

Qatar Telecom Pricing 2016

International Benchmarking Report,
comparing prices in Qatar with other
GCC countries



Report overview

This report focusses on retail prices for telecommunications services in Qatar compared to other GCC countries.

Comparison with relevant Arab and OECD averages is also included.

The information behind this report is drawn from the price benchmarking study for Aregnet countries performed by Strategy Analytics Ltd. This study is based on OECD price benchmarking methodologies, and uses data gathered in January 2016.

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Benchmarking methodology

- This report focusses on the best prices in Qatar, for the services covered in the main AREGNET price benchmarking report*, namely:
 - Fixed voice (PSTN)
 - Mobile telephony
 - Fixed Broadband
 - Mobile Broadband
 - Leased lines
- The geographical coverage for this report is the GCC countries
 - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE
 - Fixed service data for Kuwait is not available
- This report shows results based on the relevant OECD baskets for each service.
- Please read the note about PPP conversion at the end of this report!
- In addition, aggregate analyses have been included, to illustrate the likely total costs faced by consumers and businesses separately who subscribe to a number of 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.
- This study is based on OECD price benchmarking methodologies, and uses data gathered from operator websites in January 2016.

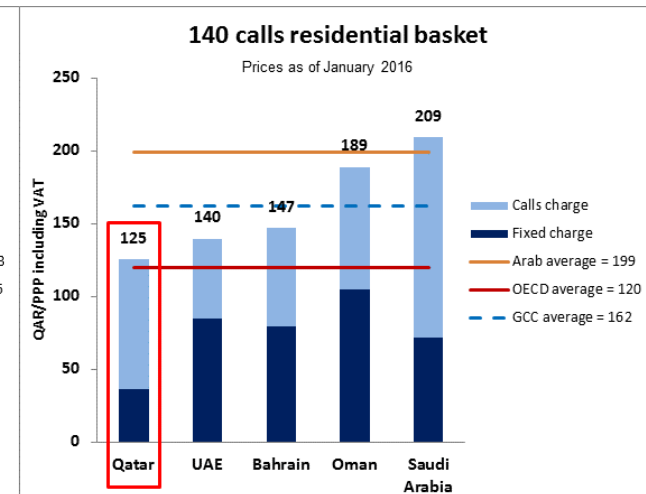
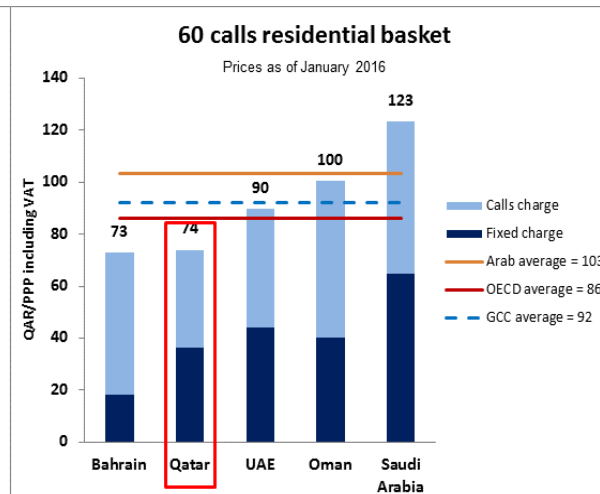
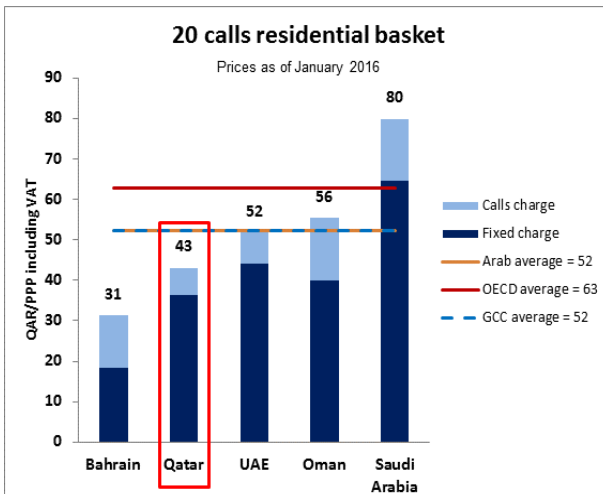
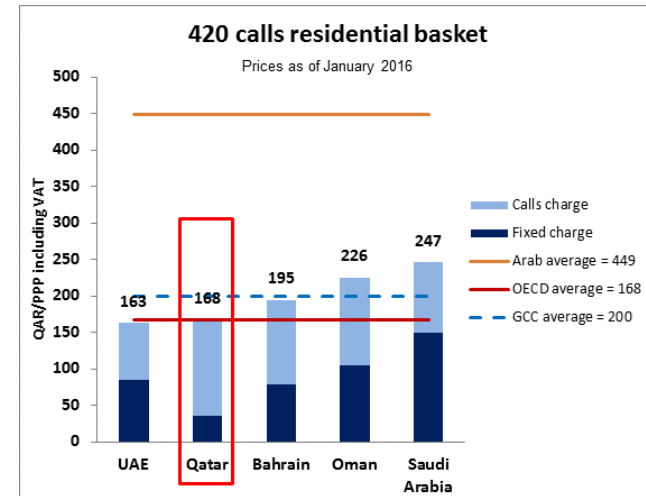
* The Aregnet report was produced by Strategy Analytics for TRA Bahrain, covering the 22 Aregnet member countries. This report is available from the website of TRA Bahrain.

1

Fixed Voice Services (PSTN)

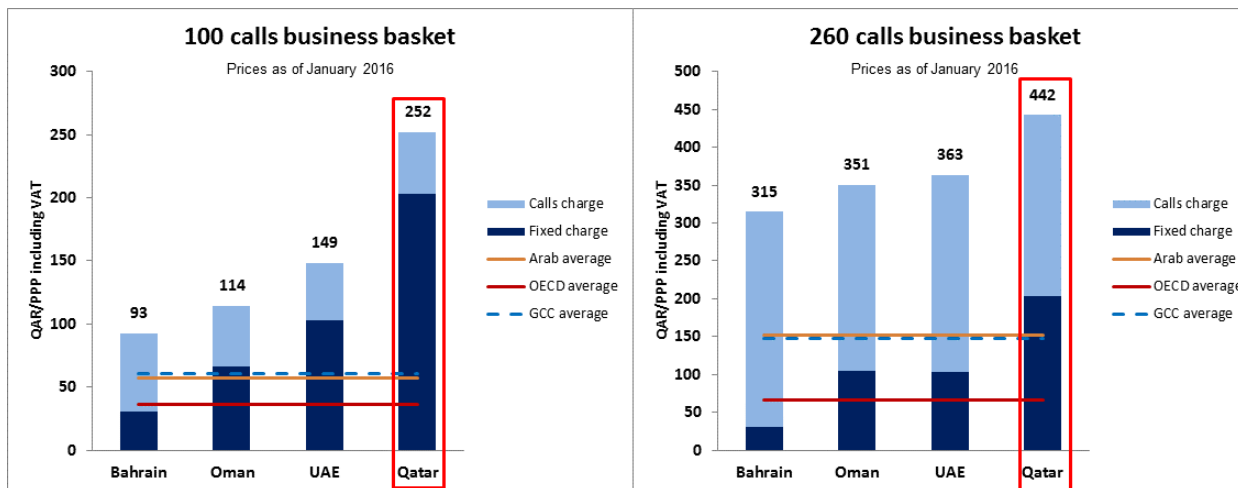
PSTN residential baskets

- Qatar does, for most usage scenarios have the second lowest prices in GCC. The fixed cost element is mid range at low usage, but becomes relatively lower as usage increases.
- Qatari prices are well below the Arab and GCC averages, and for low usage also below the OECD average.
- The Ooredoo tariff has no call charges for national calls to fixed lines. The charge for calls to mobiles is on the high side compared to other GCC countries.



