fixed voice (Low usage)       |   |   |   |
| Fixed voice (High usage)      |   |   |   |
| Mobile (Low data)             |   |   |   |
| Mobile (High data)            |   |   |   |
| Fixed broadband (Low speed)   |   |   |   |
| Fixed broadband (High speed)  |   |   |   |
| Mobile broadband (Low usage)  |   |   |   |
| Mobile broadband (High usage) |  |  |  |

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

## Summary of findings (2)

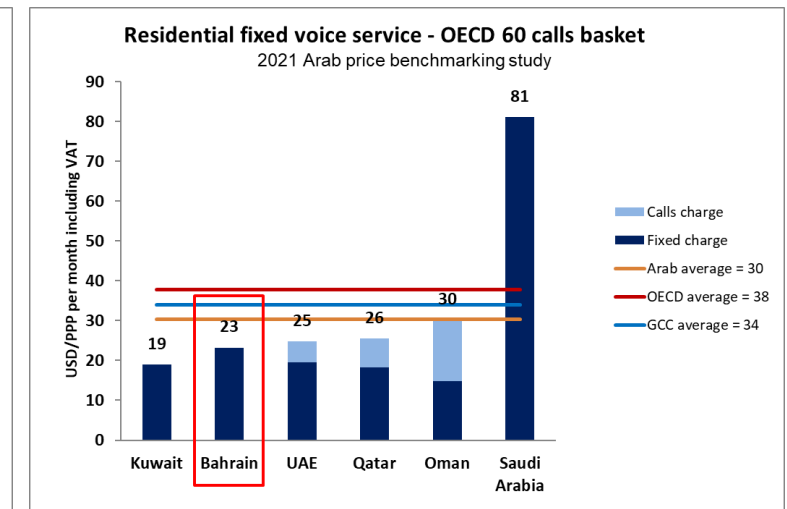
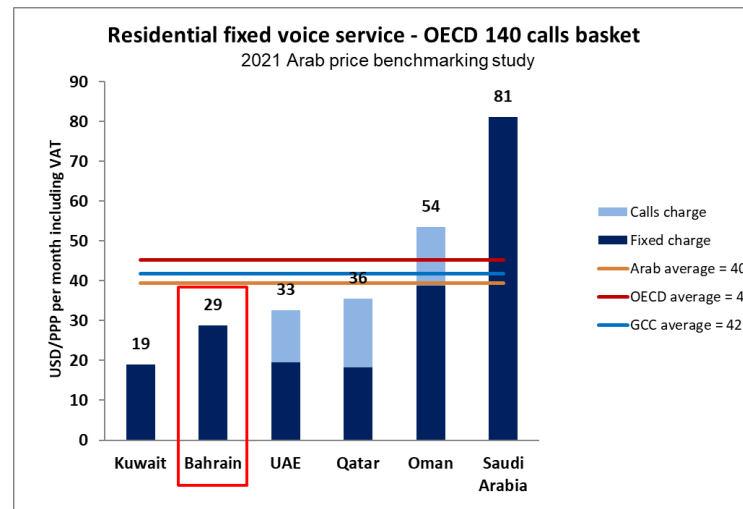
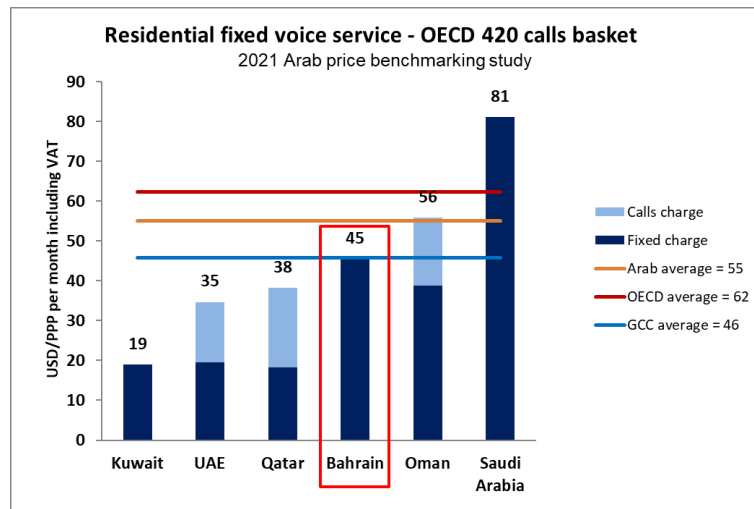
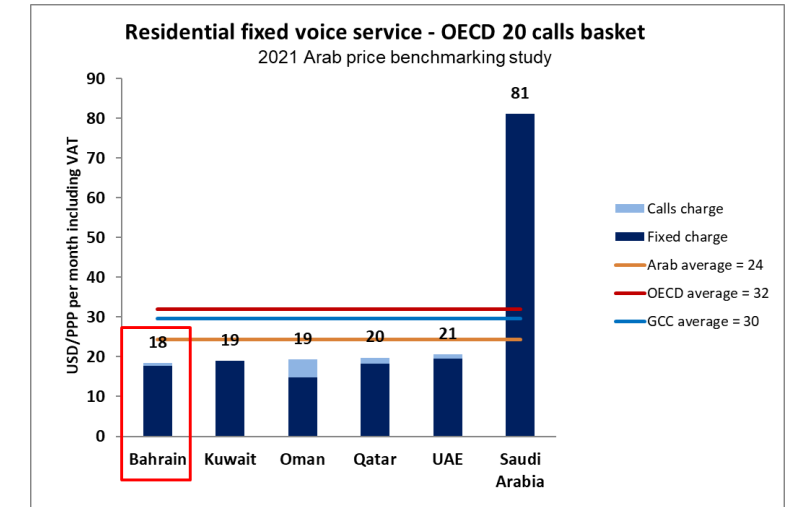
- Compared to both GCC and Araba averages, the cost of telecoms services in Bahrain are typically below or on par the GCC average.
- Compared to the OECD average, Bahrain is typically above the OECD average, although there are exceptions to this.
- A summary of changes by services are shown below.
- Fixed voice services:
  - Bahrain compare well to the OECD average. Over time, fixed voice pricing has been stable
  - The main increases were to residential services in 2019, with the introduction of VAT, plus some changes to pricing in 2020. In 2021, there were no changes.
- Mobile voice and data services:
  - For very low data (and call) usage, Bahraini operators are less competitive across the GCC, but become more competitive as data increases.
  - Since 2017, costs have fallen on average by 1% overall. In 2019 5% VAT was introduced on residential offerings. From 2020-2021, changes to pricing included new 5G pricing and new data add-ons.
- Fixed broadband services:
  - Services in Bahrain come from three providers; incumbent Batelco, plus STC and Zain. STC and Zain offers include fixed-wireless services.
  - Bahrain is very competitive for both residential and business pricing for most baskets, on par for some baskets compared to the OECD average, and competitive against GCC and Arab averages.
  - Since 2017, higher speed residential fixed broadband prices in Bahrain have fallen. Lower speed prices have either climbed or remained flat.
  - Low-speed business services, prices have been static, while higher speeds have declined over time. In 2021 there were reduction to prices for all speeds
- Mobile broadband services
  - Bahrain is less competitive than other GCC countries for low data but is more competitive as data increases. This applies to business and residential
  - From 2020-2021, changes to residential pricing was limited. For business services, the removal of small data allowance packages has driven up the cost for all baskets.

# Fixed voice residential baskets

Bahrain's ranking varies depending on the basket. For the very lowest basket, Bahrain is the cheapest across the six GCC states, with most of the cost made up of the monthly fixed charge, and only a small proportion of the cost made up of variable charges. Note, however, for this basket, the costs for four of the remaining five states, Kuwait, Oman, Qatar and UAE, are very close to Bahrain, within USD PPP 3 of the cost for Bahrain

Bahrain remains among the cheapest for the 60 calls and 140 calls basket, second only to Kuwait, while for the 420 calls basket, it is mid-range. As in previous years, the fixed charge for Bahrain is low, and there are options to include extra minutes as a fixed monthly add-on, giving a very competitive offer across all baskets. Many of the other GCC countries also include lower or "free" fixed line calls.

