Is Canada the most expensive wireless market in the world?

Canada has, if not the highest, among the highest wireless prices in the world. The minimum monthly price for a smartphone plan that includes 20 gigabytes in Canada is 7x the highest among 51 European, American, Asia Pacific, Middle East and African countries. Consumers in Canada pay 7x more every month than consumers in France for 20 gigabytes.

Rewheel research PRO study, April 2021

Rewheel has been tracking and analysing 4G prices in 41 EU & OECD countries, bi-annually, since 2014. In 2019 we added 5G prices and in 2020/21 we expanded the scope of our international comparison by adding another 10 countries to bring the total to 51 (more than 60% of the world’s population). The 15th bi-annual release 1H2021\(^1\) (March 2021 prices) contains 1943 smartphone plan tariffs, 722 mobile broadband plan tariffs and 276 wireless broadband plan tariffs. Those were sold by 179 mobile network operators, 93 operator sub-brands and 64 MVNOs that were present in the 51 European, American, Asia Pacific, Middle East and African countries. The entire database includes ~25,000 4G and 5G tariff plans.

Like many other independent research studies (e.g., Wall, FCC, OECD), we have consistently shown the last 5 years that Canada has among the highest monthly/gigabyte prices. The root cause of the high Canadian wireless prices, as we shown in our 2019 study\(^2\), is the fact that the Canadian wireless market is a de-facto network duopoly.

In light of the proposed acquisition of Shaw (Freedom Mobile) by Rogers, that would further concentrate retail market shares and most importantly consolidate probably beyond repair the network layer, once again we show herein using the straight forward MIN monthly price metric, that the Canadian March 2021 wireless prices are among the highest in the world and 3 to 14x higher than French prices.

<table>
<thead>
<tr>
<th>4G&amp;5G smartphone plan with at least 1000mins and 100Mbit/s</th>
<th>Canada ranking among 51 countries</th>
<th>MIN monthly price EUR Canada</th>
<th>MIN monthly price EUR France</th>
<th>How many times the French MIN monthly price is lower than the Canadian MIN monthly price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1GB</td>
<td>14th most expensive</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2GB</td>
<td>12th most expensive</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3GB</td>
<td>12th most expensive</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4GB</td>
<td>4th most expensive</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5GB</td>
<td>8th most expensive</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8GB</td>
<td>6th most expensive</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10GB</td>
<td>7th most expensive</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15GB</td>
<td>3rd most expensive</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20GB</td>
<td>Most expensive</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25GB</td>
<td>2nd most expensive</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30GB</td>
<td>2nd most expensive</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40GB</td>
<td>3rd most expensive</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50GB</td>
<td>3rd most expensive</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60GB</td>
<td>2nd most expensive</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80GB</td>
<td>2nd most expensive</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100GB</td>
<td>2nd most expensive</td>
<td>12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Absent of effective remedies, the merger will most likely significantly impede competition in the Canadian wireless market and result in higher prices and consumer harm. Remedies must remove entirely both the short- and long-term competition concerns. In order to be effective remedies must include as a minimum the upfront creation of new mobile network operator (that can be realized through the divestment of spectrum and mobile network assets to domestic or foreign owned interested parties), passive site collocation obligations and time-limited national-roaming/wholesale access obligations at internationally benchmarked competitive data rates.

\(^1\)http://research.rewheel.fi/downloads/The_state_of_4G_5G_pricing_15_release_1H2021_PUBLIC_VERSION.pdf

\(^2\)http://research.rewheel.fi/downloads/Root_cause_weak_competition_Canada_wireless_market_PUBLIC.pdf
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Plans from the following Canadian providers were included in the comparison: Rogers, Bell, Telus, Freedom, Fido, Chatr, Phonebox, Lucky Mobile, Virgin Mobile, Koodo Mobile and Shaw Mobile. The detailed methodology can be found in the 15th release report.3

MIN monthly price for 1 gigabyte - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

MIN monthly price for 2 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

MIN monthly price for 3 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Is Canada the most expensive wireless market in the world?