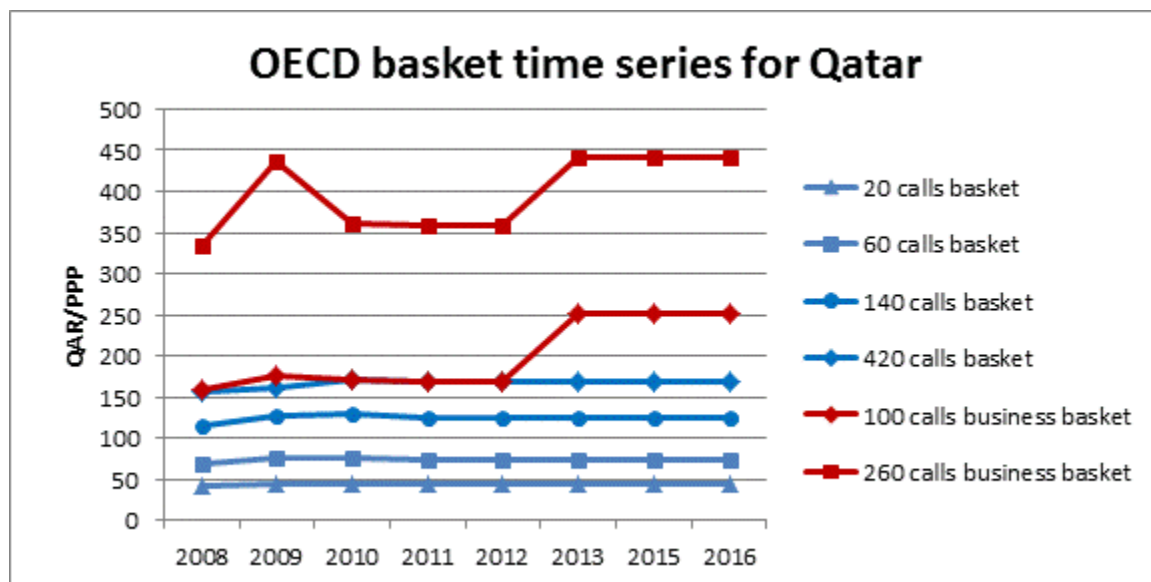
PSTN business baskets

- Qatar has the most expensive business service in GCC, mainly because of high line rental for business phones from Ooredoo.
- Usage charges are free for national calls to fixed lines, and are overall comparable with other GCC countries.



PSTN basket results time series for Qatar

- Residential PSTN prices in Qatar have not changed much over the last 8 years.
- Business PSTN prices however have been on an upward trend, but has not changed since 2013.

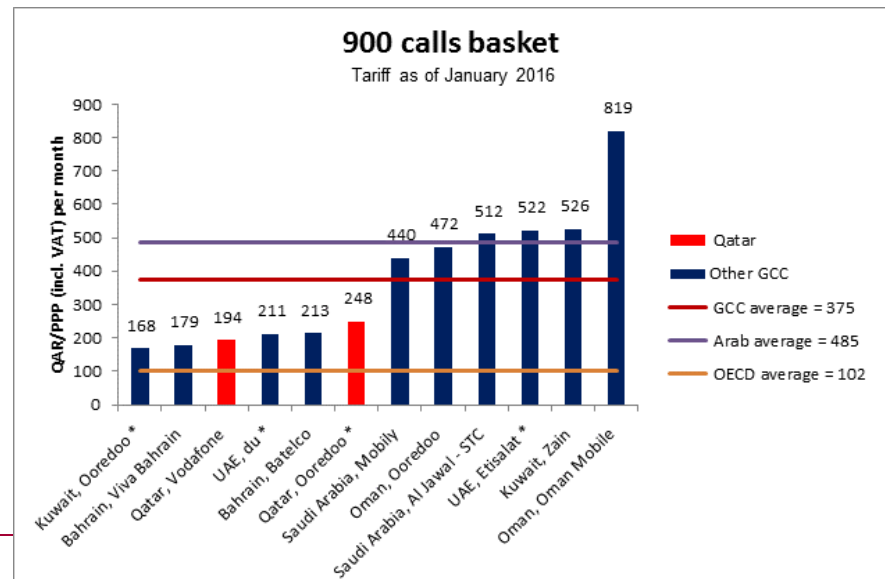
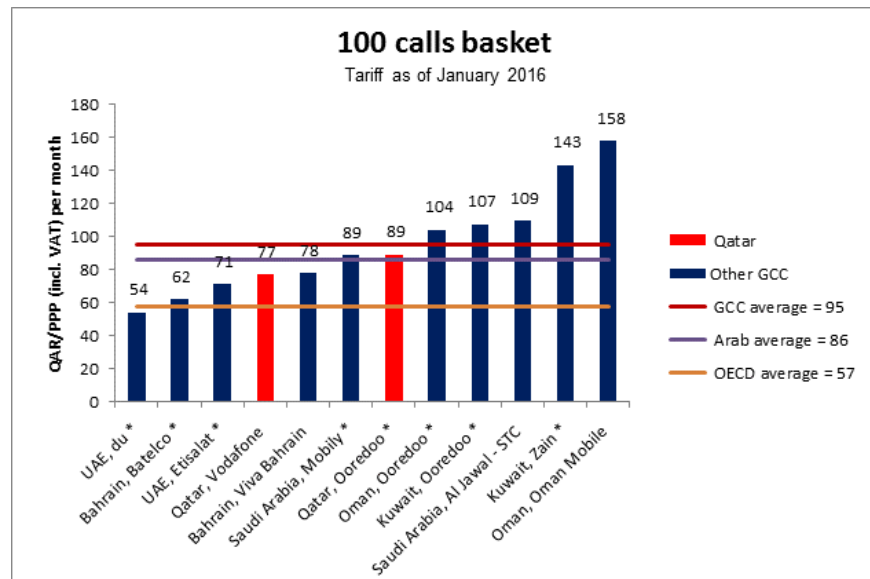
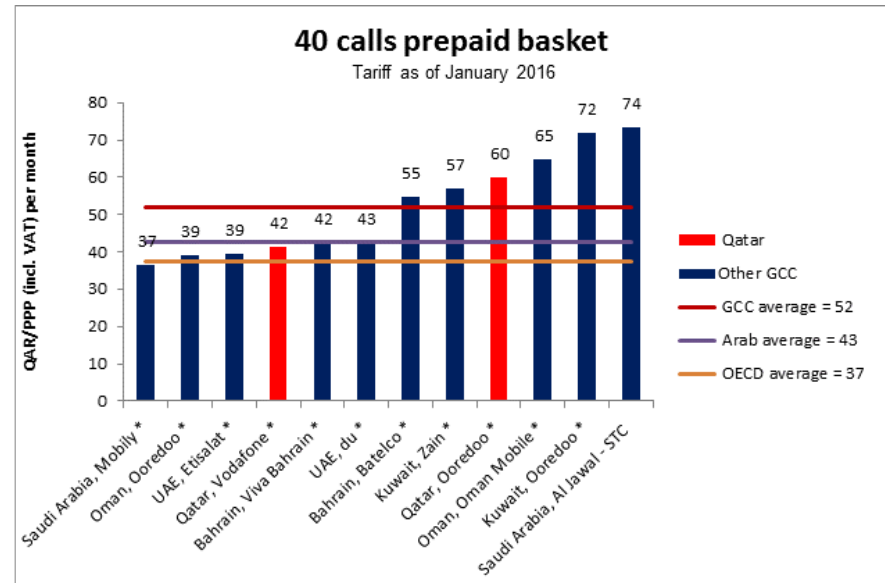