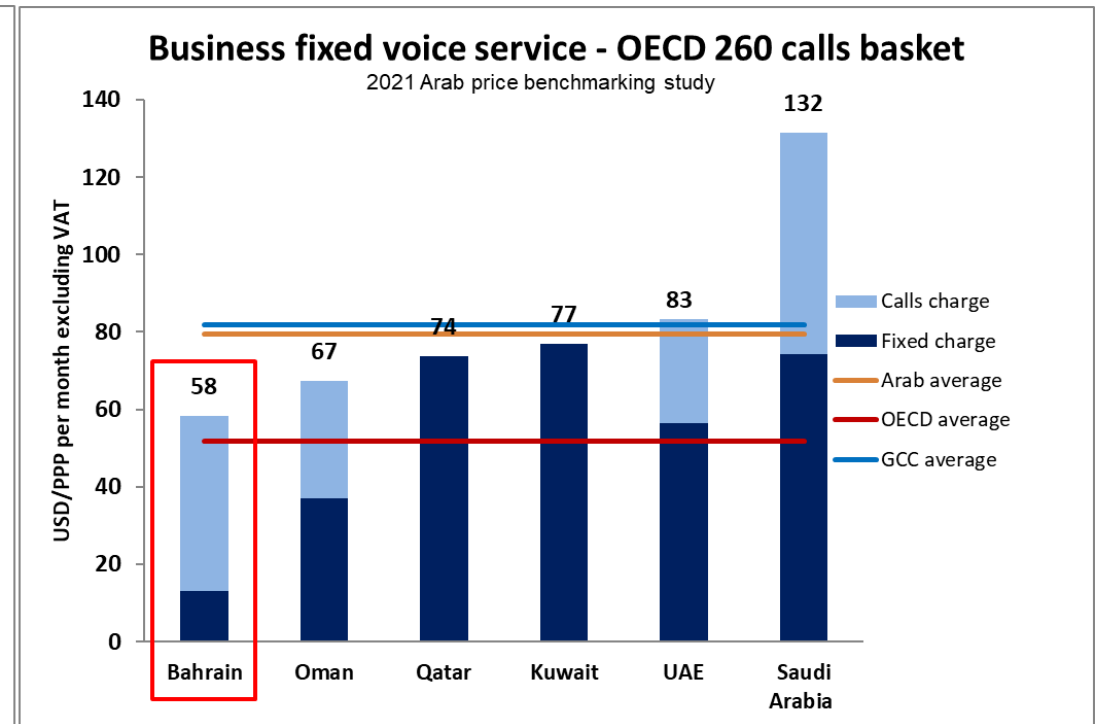
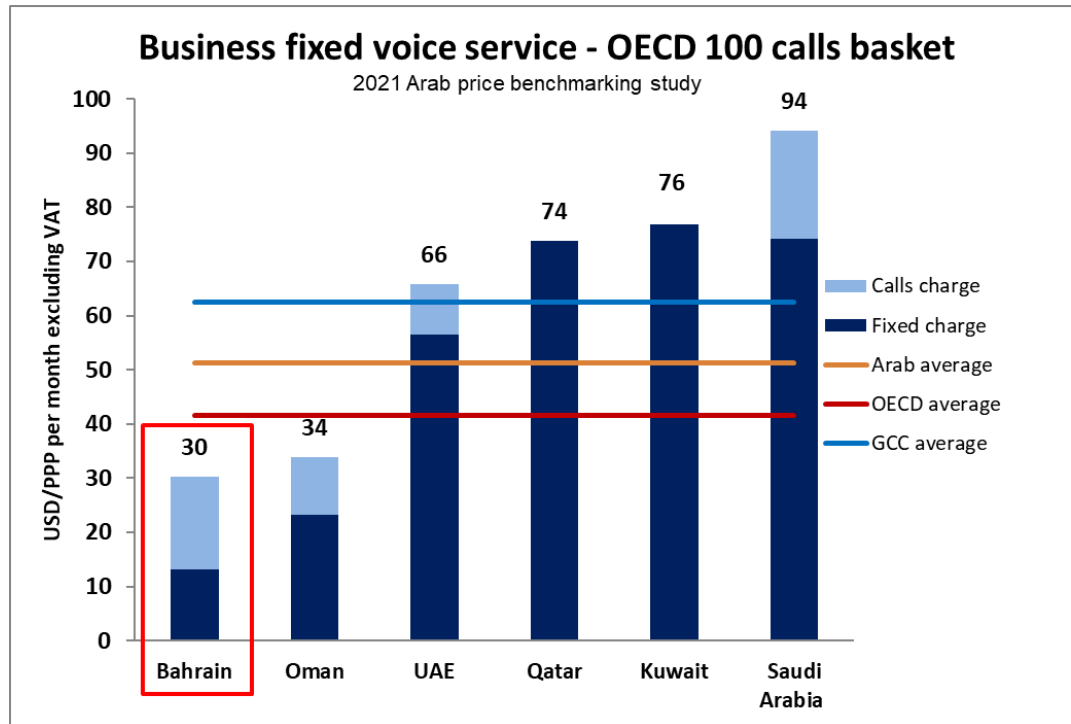
Bahrain is consistently below all averages (Arab, GCC and OECD) for all baskets, apart from the 420 calls basket, where it sits slightly below the GCC average (at USD PPP 45, compared to USD PPP 46 for the GCC average). It is still below the Arab and OECD averages for this basket, however.



# Fixed voice business baskets

Bahrain has the lowest fixed charge for business telephone lines but has relatively high calling charges. Despite this, Bahrain is performing well for both the low usage (100 calls) and high usage (260 calls) basket, with the lowest overall cost.

Usage charges will escalate much faster with usage in Bahrain than in the other countries, meaning that for usage above approx. 500 calls Bahrain will be more expensive than some of the other countries.



# Fixed voice baskets time series for Bahrain

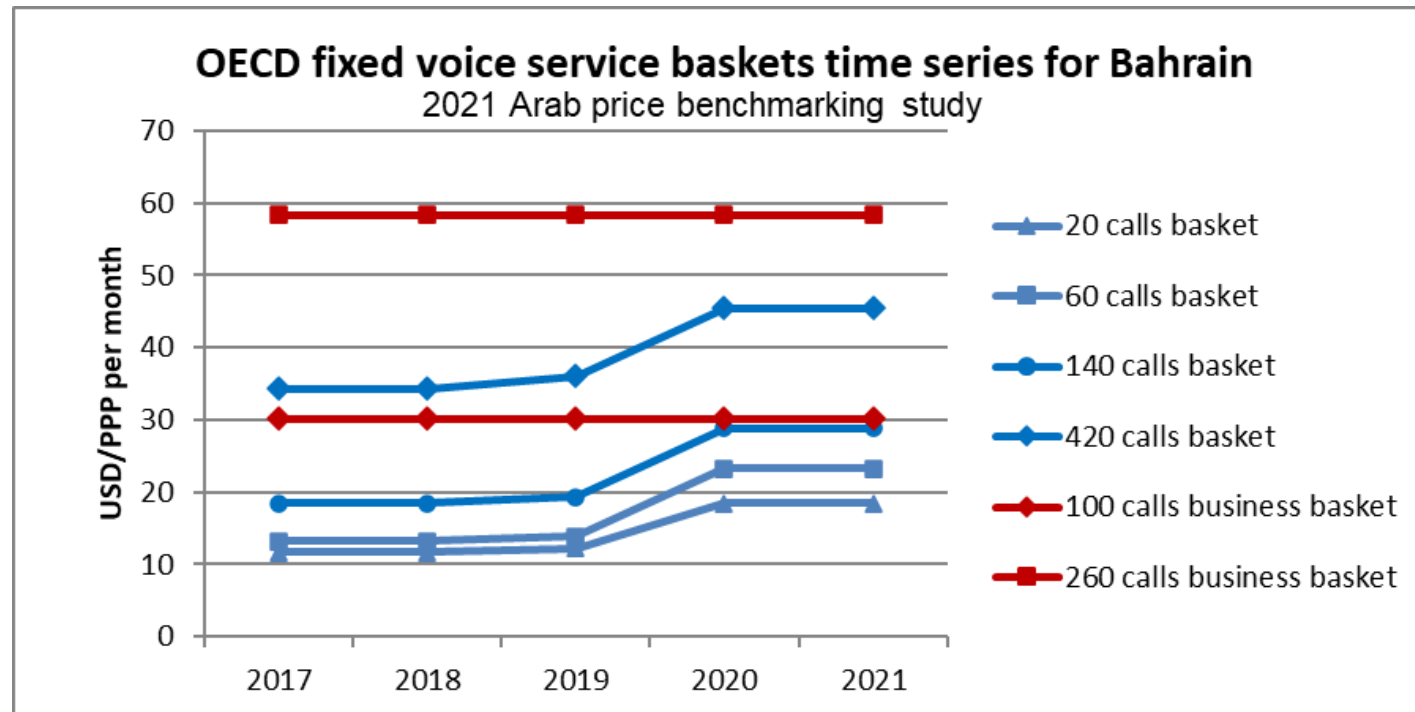
Fixed voice pricing in Bahrain was broadly static over the period 2016 to 2018 for most users. This is a typical trend with fixed voice in many countries.

The inclusion of 5% VAT for 2019 resulted in a corresponding increase for residential users, while in 2020, Batelco increased rentals, while including a set number of minutes as part of the offer (100 on-net minutes).

For the period 2020-2021, however, there were no changes to residential pricing.

For business baskets, prices similarly have remained static.

Note: Residential results are shown inclusive of VAT, while business results are shown exclusive of VAT.



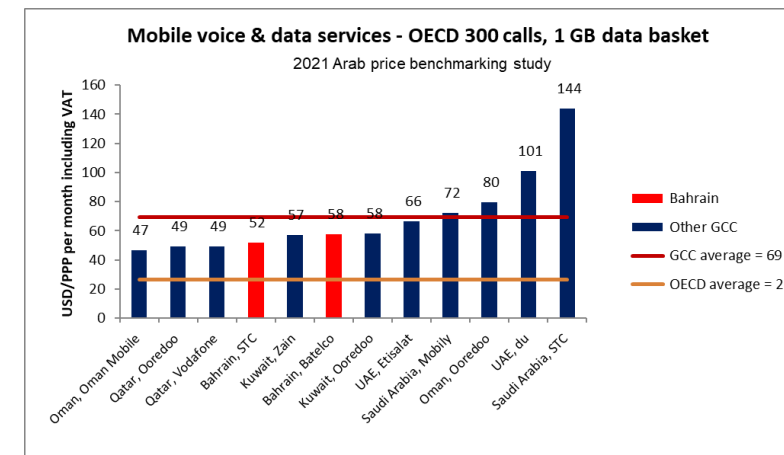
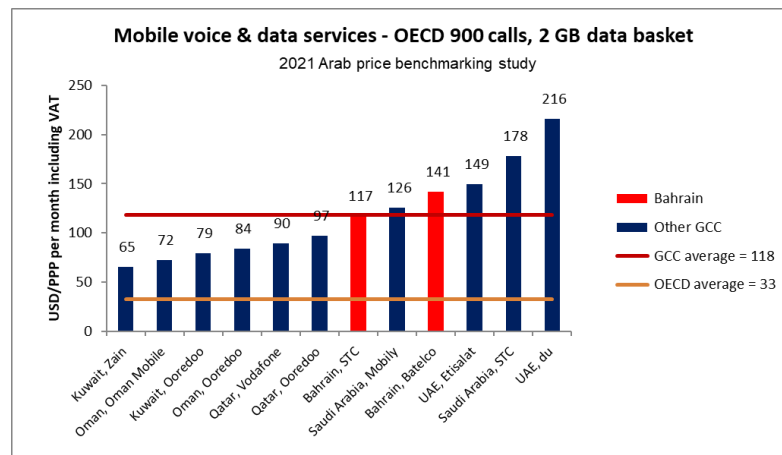
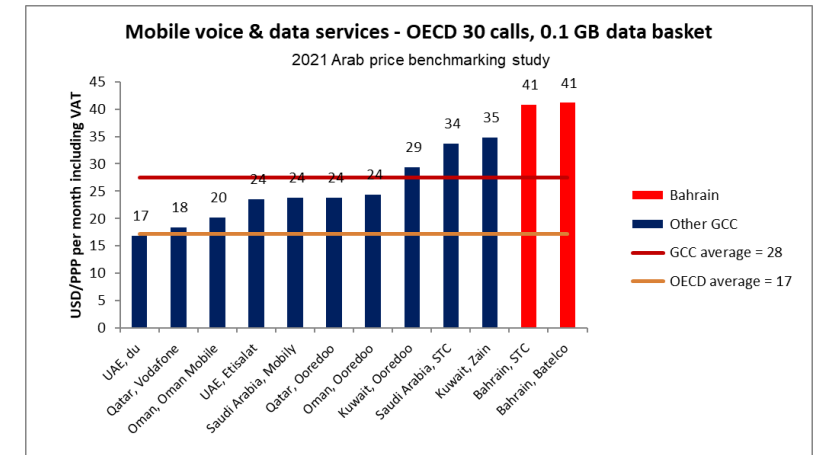


# Mobile baskets with low data

For very low call and data usage, Bahraini operators are less competitive across the GCC, with Batelco having the highest cost for the 30 calls + 0.1GB basket, and STC Bahrain close in cost and sitting as 2<sup>nd</sup> most expensive. In Bahrain, the minimum data allowance available is 1GB, hence its less favourable positioning for the low calls and data basket. Costs in Bahrain at this usage level, are above both the GCC average and the OECD average.