MIN monthly price for 4 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

MIN monthly price for 5 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

MIN monthly price for 8 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.
Is Canada the most expensive wireless market in the world?

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

**MIN monthly price for 10 gigabytes - March 2021**

4G&5G smartphone plans with at least 1000mins and 100Mbit/s

€

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

**MIN monthly price for 15 gigabytes - March 2021**

4G&5G smartphone plans with at least 1000mins and 100Mbit/s

€

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

**MIN monthly price for 20 gigabytes - March 2021**

4G&5G smartphone plans with at least 1000mins and 100Mbit/s

€
Is Canada the most expensive wireless market in the world?

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.
Is Canada the most expensive wireless market in the world?

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.

Minimum monthly price for 50 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Minimum monthly price for 60 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s

Minimum monthly price for 80 gigabytes - March 2021
4G&5G smartphone plans with at least 1000mins and 100Mbit/s
Is Canada the most expensive wireless market in the world?

Minimum monthly retail price (incl. VAT & tax) for a given gigabyte allowance among all eligible tariffs logged in the database for country.
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About Rewheel

Mobile data pricing, mobile operator competitiveness rankings, market modelling & analysis, competition analysis (consolidation, 4 to 3 mobile mergers, effective remedies, new market entries), MNO near-zero marginal data cost, MVNO economics, mobile capacity-only play, mobile centric convergence (MCC) pro-competitive strategies and 4th MNO business case.

Founded in 2009 and incorporated in Finland, Rewheel is a privately owned independent telecom research firm and boutique management consultancy. Our clients are mobile network operators, telco groups, MVNO groups, competition authorities, telecom sector regulators, governments, global internet firms, mobile data-centric start-ups, PE and VC investors.

Rewheel has delivered management consultancy work for clients in the United Kingdom, United States, Ireland, Switzerland, Finland, Sweden, Belgium, Greece, Poland, Slovenia, Hungary, Russia, Romania.

The following authorities have acquired access to Rewheel's independent pricing, mobile market competitiveness, 4 to 3 merger analysis and remedy assessment research: The European Commission Directorate for Competition, the United States Department of Justice, the New York, California and many other US State Attorney General Offices, the national competition authorities of Canada, Australia, the Netherlands and Greece, the Ministry of Economic Affairs of the Netherlands, the Ministry of Industry and Trade of Czechia, the Korean Electronics and Telecommunication Research Institute, the sector regulators of the United Kingdom, Germany, France, the Netherlands, Ireland, Finland, Portugal, etc.

Rewheel's mobile data pricing, strategy, competition analysis, merger assessment, network economics, spectrum, profitability and competitiveness focused reports have been cited by OECD Economic Surveys, The Economist, The Financial Times, The New York Times, Reuters, Bloomberg, WSJ and publicly referenced by the UK telecoms regulator Ofcom, BIPT, Vodafone, Telefonica, Tele2, Elisa, DNA, GSMA, VPs of the EU Commission responsible for Competition, MEPs, IEEE, ITU.

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⇒ http://research.rewheel.fi/downloads/1&1_Drillisch_4th_MNO_entry_Germany_PUBLIC_VERSION.pdf
4G&5G prices are 2x to 4x lower in markets with four MNOs
⇒ http://research.rewheel.fi/downloads/4G_5G_prices_2x_to_4x_lower_in_markets_with_4_MNOs_PUBLIC.pdf
4G&5G connectivity competitiveness 2020
The state of 4G&5G broadband pricing – 2H2020
The state of 4G&5G pricing in Latin America, August 2020
4G & 5G prices in Germany, Italy, France, Spain and UK – June 2020
⇒ http://research.rewheel.fi/downloads/4G_5G_prices_Germany_Italy_France_Spain_UK_June_2020_PUBLIC.pdf
The state of 4G & 5G pricing, 1H2020
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