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Mobile Voice Services

Mobile baskets without data

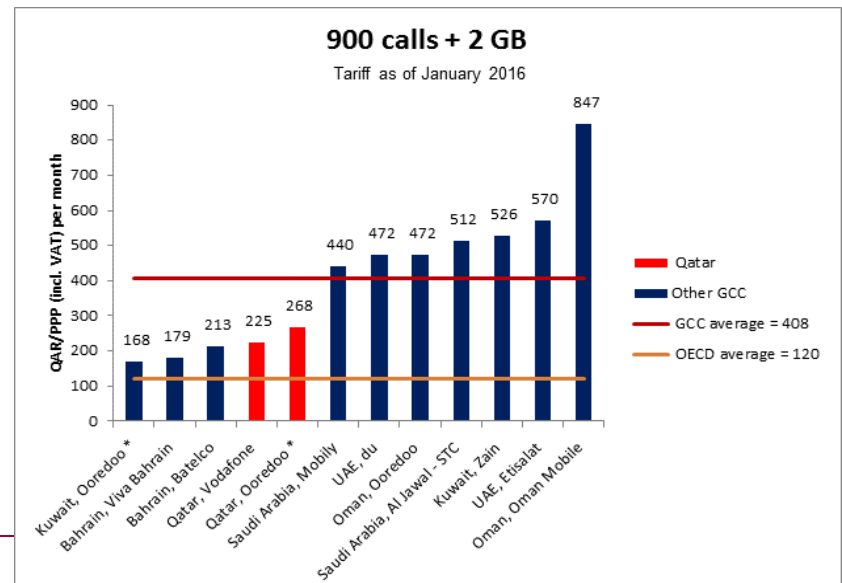
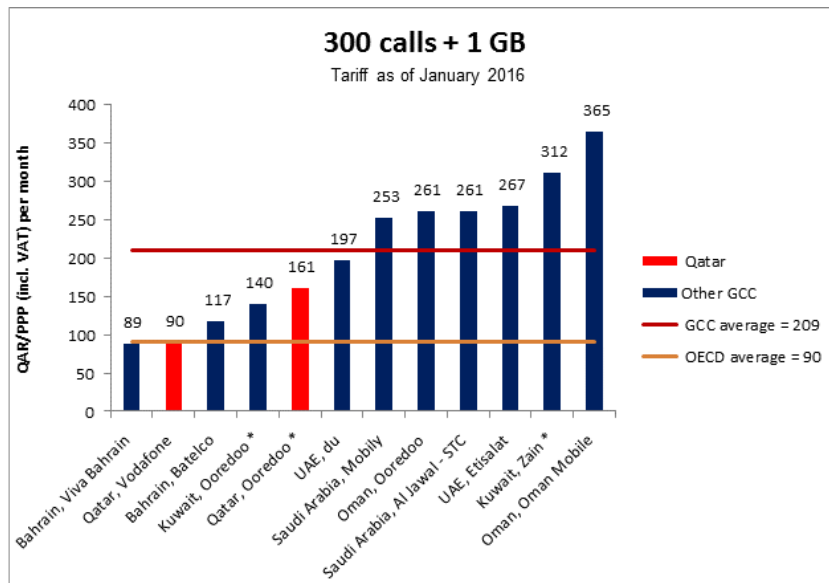
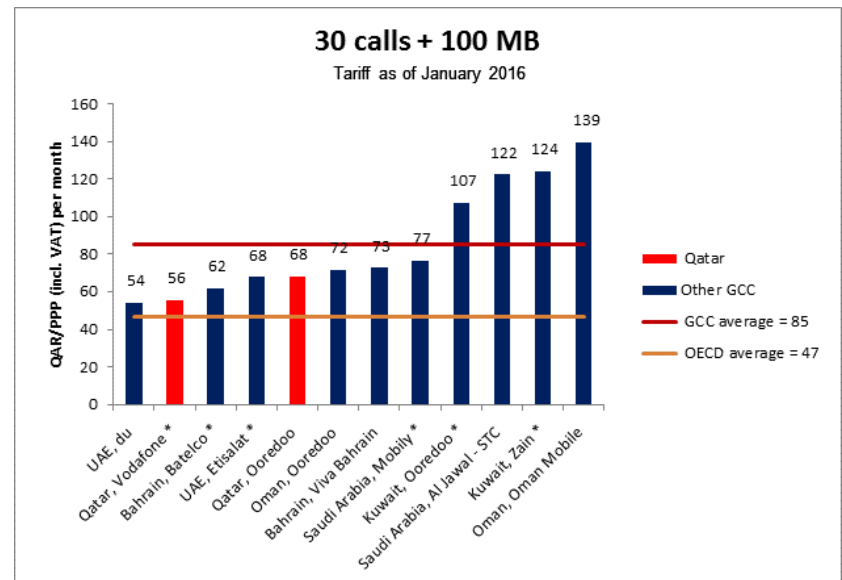
- Mobile prices in Qatar are below or around the GCC average
- For low usage the best Qatari prices are below most other GCC prices, and on par with the OECD average.
- There is a consistent difference between the two Qatari operators across the range of baskets



Mobile baskets with data

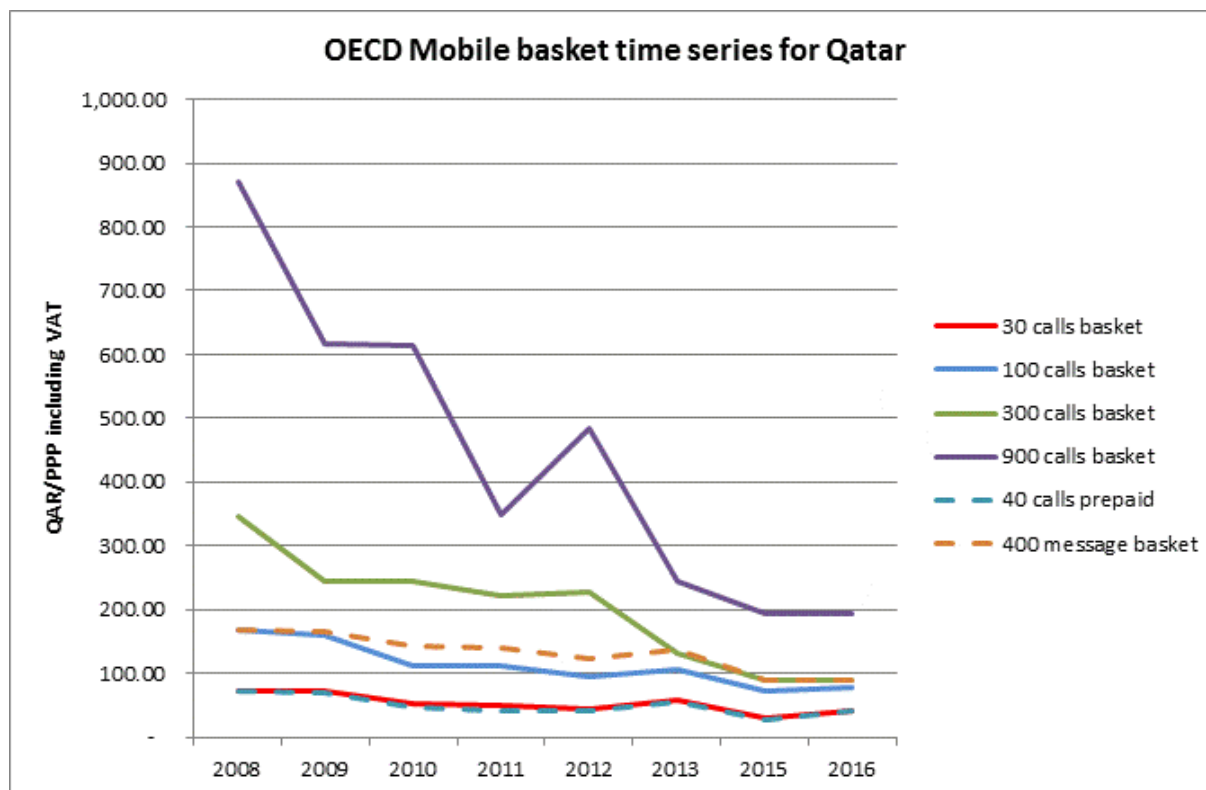
- The best mobile prices with data in Qatar are below the GCC average
- For low to medium usage levels the prices in Qatar are on par with the OECD average.
- When data usage is included the difference between the two Qatari operators is still evident.