As data usage increases, prices in Bahrain become more competitive, most notably for STC. For the 300 calls+1 GB basket, STC is the fourth cheapest provider, and on par with the 3 cheaper providers. For the 900 calls + 2GB basket, however, Bahrain drops down the ranking, with STC Bahrain sitting 7<sup>th</sup>, while Batelco is 4<sup>th</sup> most expensive.

For the three usage scenarios, the OECD is consistently much lower than most GCC operator costs. Many countries in the OECD have highly competitive markets, with several licensed operators as well as numerous MVNOs, which has continually driven down the cost of mobile services. Even though offered data allowances have increased significantly from some operators, low cost low data packages are still prevalent in many countries, to attract low users.

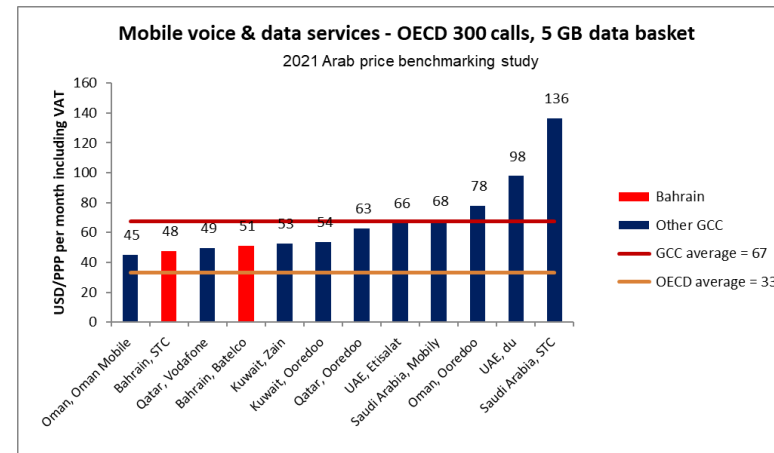
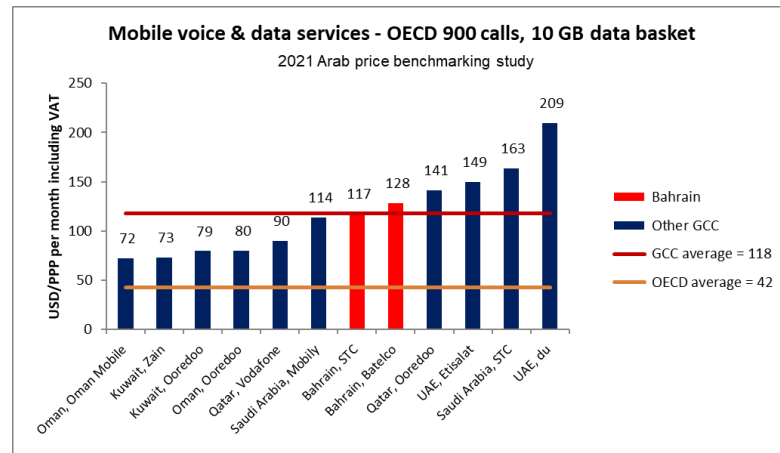
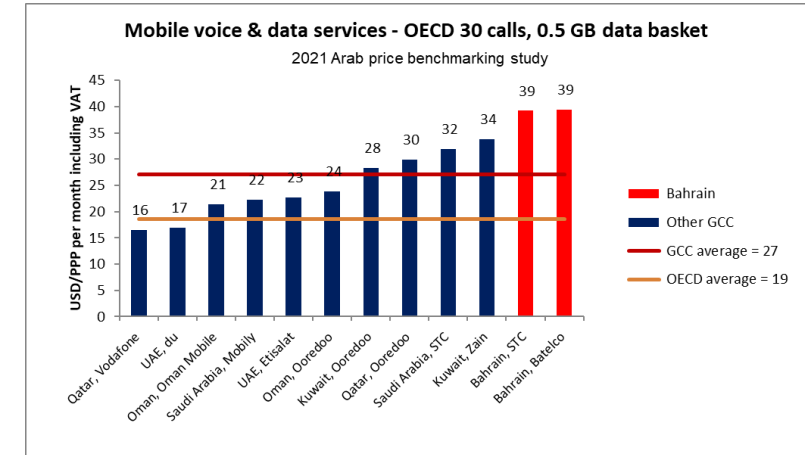


# Mobile baskets with high data

The higher data usage baskets show both Bahraini operators to be much more competitive across the GCC countries. The 30 calls + 0.5GB basket is still too low to show either Bahraini operator in a competitive light, but for the 300 calls + 5GB basket, both STC Bahrain and Batelco are on par with the cheapest operator, Oman Mobile.

For the 900 calls, 10GB basket, the position and competitiveness of Bahrain drops back somewhat, with both operators sitting mid-range across the GCC operators considered

GCC operators continue to sit above the OECD average, with the exception of the 30 calls + 0.5 GB basket, the gap is significantly less for lower data usage. For this low usage basket, both Vodafone Oman and du UAE are below the OECD average.

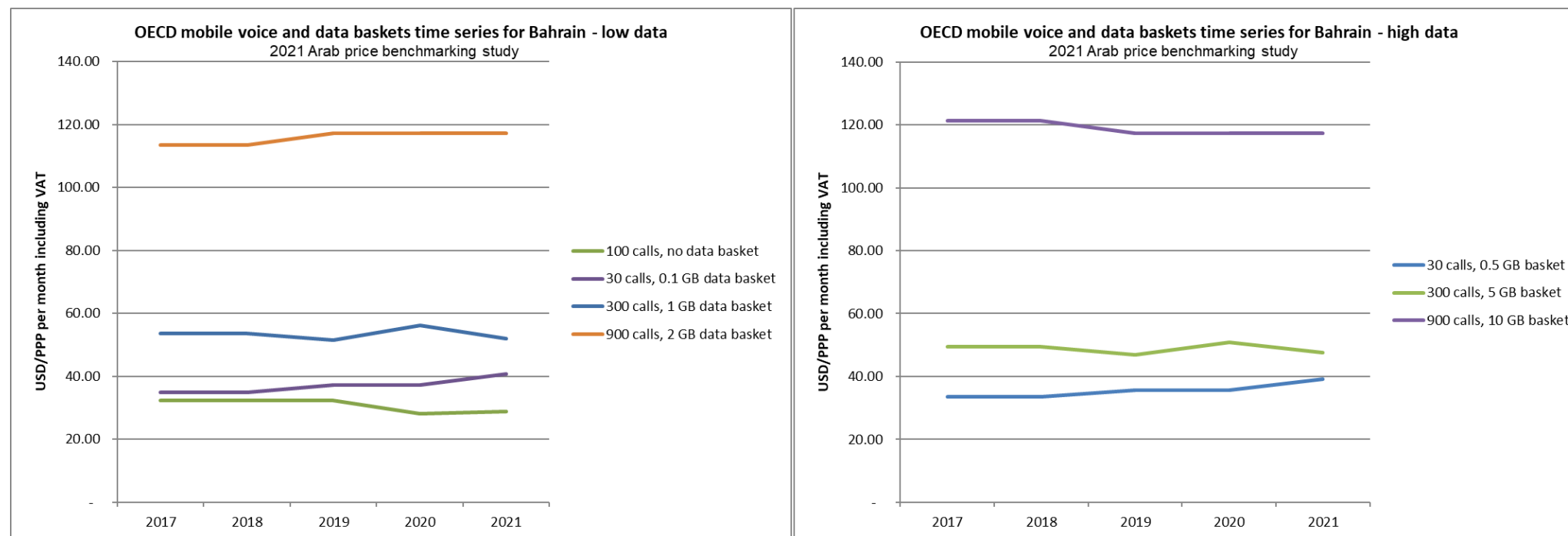


# Mobile voice and data baskets time series for Bahrain

Following a more volatile shift in prices in earlier years, due to the Bahraini operators focused on plans including relatively high data allowances, prices have either been much more stable over the past year, with either no or limited changes.

For the low data baskets, it was the 300 calls + 1GB basket that saw the biggest increase – just over 9%, while the other two baskets saw much smaller increases. For the higher data baskets, the lowest use basket, 30 calls + 0.5GB, increased by just over 10%, with the other baskets saw little or no change.

Since 2017, costs have fallen on average by 1% overall. This is evident in the graphs, which show a relatively flat trend over time. 2019 saw the inclusion of VAT on residential offerings at 5%, while over the past year, there were a few changes to pricing in Bahrain, including new 5G pricing and new data add-ons.



