



News Release

TRA market data shows that revenues from the telecommunications sector have reached the BD 300 million mark in 2008, employment in the sector has continued to grow and broadband subscribers surged by 50% in 2008

Manama, Kingdom of Bahrain – Tuesday 2 June 2009

The Telecommunications Regulatory Authority of the Kingdom of Bahrain (TRA) has released today its Telecommunications markets indicators report. This report covers a large range of telecommunications services indicators, such as the number of subscribers, penetration rates, calls usage and telecommunications revenues. The information included in this report is based on data provided by operators, historical data held by TRA as well as data from the International Telecommunication Union (ITU). The report contains a wealth of statistics pertaining to the telecommunications sector.

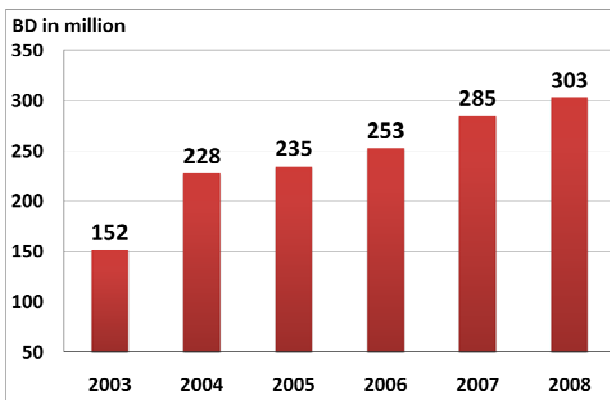
Highlights of this report include:

- Telecommunications revenues increased by 6.3% between 2007 and 2008 and have doubled since market liberalization in 2003. In 2008 they exceeded 303 million Bahraini Dinar (Graph 1) with mobile services generating about 50% of revenues. (Graph 2).
- Sector revenues represent 3.7% of Gross Domestic Product.
- The report shows 4% growth in the number of employees between 2007 and 2008 and 37% growth since liberalization.
- There were 220,386 fixed lines at the end of 2008, an increase of 8% relative to 2007 thanks to the growth of fixed wireless. About 70% of national traffic originated from fixed lines are fixed-to-mobile calls.
- Mobile subscribers exceed 1.4 million in December 2008. Based on an estimated 1.1 population this represents a mobile penetration rate of 131% (Graph 3). The high level of penetration recorded may be explained by a number of factors, including the large number of visitors in Bahrain and people who owns two or more telephones (work and personal phone) and also mobile data devices.
- The mobile market in Bahrain is predominantly prepaid. Prepaid subscribers represented 84% of mobile subscribers at the end of 2008. Outbound roaming traffic increased by 84% between Q4 2007 and Q4 2008.
- The number of broadband subscribers increased by an impressive 50% between 2007 and 2008 to reach 110,000 subscribers at the end of 2008 (Graph 4). There were above 114,000 internet subscribers at the end of 2008, of which 96% were broadband and 4% were dial-up subscribers.
- Continued strong growth in international outgoing minutes, between 2007 and 2008 international traffic grew by 49%. Traffic to South Asian countries (Zone 2) is the fastest growing (72% between 2007 and 2008), followed by traffic to Zone 3 (Australia, Canada,

France, Germany, Greece, Italy, Iran, New Zealand, Thailand, UK, USA and Yemen) countries (46% between 2007 and 2008). The report indicates that international outgoing minutes originated using mobile represents 90% of the total international outgoing minutes in Q4 2008.

Mr. Alan Horne, General Director of TRA said: “This report shows that 2008 was another good year for the telecommunications sector as evidenced by the growth in the number of subscribers, usage, penetrations, revenues and the number of employees. Consumers in Bahrain enjoy an increasingly diversified choice of providers from which to choose their services”.

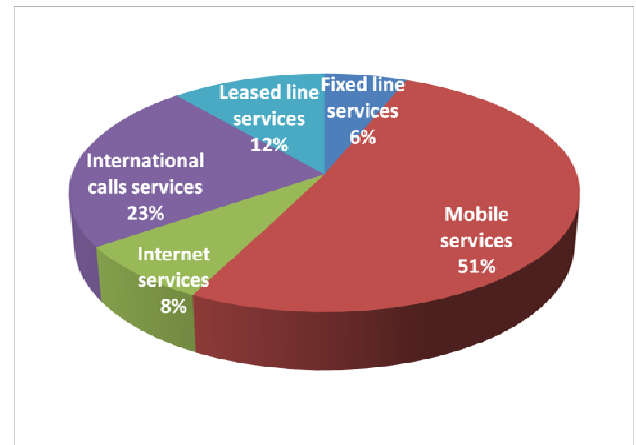
Graph 1: Growth in telecommunications sector revenues



Source: TRA analysis

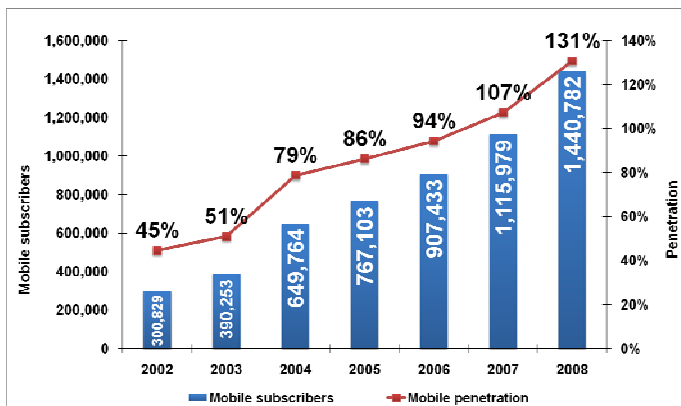
Source: TRA analysis

Graph 2: Estimated distribution of telecommunications revenues in 2008



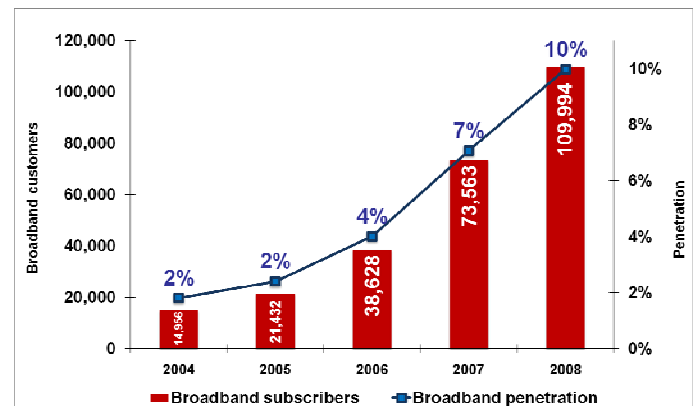
Source: TRA analysis

Graph 3: Growth in the number of mobile subscribers



Source: TRA analysis

Graph 4: Growth in the broadband subscribers



Source: TRA analysis

About TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. TRA is an independent body and its duties and powers include, among other things, protecting the interests of subscribers and users and promoting effective and fair competition among existing and new licensed operators. More information regarding TRA can be viewed at www.tra.org.bh

Media Contact

Abdulelah Abdulla

Communications Executive

Tel: +973 17 520000

Mobile: +973 36368555

Fax: +973 17 532125

Email: aabdulla@tra.org.bh