(Arab average not included in graphs as it is significantly higher than the GCC data)



Mobile basket results time series for Qatar

- Mobile prices in Qatar have fallen on average 57% since 2008.
- Year-on-year changes of the average over time have been modest, with a 17% average increase since 2015 due to changes in low usage tariffs.
 - Otherwise there have been very minor changes to tariffs for higher usage.

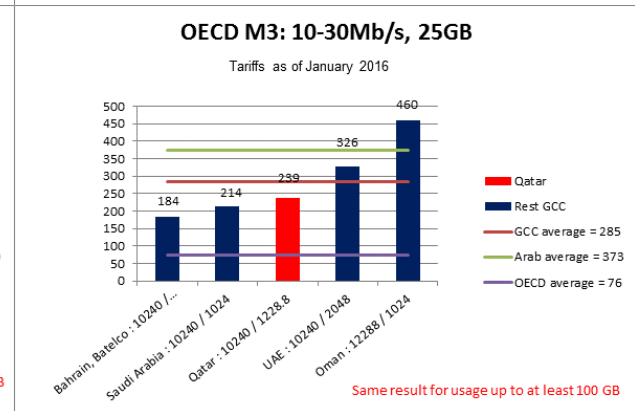
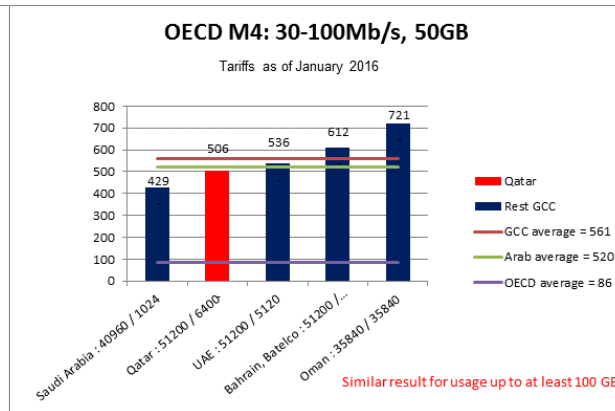
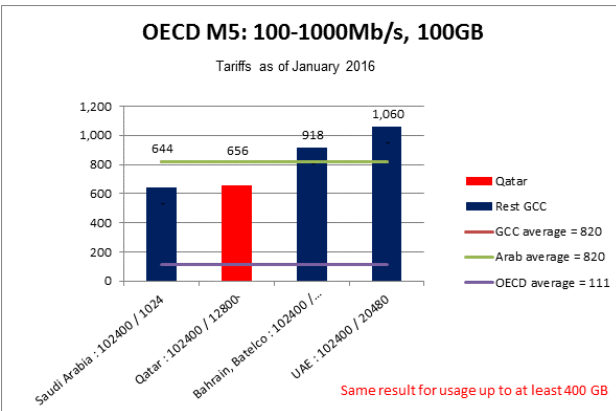
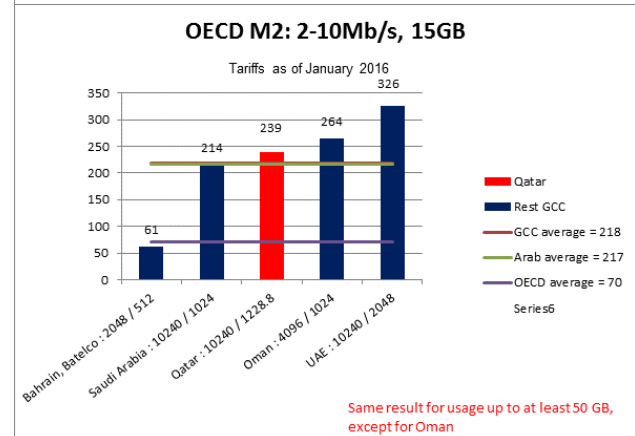
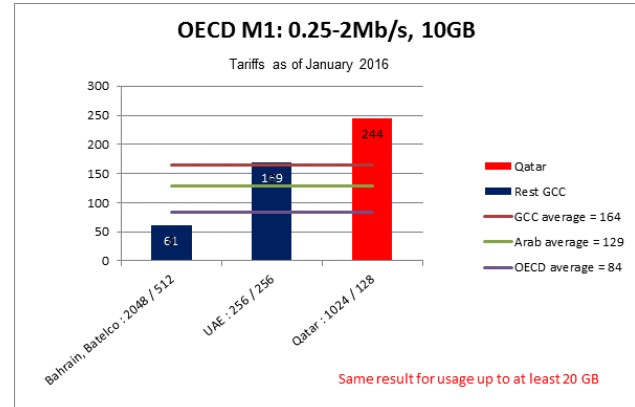


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Fixed Broadband Services

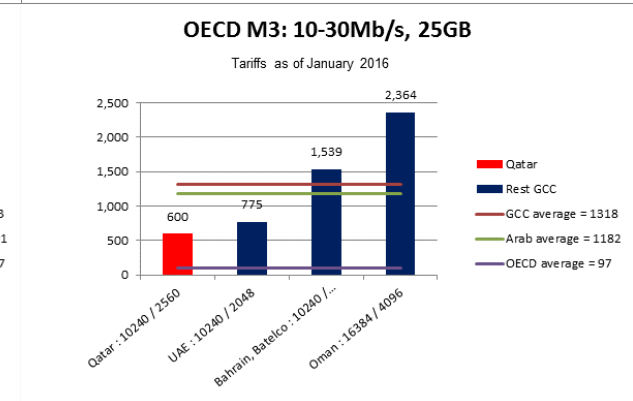
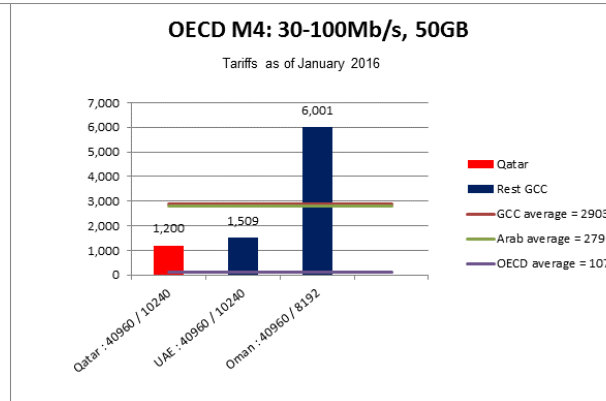
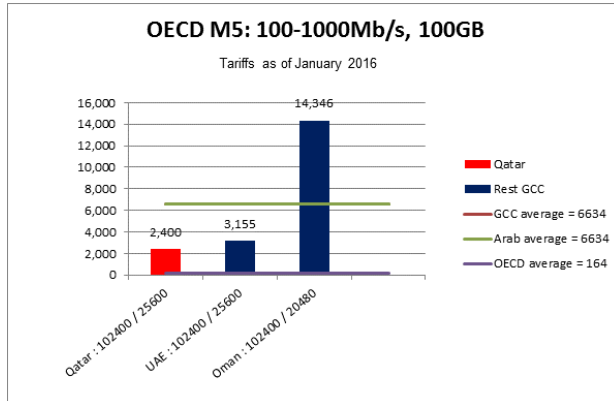
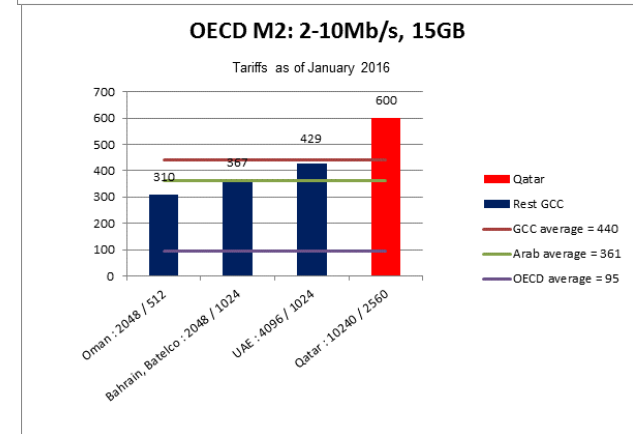
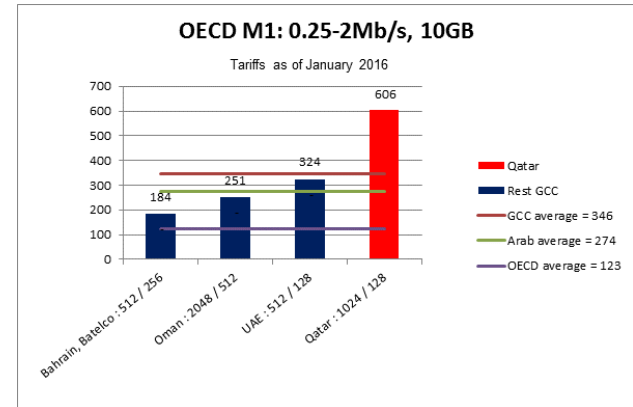
Fixed Broadband Baskets, residential tariffs