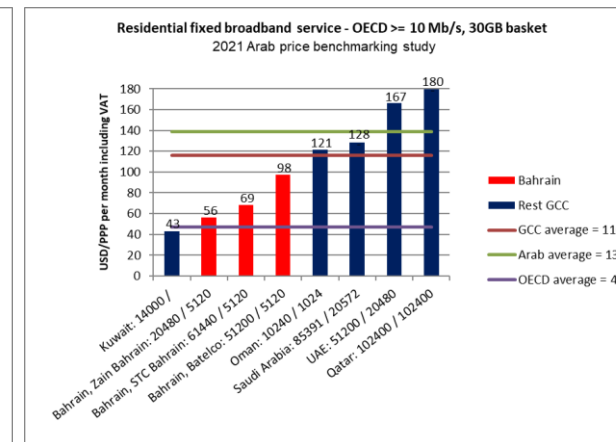
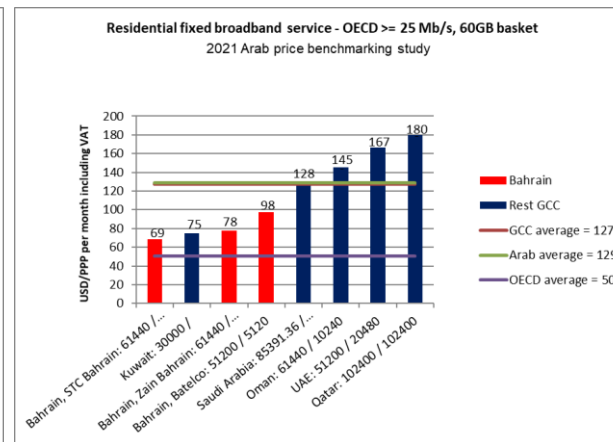
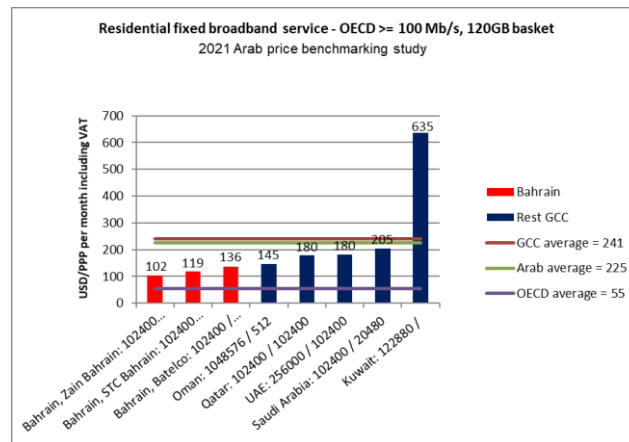
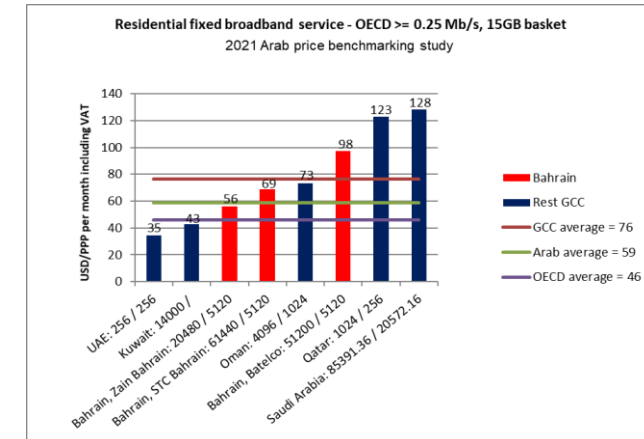
# Fixed broadband baskets, residential tariffs

Bahrain generally has favourable fixed broadband pricing across the GCC countries, with costs for residential users comparatively low and the position of Bahrain improving as speed increases. Note, 3 Bahraini providers, Batelco (incumbent) plus additional providers STC and Zain have been considered within this report. Additionally, fixed-wireless services are taken into account. For STC, all results are based on its fixed wireless 5G home broadband pricing offering, while for Zain, the  $\geq 25$  Mb/s basket and  $\geq 100$  Mb/s basket are a fixed-wireless 5G home broadband offering. The prevalence of wireless-based offers has increased over recent years.

For the lowest speed basket, UAE features as the cheapest, followed Kuwait, and thereafter Zain Bahrain. STC Bahrain sits just behind Zain. As the speed increases, the position of Bahrain improves, and for the  $\geq 100$  Mb/s basket all three Bahraini providers are overall cheapest.

The OECD average is lower than both the GCC and Arab averages, however, Bahrain sits close to the OECD average for the three lowest speed baskets. All three providers also sit below the Arab and GCC averages for the three highest speed baskets.

The results shown, including average results are for medium usage OECD baskets.



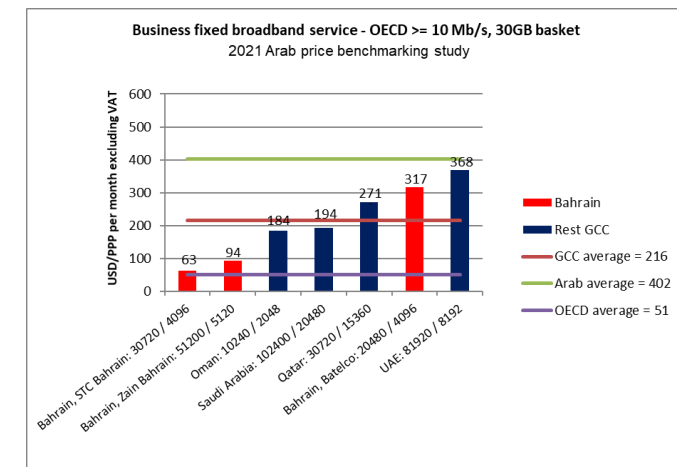
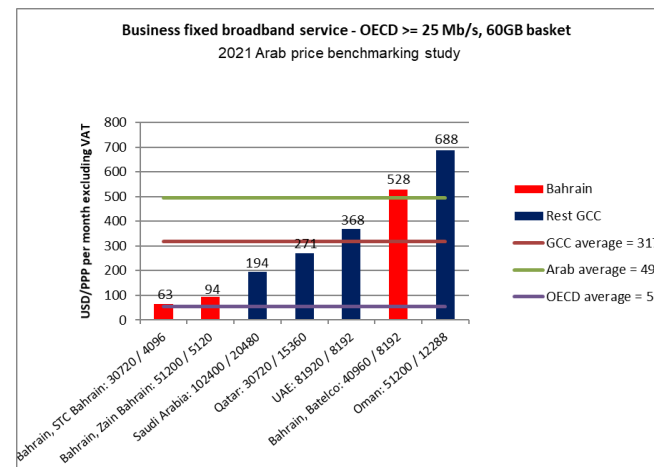
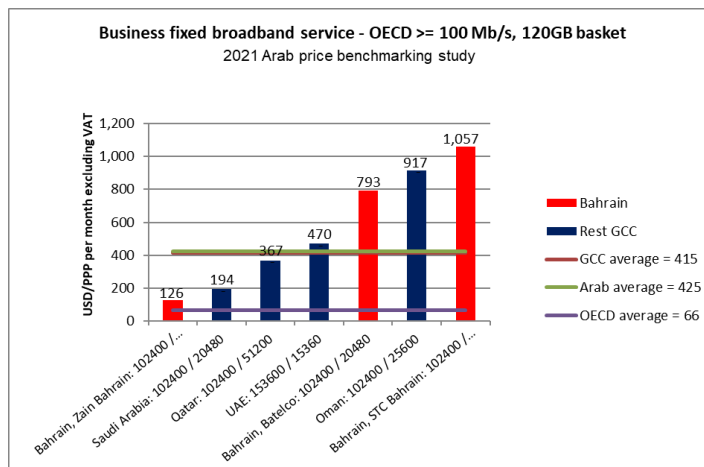
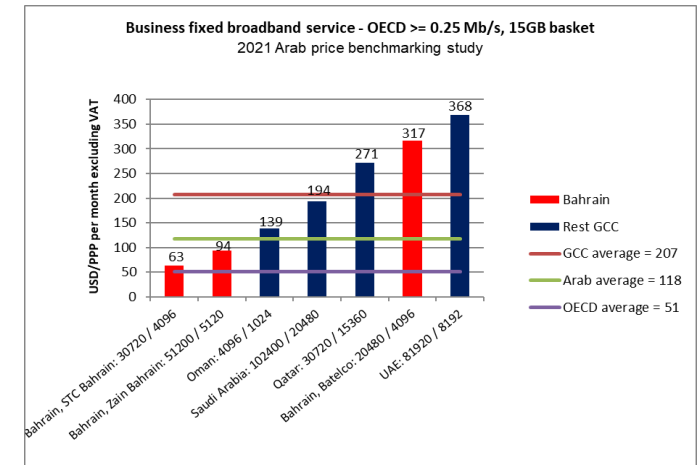
# Fixed broadband baskets, business tariffs

In contrast to the residential tariff basket results, the position of Bahrain when based on business services is a little more variable.

For all baskets, Bahrain has the overall cheapest offer. In terms of providers, apart from the 100 Mb/s basket, both STC and Zain Bahrain feature as the two cheapest providers overall. STC Bahrain is the cheapest for all baskets apart from the 100 Mb/s, where it falls to second most expensive after Oman. For this high-speed basket, Zain Bahrain becomes the cheapest. Incumbent Batelco is consistently among the most expensive. Both the Zain and STC offers LTE-based services which feature in selected results.

In general, there is a significant difference between prices for business services in Arab and OECD countries, however, the offerings from Bahrain, at least for the cheapest provider are on par with the OECD average cost for all but the  $\geq 100$  Mb/s basket. For the three lowest speed baskets, STC and Zain sit below the Arab and GCC averages, while for the  $\geq 100$  Mb/s basket, this just applies to Zain.

The results shown, including average results are for medium usage.



