



News Release

TRA Publishes Results of the Second Study on Bahrain Internet Ecosystem

Manama, Kingdom of Bahrain – Tuesday 3 August 2010

The Telecommunications Regulatory Authority (TRA) has issued recently an updated study report on Internet Ecosystem in Bahrain. The study, conducted by the Internet intelligence authority Renesys, is providing a comprehensive overview of the evolving relationships between Bahrain's Internet Service Providers (ISPs) and the international telecommunications carriers serving Bahrain and the Region.

The report provides a detailed snapshot of the Internet Ecosystem, identifying key strengths and potential weaknesses of Bahrain's Internet connectivity, as well as some historical context to help the reader understand the present state of the market.

Highlight on some of the key findings:

Bahrain's Internet connectivity is adequate, but could be more diverse.

It seemed probable in late 2009 that more customers would follow Neutel and Lightspeed's lead in becoming users of Flag transit. However, there have been no additional signs of new Flag capacity utilization by Bahrain providers since then. As a result, Tata continues to be the dominant provider of international transit, with more than 90% of Bahrain's customer base on-net.

Batelco still does not offer domestic peering, and Batelco's customers lack transit alternatives.

The last 12 months have shown no evidence that any of Batelco's customers use their own autonomous system to purchase backup transit from another provider. It continues to be the case that packets exchanged between Batelco customers and BIX customers may travel as far as Riyadh or London before returning to Bahrain. This creates potentially serious implications for performance, stability, and security for the Kingdom's domestic Internet traffic.

Facility carrier neutrality would increase long-term international transit diversity.

No provider has stepped up to offer carrier-neutral access to multiple international carriers in a single facility, as recommended. Gateway Gulf's plans to build out a larger Internet presence with diverse connectivity remain uncertain. Gulf Bridge International has partnered with Batelco, and TATA with the BIX, to bring new cables ashore by the end of 2011. These new paths to regional and international connectivity, along with GCCIA dark fiber, and the increasing availability of mobile broadband and smart phone based Internet, may turn out to be the factors that unlock more lively competition within the Kingdom in 2010.

Until carrier diversity improves, some operators are at higher risk of suffering significant customer-facing Internet events.

The April failures of the SMW4 cable had far greater impact on Bahrain customers who were exposed to TATA's long-path routing to Europe by way of Asia and Canada. Operators who took advantage of Flag transit, by comparison, experienced significantly lower delays. Promoting multihoming, and having real time access to monitoring information about route selection and inbound latencies during future events, could help providers make better routing decisions and minimize performance impacts on the Kingdom's consumers.

Commenting on this study TRA's Director of Technical and Operations Mr. Mohammed Mahmood said "International connectivity markets are growing and increasingly competitive, and industry players, financial institutions and government have to make some critical decisions to ensure adequate, diverse and resilience international connectivity to Bahrain."

Mr. Mahmood also said. "Availability and affordability of Internet services, capacity and local content will be key elements in attracting inwards investment and sustaining competitive growth in the Kingdom in the coming years."

The full study report can be found on TRA website at www.tra.org.bh

About TRA

Since its establishment in 2002 the Telecommunications Regulatory Authority of the Kingdom of Bahrain (TRA) has been working with government, consumers, operators and investors to develop the Kingdom of Bahrain into the region's most modern communications hub and to facilitate the growth of the market. As an exemplary Regulator for the region, TRA independently carries out its duties in a transparent and non-discriminatory manner. More information about TRA can be viewed at www.tra.org.bh

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