- The prices in Qatar do not vary with usage level
 - As the prices in other countries may vary with usage, the ranking position of Qatar may change. This happens in the 2-10 Mb/s basket where at low usage the Qatari position moves from 2nd to 3rd, where increased usage increase the overall cost in Oman
- The OECD average is significantly lower than the Arab and GCC averages.
- For higher speeds, the prices in Qatar are below the GCC average, but well above the OECD average.
- The OECD Medium baskets (M1-M5) are used in these graphs. Prices shown in QAR/PPP



Fixed Broadband Baskets, business tariffs

- The prices in Qatar do not vary with usage level
 - Other countries may have usage related prices, and the cost and ranking positions may change with usage.
- The OECD average is significantly lower than the Arab and GCC averages.
- For higher speeds, the prices in Qatar are below the GCC average, but well above the OECD average.
- The OECD Medium baskets (M1-M5) are used in these graphs. Prices shown in QAR/PPP

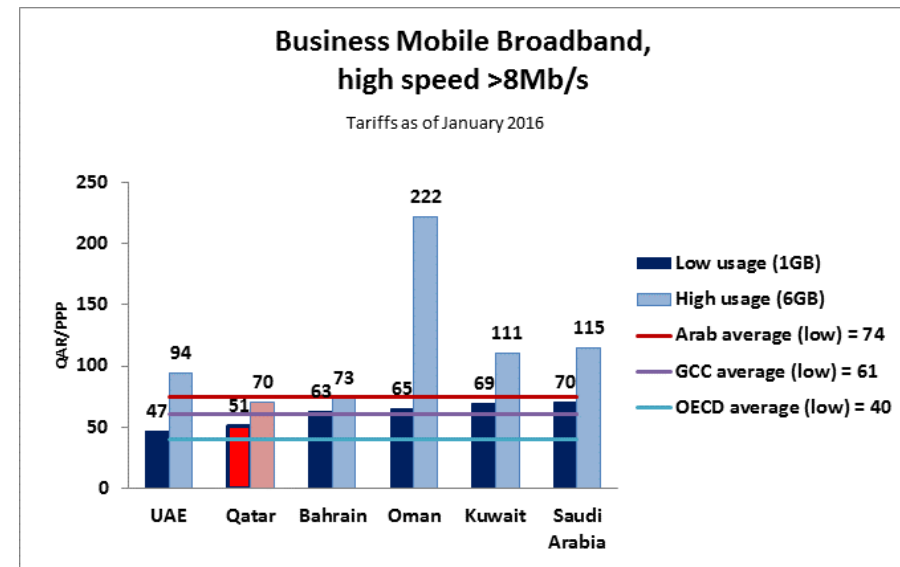
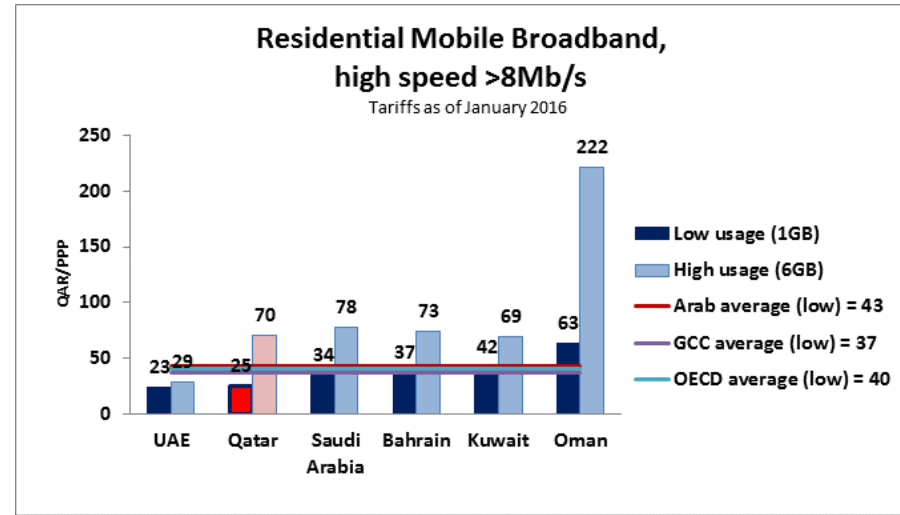