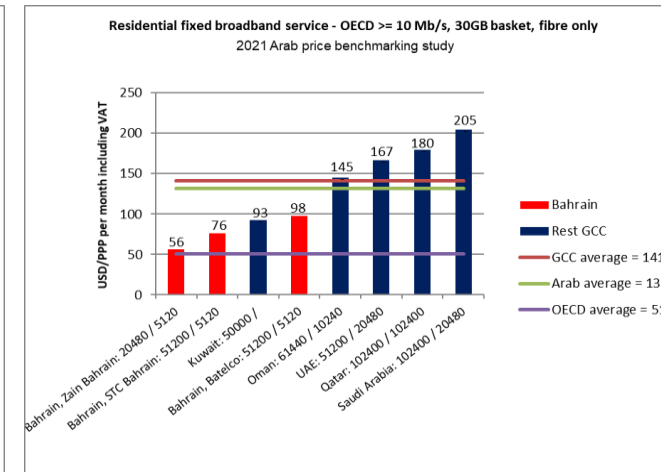
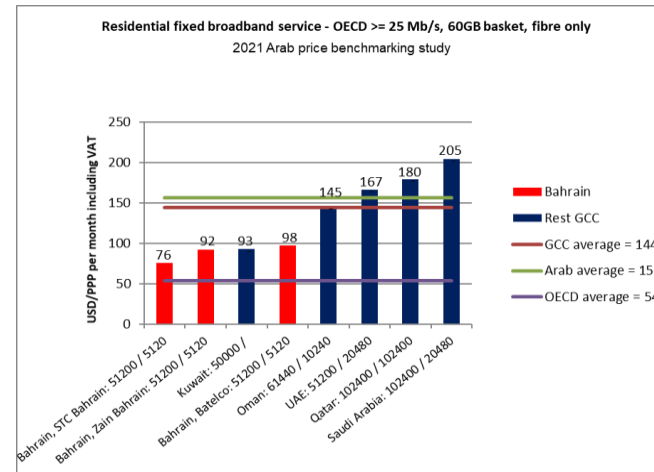
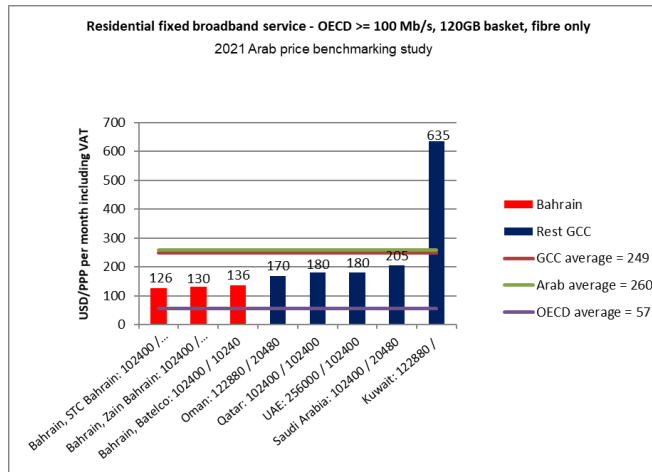
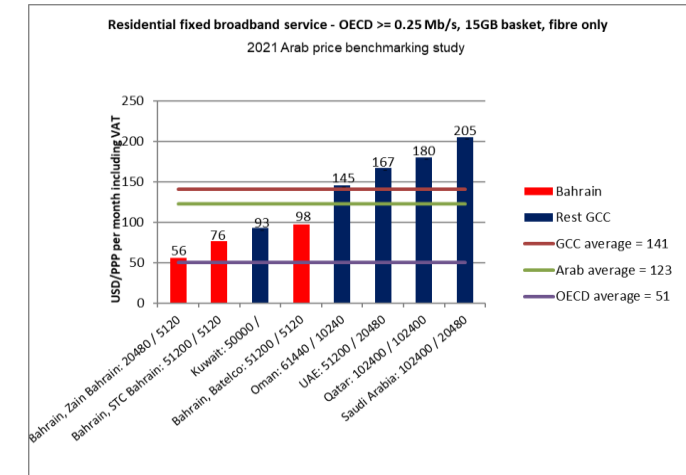
# Fixed broadband baskets, residential fibre tariffs

The graphs here show basket results for residential services based on fibre offerings only, as additional analysis to the main results.

For residential fibre-only pricing, Bahrain is very competitively priced, across all baskets (speeds) and all providers, with Zain Bahrain having the cheapest overall offering for the two lower speed baskets ( $\geq 0.25$  Mb/s and  $\geq 10$  Mb/s), and STC Bahrain being the cheapest for the two higher speed baskets ( $\geq 25$  Mb/s and  $\geq 100$  Mb/s). For all baskets, pricing for Bahrain is consistently among the cheapest four results.

For the two lower speed baskets, Zain Bahrain is on par with the OECD average cost. In addition, for all baskets, the Bahraini providers are significantly lower than both the GCC and the Arab averages.

The results shown, including average results are for medium usage.



# Fixed broadband baskets, business fibre tariffs

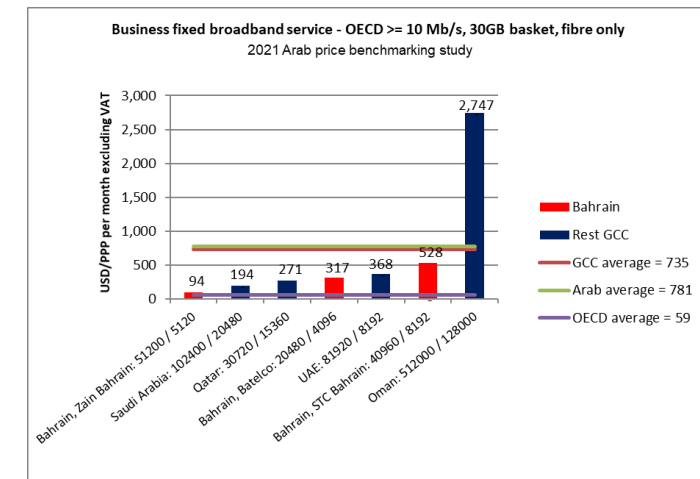
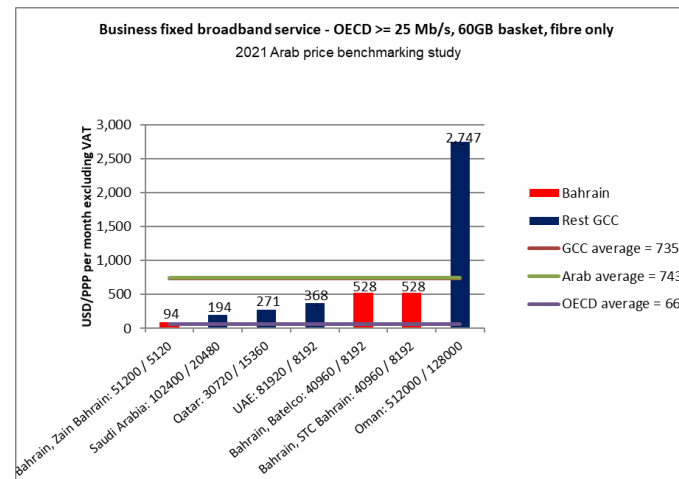
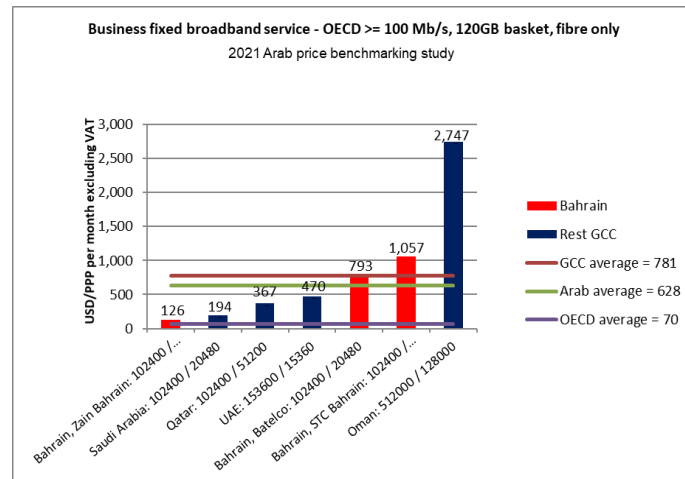
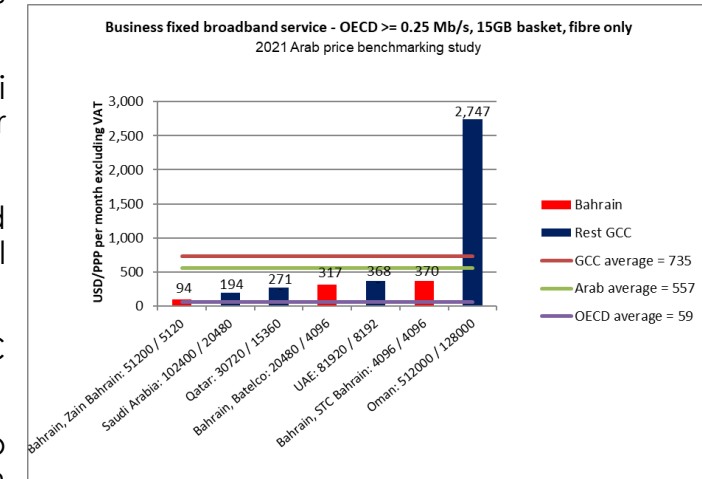
The graphs here show basket results for business services based on fibre offerings only, as additional analysis to the main results.

For fibre-based business services, the results are more spread for Bahrain, although Bahraini provider Zain features continually as overall cheapest among the GCC countries across the four baskets.

The results for Bahraini providers are above the OECD average for all baskets, but as the speed increases, the position of Zain Bahrain improves relative to the average, and is the closest of all providers to the OECD average.

STC Bahrain and Batelco are less competitively positioned relative to both the other GCC countries, and the OECD average.

For all baskets apart from the highest speed one, all Bahrain providers sit below both the Arab and the GCC averages. For the 100 Mb/s basket, while Zain is significantly lower than both averages, Batelco is on par with the averages, and STC above.





# Fixed broadband baskets time series for Bahrain

Since 2017, higher speed residential fixed broadband prices in Bahrain have generally fallen, while lower speed prices have either climbed or remained flat. This is a typical trend, and one which was observed over the last year as well.

For the  $\geq 100$  Mb/s basket for residential pricing the reductions have been dramatic since 2019, which is good news for consumers.

