



News Release

TRA introduces new competition-based framework for the regulation of retail tariff which paves the way for the de-regulation of Batelco's mobile tariffs and calls to certain international destinations

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The Telecommunications Regulatory Authority (TRA) has issued last week a new reformed framework for the regulation of retail tariffs. The framework also includes supporting guidelines explaining the approach of TRA to competition (competition guidelines).

Dr. Mohamed Al Amer, TRA's Chairman and acting General Director said "The completion of this reform represents another major milestone in the liberalisation of the telecommunications sector for the Kingdom of Bahrain. TRA - Bahrain is the first regulator in the region to implement a full competition-based regulatory framework in line with international best practice. With the level of competition increasing in the mobile sector and other market segments it is important that Batelco has adequate flexibility to compete on a level playing field with Zain and soon also with Viva. Under the new regime Batelco will no longer require our approval to launch new mobile tariffs, although its tariffs must not contravene anti-competitive provisions of the Telecommunications Law and its Licenses."

The retail tariff notification framework reforms the way TRA regulate the retail tariffs of Significant Market Power (SMP) operators. Under the new framework, Batelco will no longer require the prior approval of TRA to launch or amend retail mobile and certain international tariffs, although it must certify compliance with specific tariff controls (such as no margin squeeze, no predatory pricing, no excessive pricing) defined to protect competition and consumers. Batelco will be required to notify TRA of a proposed change in advance and will be free to introduce new tariffs, such as bundles of services, provided it complies with the tariff controls defined. The new framework provides clear guidance to SMP operators with regards to the practices that are compatible with the interests of consumers and the development of competition.

Relaxation of the controls on mobile and international calls to certain destination means that approximately 50% of Batelco's retail revenues will now be de-regulated and subject only to general competition law provisions. Consumers will benefit from more intense competition, greater choice and competitive prices.

Dr. Al Amer went on to say “As competition develops, there is a point at which aggressive competitive behaviour may damage the normal operation of market forces and may be detrimental to consumers. The competition guidelines launched recently are an essential instrument that offers guidance on where and how TRA may draw the line between anti-competitive and pro-competitive behaviours and how we will deal with anti-competitive complaints.”

The competition guidelines refresh TRA’s approach to market definition and competition assessment. They provide a detailed explanation of anticompetitive conducts that are most likely to occur and offer some guidance regarding how TRA will analyze allegations of anti-competitive conduct. The guidelines also include a detailed template on how to lodge a competition complaint and the process TRA will follow.

The retail tariff notification framework and relaxation of tariff approval for mobile and non-SMP services will enter into effect shortly, once the Regulation is published in the official gazette and Batelco’s licences are modified.

All the documents pertaining to the retail tariff notification framework and competition guidelines, including responses to the consultation documents can be viewed on TRA website at www.tar.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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