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Mobile Broadband Services

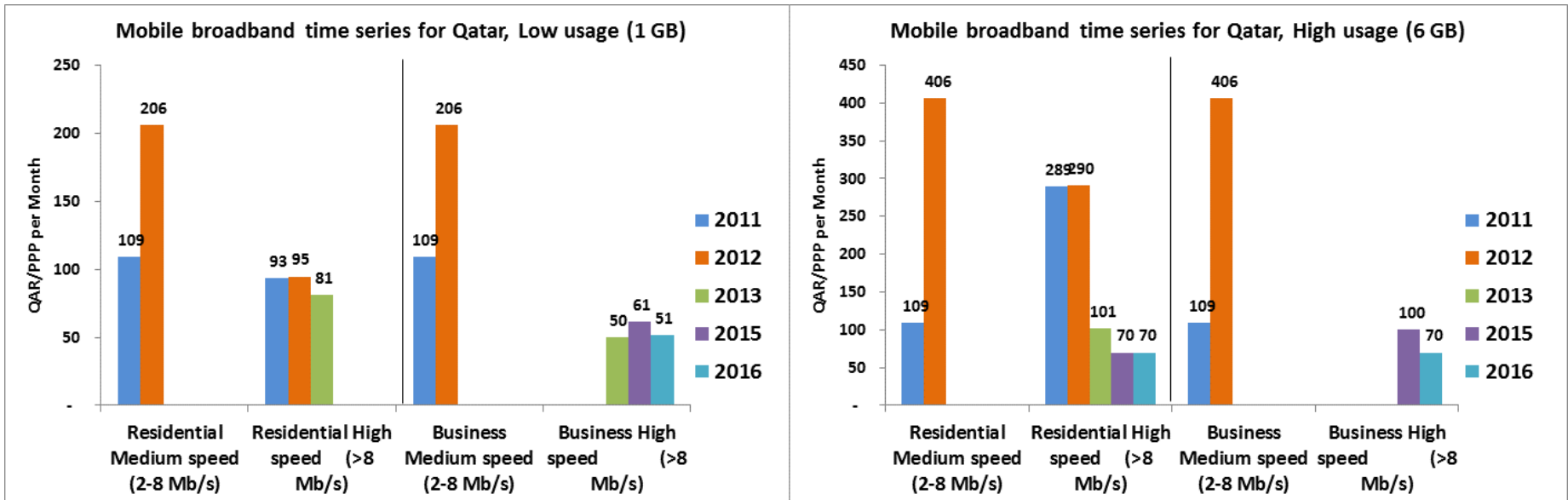
Mobile Broadband baskets

- All services provided in Qatar offer 4G speeds
- For low usage residential tariffs Qatar offers the second lowest prices in GCC, with most other countries following close behind.
- For high usage residential tariffs Qatar ranks 3rd in GCC, after UAE and Kuwait.
- For low usage business tariffs Qatar ranks as 2nd in GCC. For high usage Qatar ranks first.
- For residential tariffs the GCC (and Arab) average is lower than the OECD average . For business this is opposite.



Mobile Broadband Time Series

- There have been significant changes for mobile broadband services in Qatar over the last five years, mainly due to the change from 3G to 4G services.
- The current 4G services are generally cheaper than the previous 3G services, and of course faster.

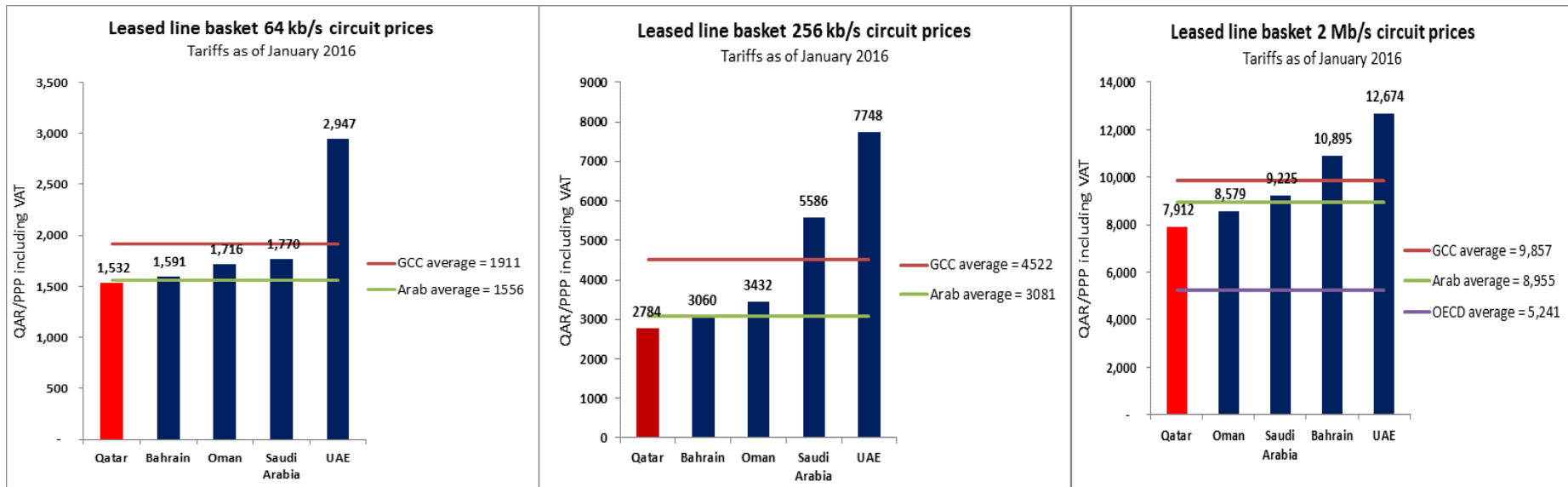


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Leased Line Services

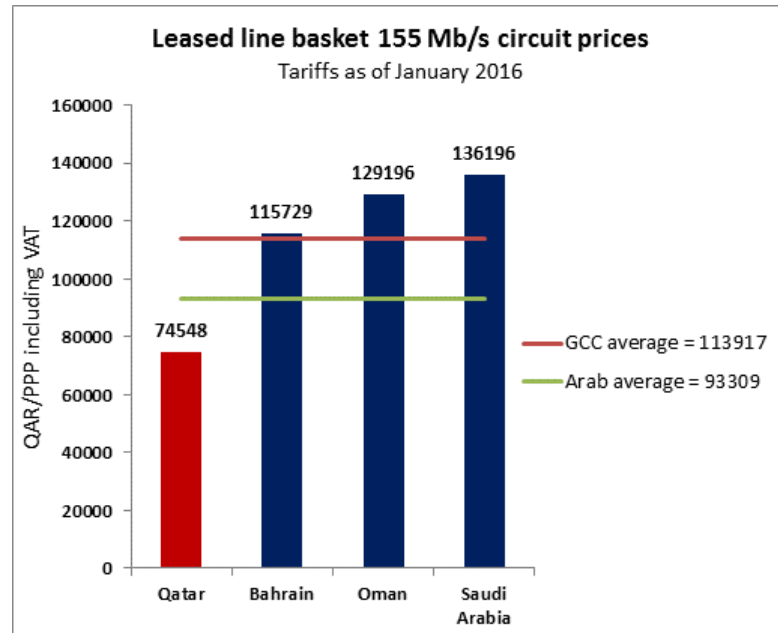
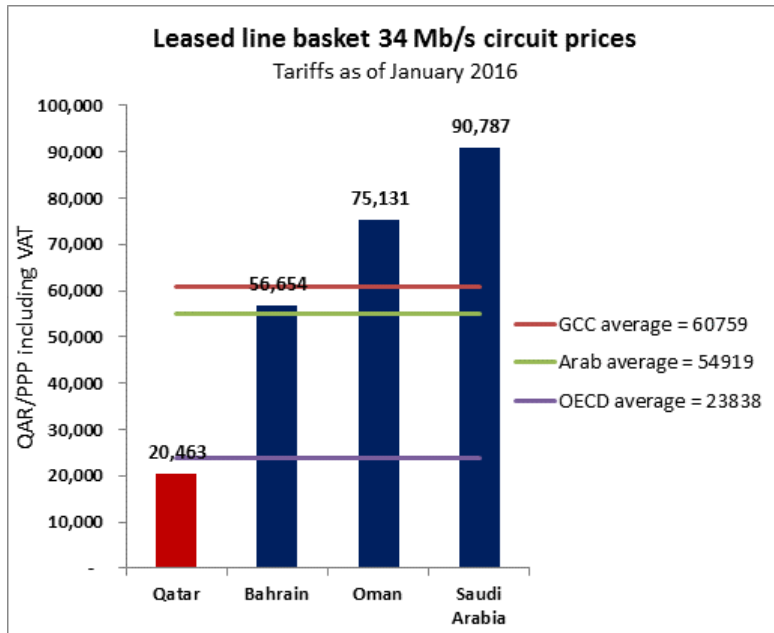
Leased Line basket results for Qatar (1)

- Leased lines prices in Qatar ranks among the lowest in the GCC countries.
 - Qatari prices are well below the GCC and Arab averages, ...
 - ... however, for 2 Mb/s the prices are well above the OECD average.