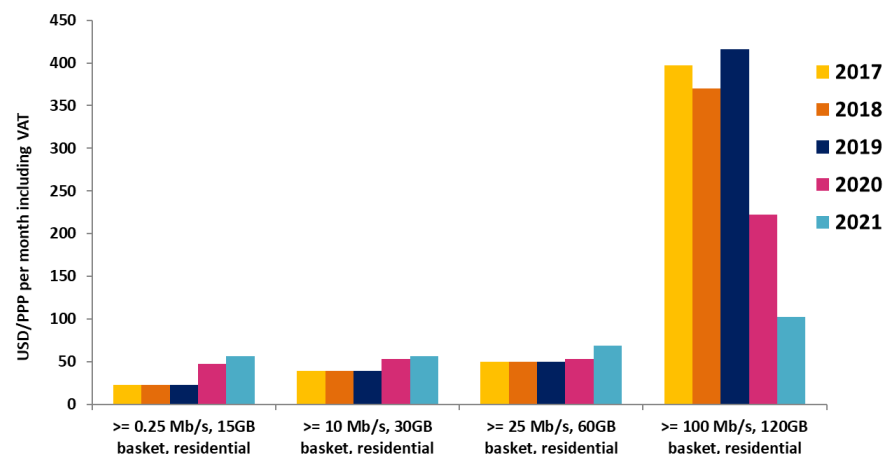
For low-speed business services, prices have been very static, while higher speeds,  $\geq 10$  Mb/s have seen more declines over time. In 2021 there were reductions in all speeds apart from  $\geq 100$  Mb/s, where prices increased.

Of the three providers considered, Batelco services are a mix of ADSL and fibre offerings, while STC and Zain are a mix of fibre and LTE-based plans, covering both 4G and 5G. All providers have data allowances on some of their services, although these are generally quite high.

Note: the time series graphs are based on all available technologies.

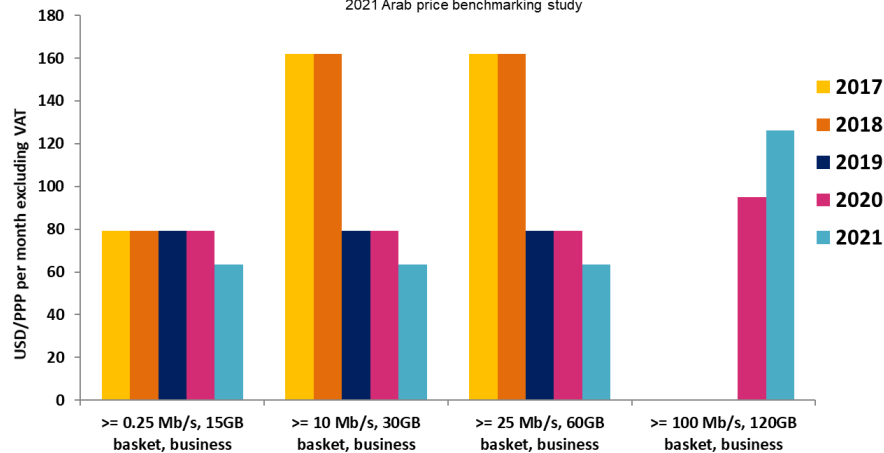
OECD fixed broadband baskets time series for Bahrain, residential offers

2021 Arab price benchmarking study



OECD fixed broadband baskets time series for Bahrain, business offers

2021 Arab price benchmarking study





# Mobile broadband baskets, residential tariffs

For lower usage, Bahrain generally has less favourable residential mobile broadband pricing compared to the other GCC countries, however, its position improves with increased data usage. This is a trend that has also been observed with mobile voice and data pricing.

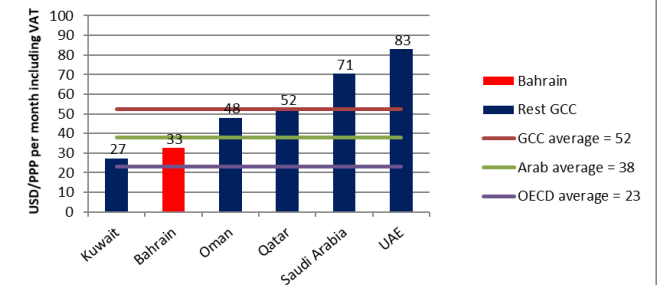
For a low usage basket of 0.5 GB, Bahrain is the most expensive, and for the 2GB basket, it is third most expensive.

However, for a user requiring either a 10GB or 20GB data allowance, Bahrain has the second cheapest offering across the GCC countries, and is on par with the cheapest, Kuwait, as well as the OECD average and well below both the GCC and Arab averages.

The OECD average is consistently lower than both the GCC and Arab averages.

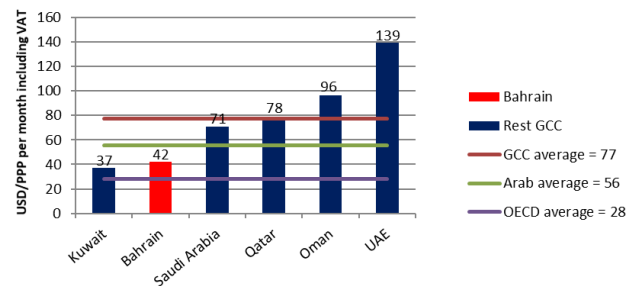
Residential mobile broadband service - OECD 10GB

2021 Arab price benchmarking study



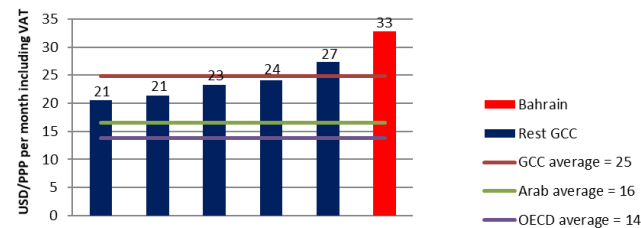
Residential mobile broadband service - OECD 20GB

2021 Arab price benchmarking study



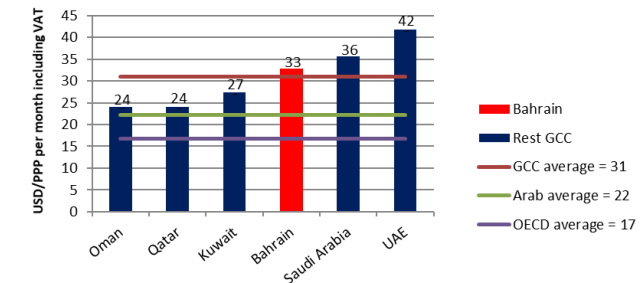
Residential mobile broadband service - OECD 0.5GB

2021 Arab price benchmarking study



Residential mobile broadband service - OECD 2GB

2021 Arab price benchmarking study

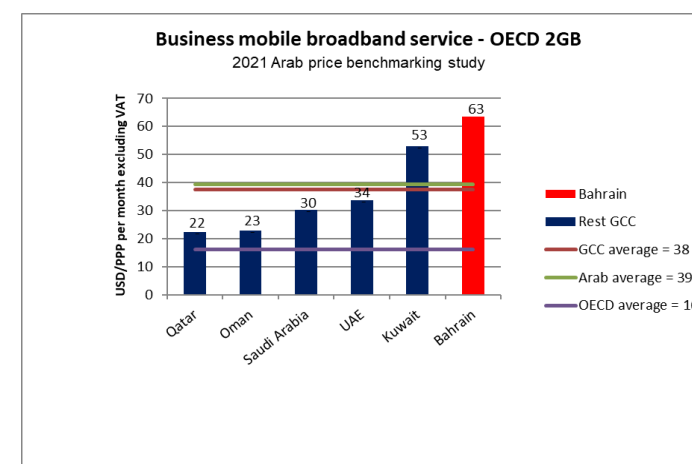
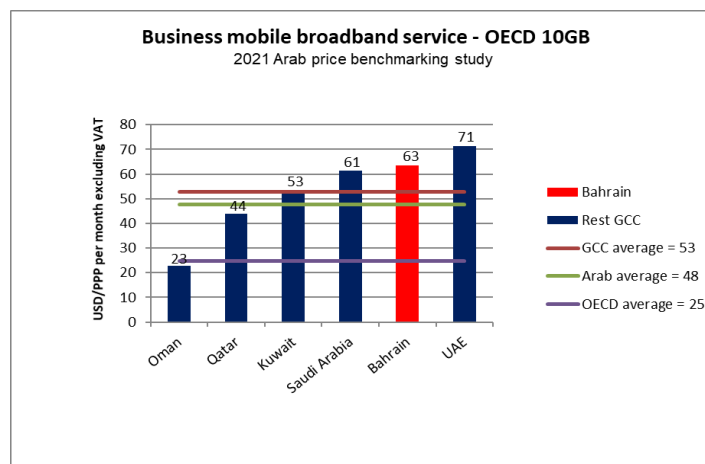
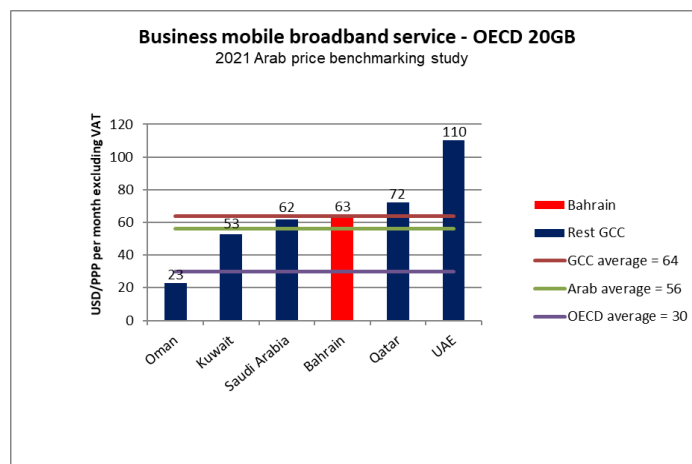
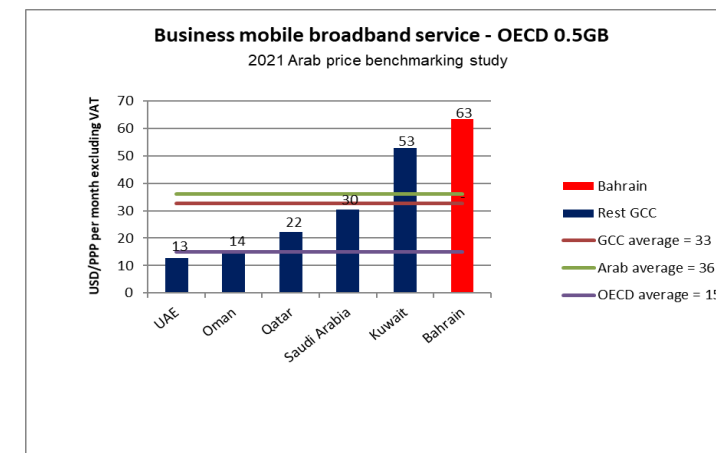


# Mobile broadband baskets, business tariffs

The results for business mobile broadband for Bahrain follow a similar albeit not identical trend to the results for residential mobile broadband. For both the 0.5 GB and 2 GB baskets, Bahrain is the most expensive.

