



News Release

**New Study reveals that broadband prices have reduced by up to 50% over the last two years but there is still room for improvement**

**TRA Releases the Results of the 2010 Independent Price Benchmarking Study for telecommunications services in Arab countries**

Manama, Kingdom of Bahrain - Monday 16 August 2010

The Telecommunications Regulatory Authority (TRA) has released today the 2010 update of the Arab Basket Benchmarking Study for telecommunications services. The study undertaken by Teligen, an independent consulting firm specialised in tariff comparison, was commissioned by the TRA on behalf of AREGNET (the Arab Regulators Network). The study provides a comprehensive comparative study of prices for telecommunications services between 22 AREGNET member countries.

The benchmarking study compares baskets of telecommunications services for residential and business users based on various profiles (e.g. low, medium, high user). It is comprehensive in terms of services and geographic coverage. The results for Arab countries are also compared with the results for the Organisation of Economic Co-operation and Development (OECD) countries.

**At the regional level, the main findings of the study are:**

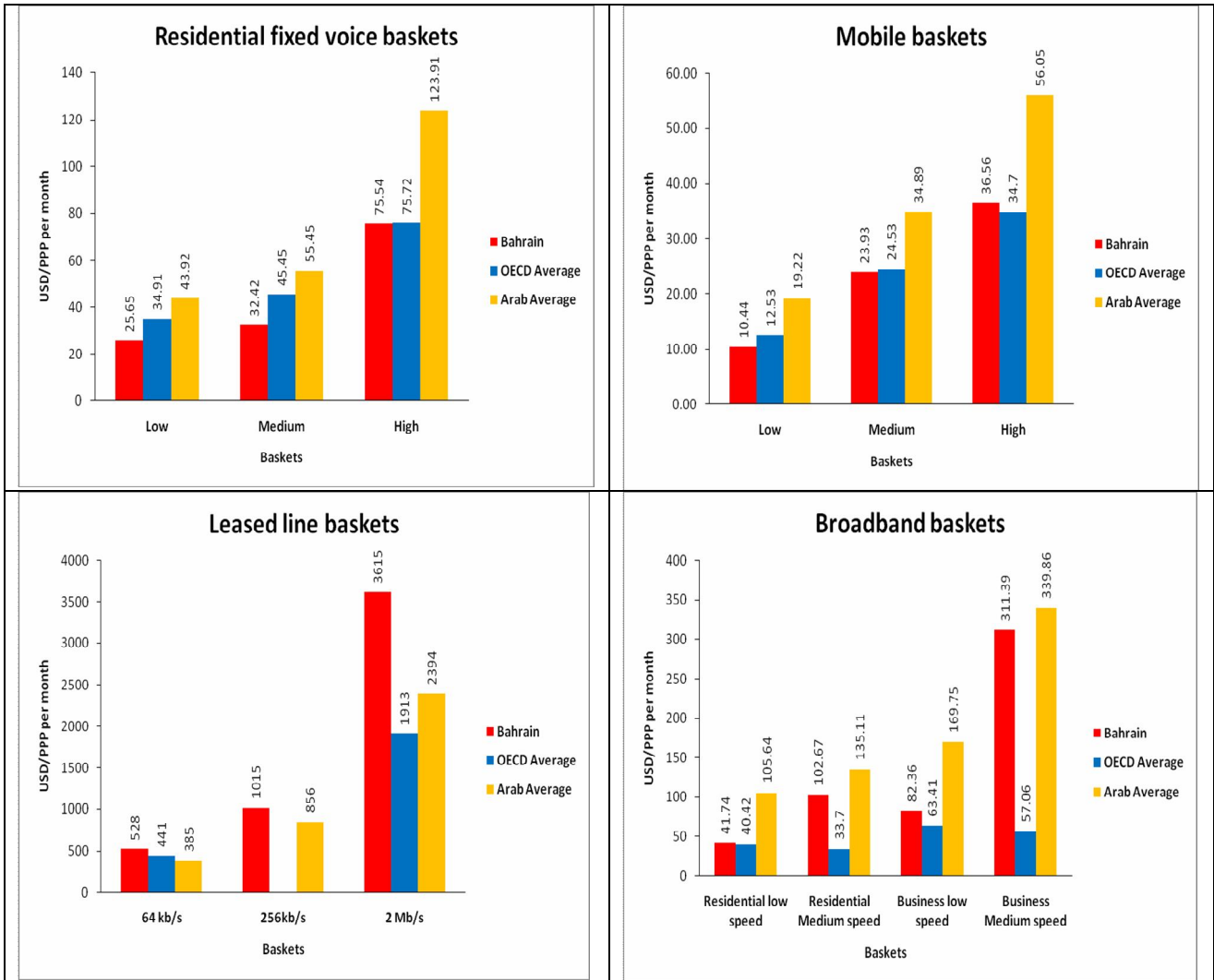
- Fixed voice tariffs. Tariffs for fixed telephony services tend to be more expensive in the region than in OECD countries, though some countries are well below OECD averages. Results show that there is a wide spread of rates across the region. Rates are not rebalanced with relatively high usage cost (especially international calls) relative to fixed cost.
- Mobile tariffs. Most Arab countries are above the OECD average. The average across Arab countries is 80-100% above the OECD average. Except for the five-six most expensive countries, the Arab countries have rather uniform price levels for mobile services.
- Leased lines tariffs. Rates appear on the high side compared to OECD countries, although the gap with the OECD is now smaller.
- Broadband. Speeds below 256 kb/s are still common in most Arab countries. Speeds in this range are hardly offered in Europe any more. The prices of broadband are 3 times greater than the European average. High rates are likely to inhibit broadband penetration and the ability of countries to harness the potential of ICT.

**For Bahrain, the main insights of the study are:**

- Fixed voice tariffs. Bahrain appears to compare well with both Arab and OECD countries in terms of basket result (see Figure 1).
- Mobile tariffs. Mobile operators in Bahrain are doing well compared to their peers in the region and in OECD countries (see Figure 2). This demonstrates the benefits of competition
- Leased lines tariffs. By international standards, leased lines tariffs are still not competitive (see Figure 3). This is an area where improvements are required in order to ensure Bahrain remains an attractive business location with competitively priced services for business users. No improvements were observed since the issue of the first study in June 2008.
- Broadband. Broadband prices in Bahrain have gone down by up to 50% over the last two years but there is still room for improvement when compared to European benchmarks (See Figure 4): the price of a business medium speed broadband (1-4Mbit/s) is still 4 times greater than the European average. High rates have a flow-on effect on broadband penetration and use and hence Bahrain's ability to embrace the knowledge economy.

Commenting on the results of the study TRA’s Chairman and Acting General Director Dr. Mohammed Al Amer said "In a world in which nations compete to attract international businesses and promote economic development, it is essential that telecommunications services are competitively priced. It is rewarding to see that the Kingdom of Bahrain compares well for some services both regionally and to the wider OECD benchmarks, however there are still some areas that require closer attention and in particular higher speed broadband access and leased lines. On balance the results demonstrate the considerable benefits that liberalisation of the markets and the development of sustainable competition can deliver."

In addition to the Report, TRA released today a document setting out the methodology underlying the results. All documents released today can be found on TRA’s website at [www.tra.org.bh](http://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](http://www.tra.org.bh)

**Media Contact**

Abdulelah Abdulla  
 Communications Manager

Tel: +973 17 520000

Mobile: +973 36368555

Fax: +973 17 532125

Email: [aabdulla@tra.org.bh](mailto:aabdulla@tra.org.bh)