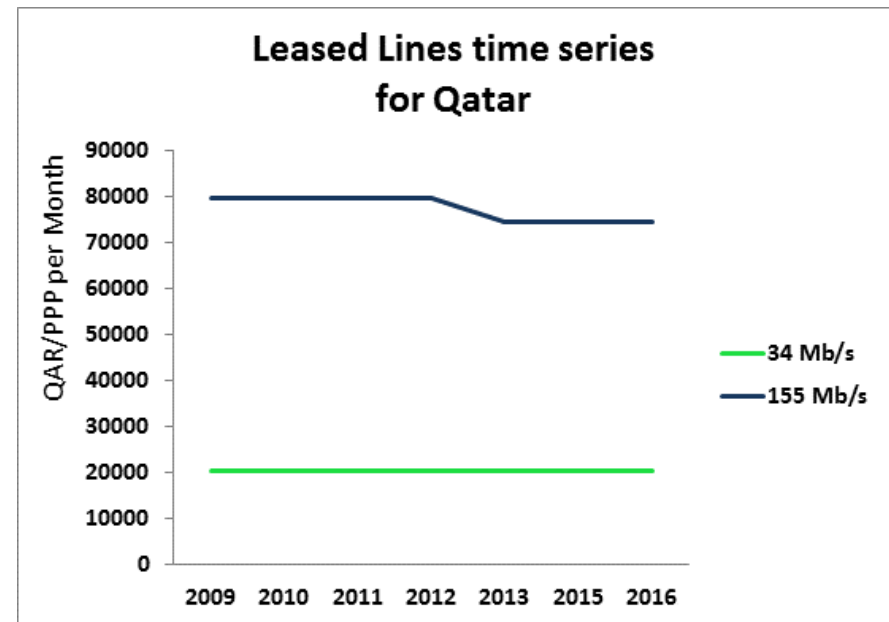
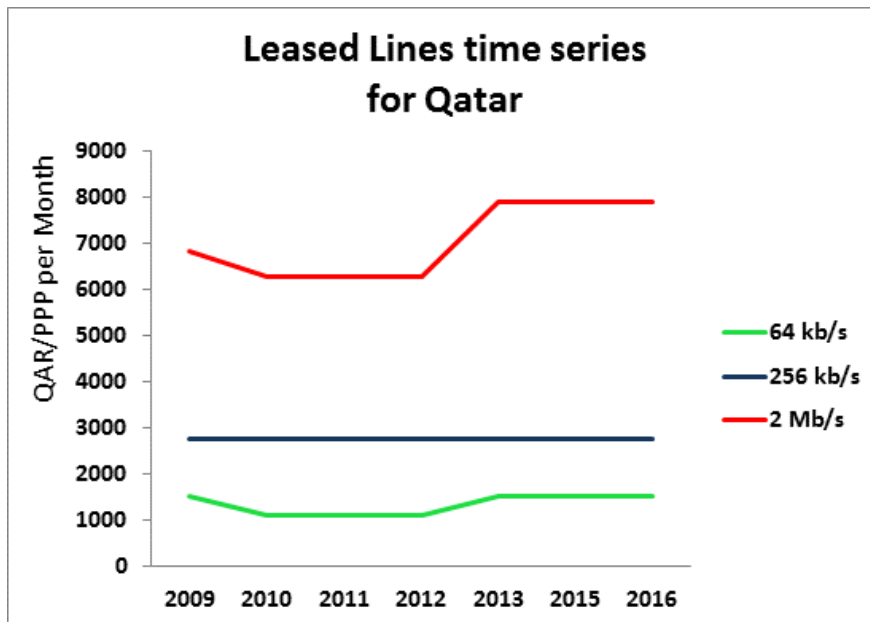
Leased Line basket results for Qatar (2)

- For high speed Leased Lines the prices in Qatar are the lowest among the GCC countries.
 - Qatari prices are also here well below the GCC and Arab averages, and below the OECD average for 34 Mb/s.



Leased Line time series for Qatar

- There have been minor price changes for leased lines in Qatar over the last few years.
- No price changes since 2013



6

Aggregate basket analysis

Aggregate residential baskets

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	L2: 2-10Mb/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 + 500MB	L3: 10-30Mb/s, 10GB	all speeds, low usage

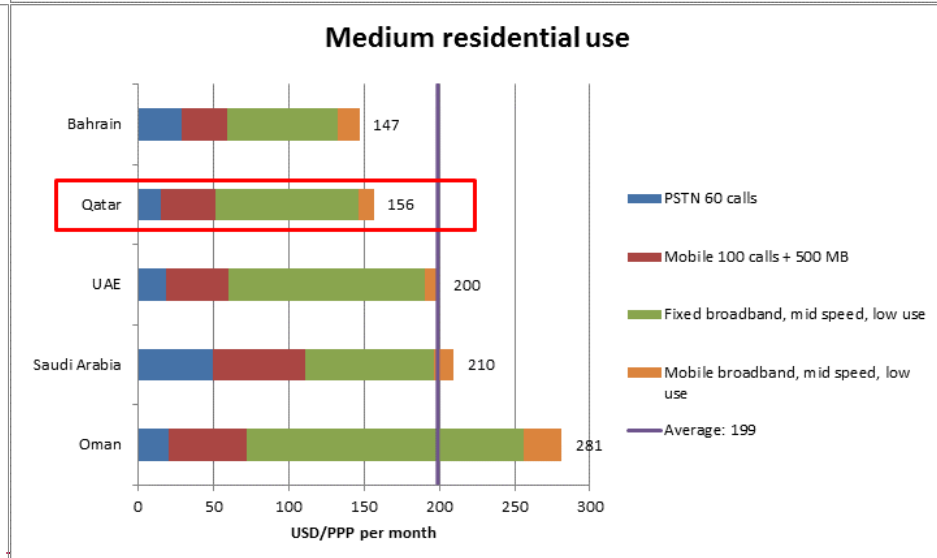
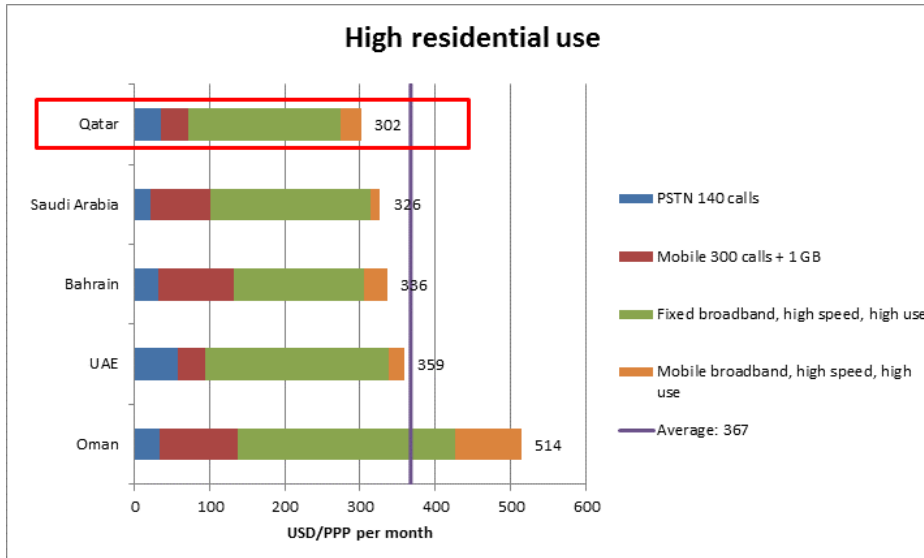
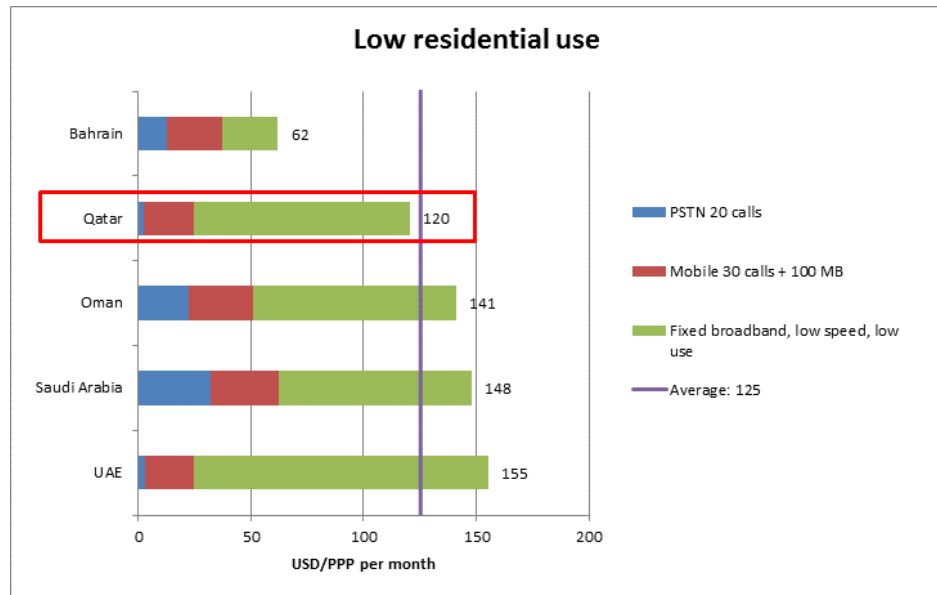
High: a more intensive user, with high use of services, and with a requirement for higher broadband speeds than a medium user