For the 10GB basket, Bahrain's position improves slightly, where it ranks fifth, and has a near-identical cost to Saudi Arabia which is in fourth position. Finally, for the 20GB basket, Bahrain is fourth cheapest, after Oman, Kuwait and Saudi Arabia, and is in par in terms of cost with both Saudi Arabia and Qatar.

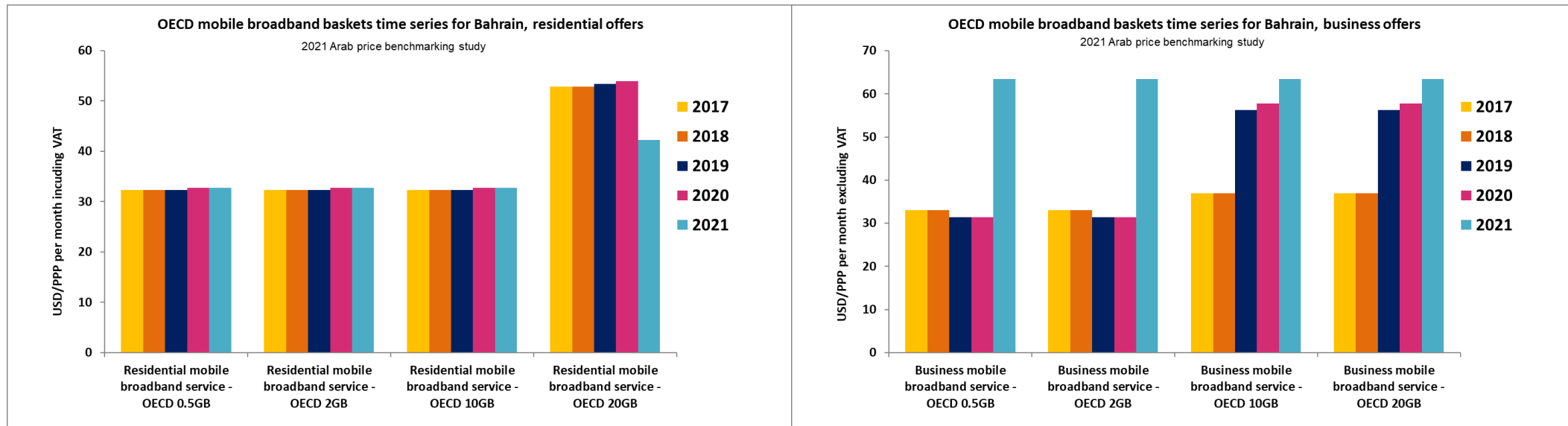
In general, there is a stark contrast between prices for business services in Arab and OECD countries.



# Mobile broadband baskets time series for Bahrain

There have been limited changes to residential mobile broadband pricing since last year that have impacted the basket costs. Residential pricing has fallen for the 20GB basket, driven by new offerings.

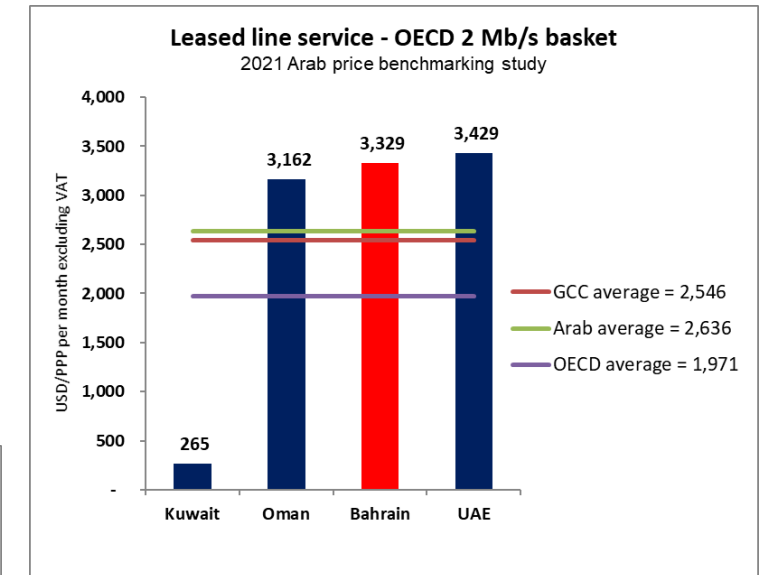
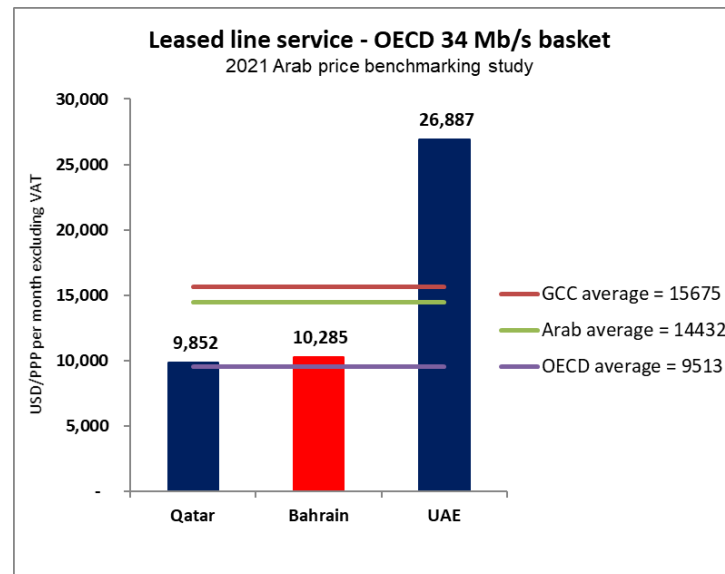
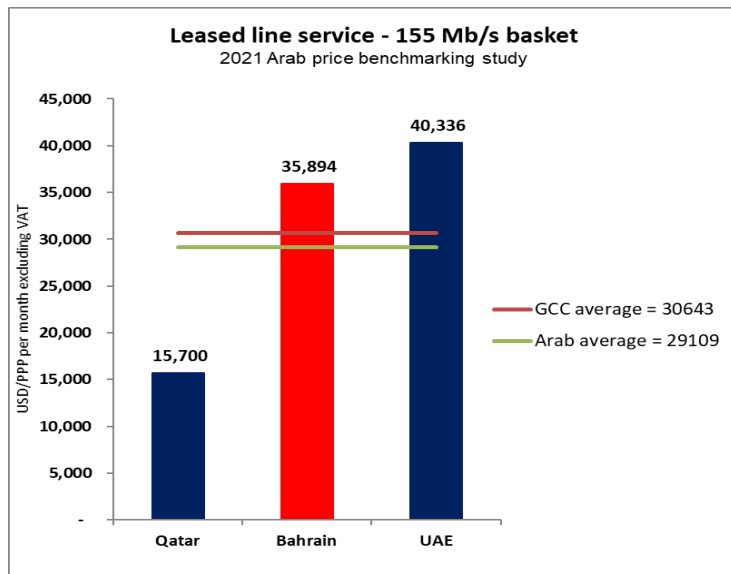
For business services, while changes from 2017 to 2020 have been generally static, the change from 2020 to 2021 is somewhat more interesting. Costs have increased across all baskets, and, in particular, the two lowest usage baskets, driven by the removal of small allowance packages. From the perspective of the business user, this means they must buy large data allowances irrespective of their level of usage.



# Leased line baskets

Bahrain only features in three baskets – 2 Mb/s, 34 Mb/s and 155 Mb/s. At these speeds, there are very few GCC countries that publish leased line pricing data. In addition to Bahrain, only Kuwait, Oman, Qatar and UAE have published prices, although for 2Mb/s, Qatar does not publish prices, and for the 34 Mb/s and 155 Mb/s services, Oman does not publish prices.

Across all three baskets, Bahrain sits broadly in the middle of the other GCC countries in terms of positioning. In terms of cost, for the 2 Mb/s basket, prices in Bahrain are broadly on par with Oman and UAE. Kuwait pricing is especially low. For the two highest speed baskets, where the only other pricing is from UAE and Qatar, Bahrain is on par with Qatar for the 34 Mb/s service, and with UAE for the 155 Mb/s basket. Pricing in Bahrain is almost double the OECD average for 2 Mb/s but is only slightly above the OECD average for 34 Mb/s.