PSTN	Mobile voice	Fixed broadband	Mobile broadband
140 calls	300 calls + 1GB	H4: 30-100Mb/s, 200GB	all speeds, high usage

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

- Qatar is the cheapest GCC country for high usage, and the second cheapest for low to medium usage.
- The fixed broadband service dominates the cost picture



Aggregate business baskets

- 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 + 500MB	L2: 2-10Mb/s, 5GB	all speeds, low usage

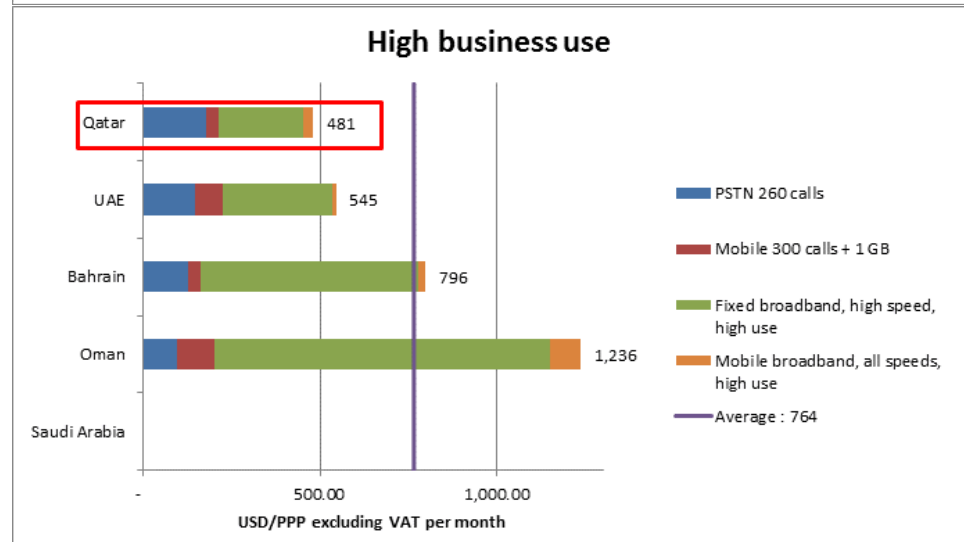
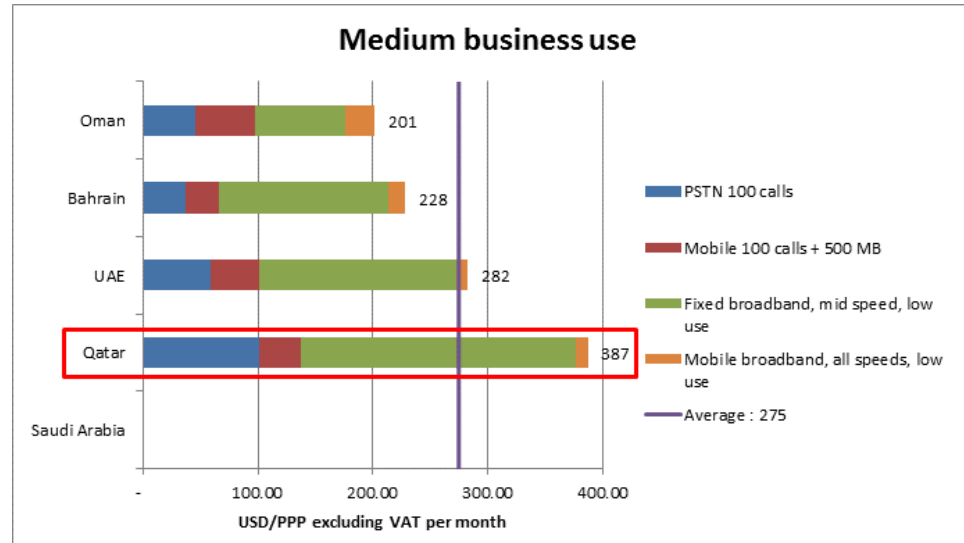
- High: a more intensive user, with high use of services, and with a requirement for higher broadband speeds than a medium user

PSTN	Mobile voice	Fixed broadband	Mobile broadband
260 calls (business)	300 calls + 1GB	M3: 10-30Mb/s, 25GB	all speeds, high usage

- 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.
- 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.
- For Saudi Arabia there was not enough business price information in the public domain to do a proper costing.

Business aggregate basket results

- For the medium usage aggregate basket Qatar is the most expensive GCC country.
- Qatar's position improves with usage, as the cost increase vs. usage is lower than in the other GCC countries.
- As for residential services, the business fixed broadband service dominates the cost picture
 - With fixed telephony as a good second
- The mobile telephony part is relatively lower in Qatar than in other GCC countries.



Qatar results compared to:	Residential			Business		
	GCC average	Arab average	OECD average	GCC average	Arab average	OECD average
PSTN (Low usage)						
PSTN (High usage)						
Mobile (Low usage)						
Mobile (High usage)						
Fixed broadband (Low speed)						
Fixed broadband (High speed)						
Mobile broadband (Low usage)						
Mobile broadband (High usage)						
Leased lines						*

More expensive than ...

On par with ...

Better than ...

* Not all speeds can be compared with the OECD results

- OECD: Organisation of Economic Co-operation and Development
- OECD countries: Australia, Austria, Belgium, Canada, Chile, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, 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
- 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.

- The results presented in this report are converted to QAR / PPP using January 2016 exchange rates and World Bank comparative price levels from 2014.
- The PPP (Purchasing Power Parity) conversion uses the market exchange rates and the World Bank “Comparative Price Level” conversion factor for each country.
- While there were only minor changes to the country exchange rates against the US\$ from 2015 to 2016, the World Bank PPP conversion methodology has changed since the previous report, resulting in significant changes for many countries to the benchmarking results against the US\$/PPP, and to the relative differences between countries.
- This especially affects the price comparison between Arab countries and the OECD countries (and average).
- All results in this report uses the new (2014) World Bank CPL data, and for time series results the new (2014) CPL data is used for all years to ensure that only actual price changes are shown in the results.
- These changes appear in the results as a change in the balance between prices from the five GCC countries. Where results presented in this 2016 report may appear different from the results in the 2015 report, the time series data shows that prices may not have changed at all in many of the countries.

While we would rather have a more consistent set of data over time, the methodological changes made by the World Bank do inevitably affect the results, and there is little that can be done with that.