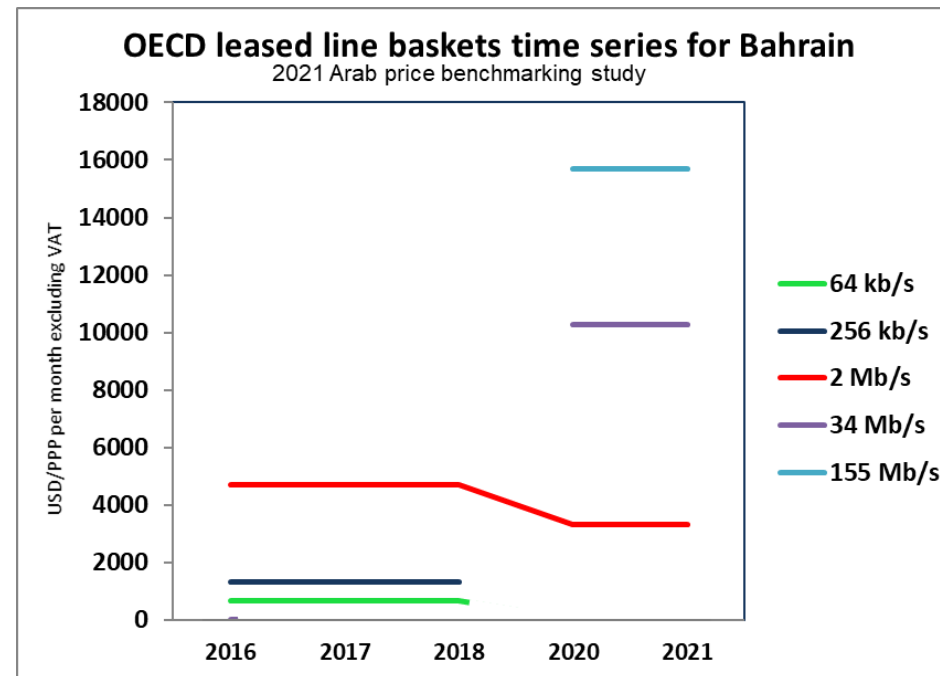


# Leased line baskets time series for Bahrain

The prices for leased lines in Bahrain remained constant from the first Arab Price Benchmarking Study in 2008 until 2018. Between 2018 and 2020, there were some changes.

- There are no longer any published prices for 64 kb/s or for 256 kb/s for Bahrain.
- Up to 2018, pricing for Bahrain has been for traditional leased lines. For 2020 and 2021, however, this data is no longer published, but rather, there is data on MPLS-based services, which is permissible under OECD methodology, providing it is based on a point-to-point connection.
- As the results for 2020 and 2021 are based on a different service to previous years, a comparison against historic pricing needs to be viewed with caution.

Note: the leased line part of the study was not updated in 2019 but was reintroduced in 2020.



# 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 | $\geq 0.25$ Mb/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 + 2GB | $\geq 10$ Mb/s, 30GB | 2 GB/month       |

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 + 5GB | $\geq 25$ Mb/s, 180GB | 10 GB/month      |

The analysis is based on the incumbent provider for broadband in each of the GCC countries, as with the main standalone analysis.

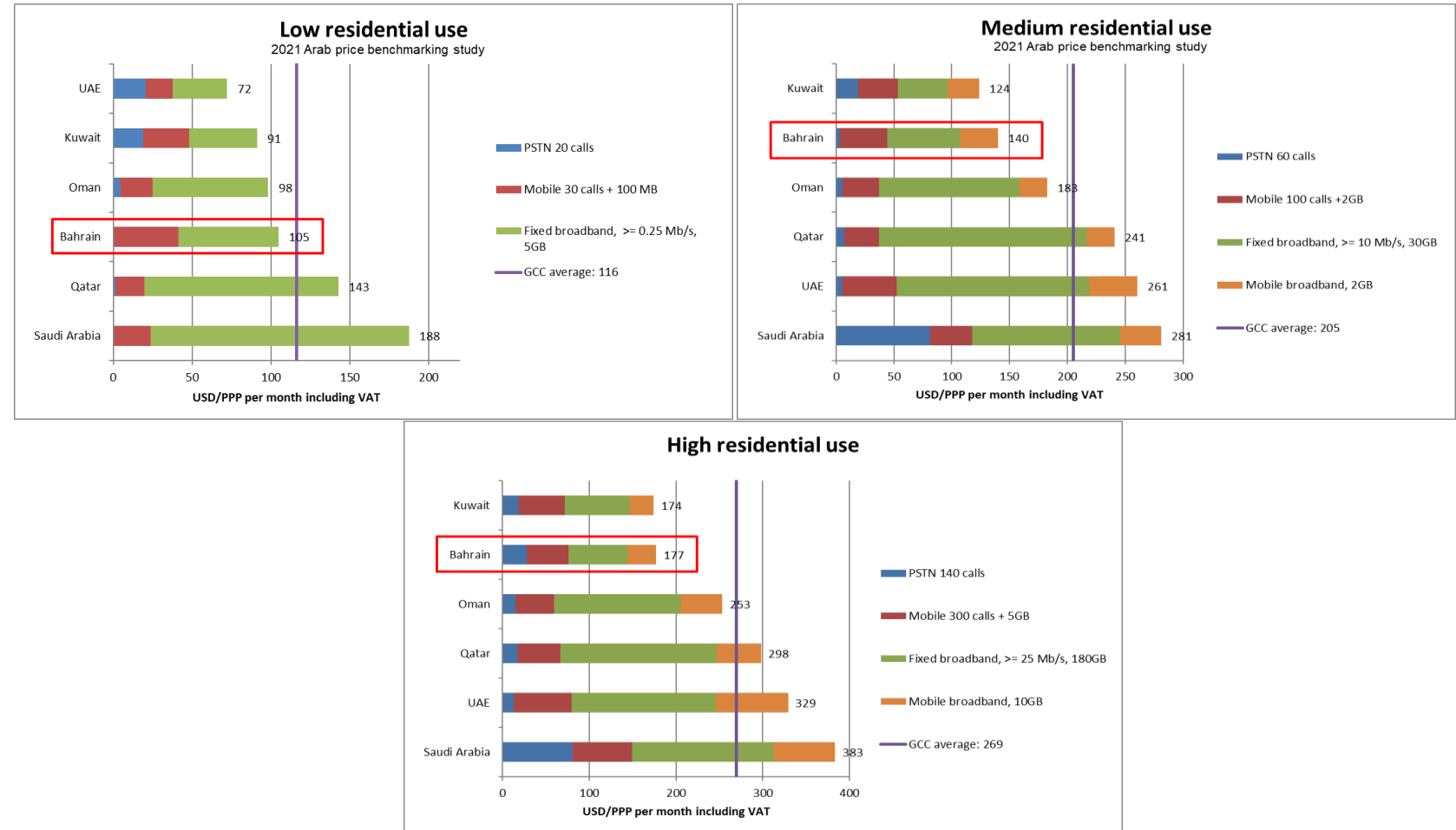
Each user profile has been costed by taking the result for each individual service basket, and summing to produce a total cost. This is a relatively simplistic method for considering multiple service use, however, it provides an indication of likely overall costs that different types of users will face.

# Residential aggregate basket results

Bahrain is the second cheapest across the 6 GCC countries for both the medium and high residential baskets, and 4th (cheapest) across the 6 countries for low use. The low usage baskets costs are driven up by high fixed broadband costs.

For the low use basket, costs in Oman are on par with Bahrain, while for the medium and high use basket, costs in Bahrain are reasonably aligned with the cheapest country, Kuwait.

For all baskets, Bahrain sits below the GCC average.



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 + 2GB | $\geq 10$ Mb/s, 30GB | 2 GB/month       |

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 + 5GB | $\geq 25$ Mb/s, 180GB | 10 GB/month      |

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.

The analysis is based on the incumbent provider for broadband in each of the GCC countries, as with the main standalone analysis.

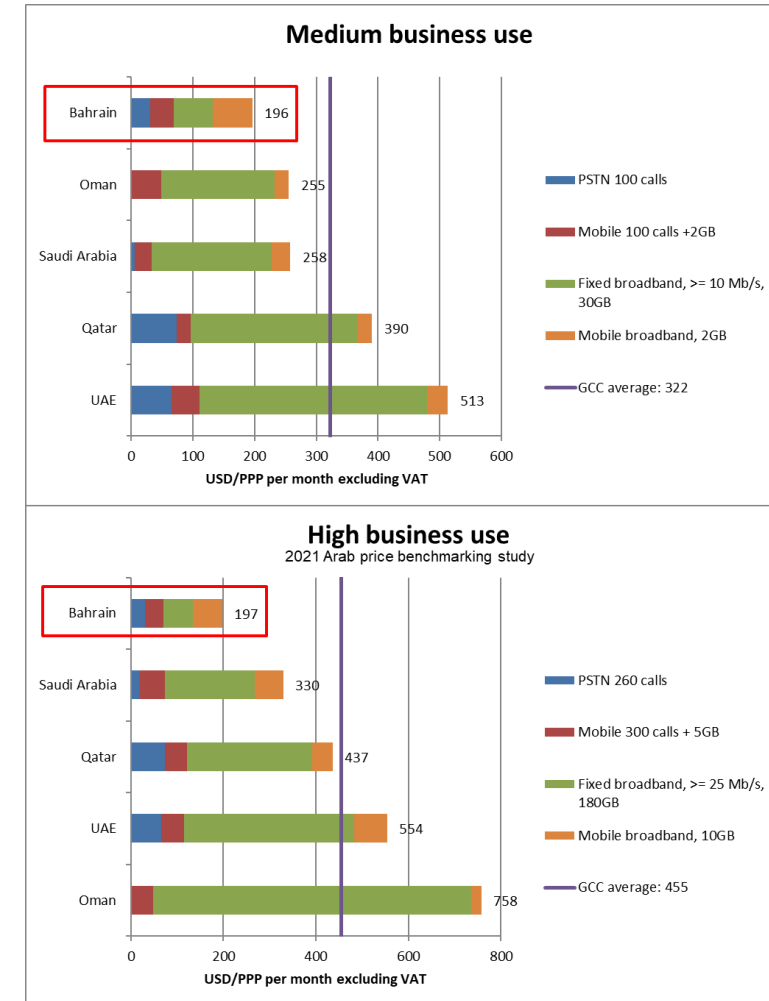
Each user profile has been costed by taking the result for each individual service basket, and summing to produce a total cost. This is a relatively simplistic method for considering multiple service use, however, it provides an indication of likely overall costs that different types of users will face



# Business aggregate basket results

For both medium and high business use, Bahrain is the cheapest of the GCC countries, with the main reason for this being the very competitive cost for fixed broadband from STC Bahrain. Business broadband is expensive in many GCC countries and remains expensive from incumbent Batelco in Bahrain. Fixed-wireless services for business services in Bahrain from both STC and Zain have helped reduce costs for Bahraini businesses.

Due to some business tariffs not being published in Kuwait, it has been excluded from the business results.



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

# Acronyms used in the context of this report

OECD: Organisation of Economic Co-operation and Development

OECD countries: Australia, Austria, Belgium, Canada, Chile, Colombia, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, 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 al comparisons to adjust for market differences

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