

# Assessment of Norwegian fixed broadband pricing in a Nordic context – 2022

## Lowest fee

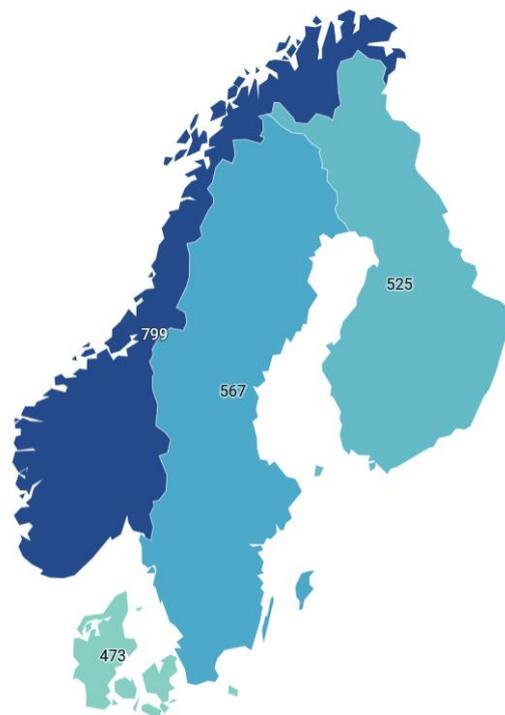
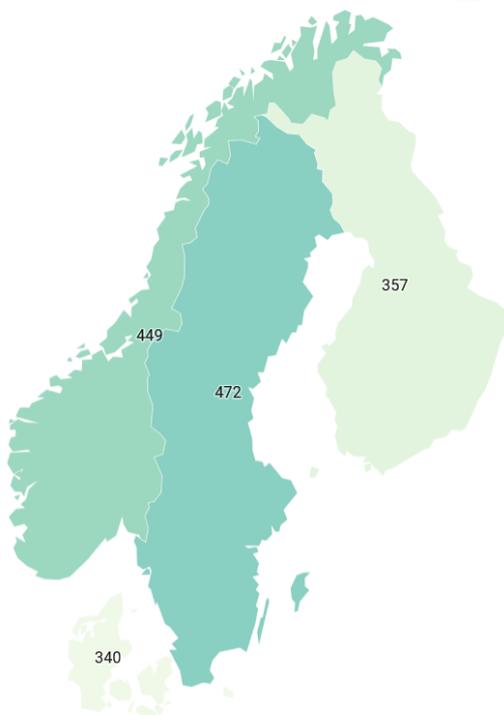
Average monthly subscription fee for 100 Mbit/s broadband, 5 years [NOK PPP]

340 799

## Highest fee

Average monthly subscription fee for 100 Mbit/s broadband, 5 years [NOK PPP]

340 799



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## 1. Executive summary

This analysis is commissioned by Kommunal- og distriktsdepartementet (KDD). It investigates Norwegian broadband prices, comparing them against three other Nordic markets: Denmark, Sweden and Finland. It's an update of a previous analysis written in February 2021 with a few new additions.

**Fixed broadband**, fixed wireless access (**FWA**) and discounted **bundled broadband & basic TV** plans for consumers are compared for the largest providers – representing 72% to 88% of base depending on country. A threshold of 100 Mbit/s download throughput is applied for fixed broadband – whereas 1000 GB is the threshold for FWA.

The analysis compares both the **monthly subscription fees** (for services and equipment) and **one-off fees** for new build and existing connections. It combines all fees (recurring and one-off) in a comparison of total 5 year fees. Foreign prices have been adjusted to **Norwegian purchasing power**.

With regards to **monthly subscription fees for fixed broadband**, Norwegian plans are generally – with few exceptions – more expensive than same-speed plans in Denmark, Sweden and Finland.

The reporting of **fixed broadband ARPU** (average revenue per user) nuances the picture a bit as the two reporting Norwegian providers report quite different levels: Telenor Norway has the highest ARPU of reporting providers in our four markets, but Telia Norway is at a lower level more comparable with Denmark, Sweden and Finland.

This updated analysis goes deeper into the **regional distribution** of the lowest available monthly subscription fees in Norway, drawing a map covering 350 of Norway's 356 municipalities. The pricing of 100/100 Mbit/s fibre broadband is relatively homogeneous at around 700 NOK per month in Norway – although consumers in certain municipalities have access to cheaper providers.

Only 50% of Norway's households have a choice between two or more broadband providers – even if including FWA. The differences between the regions are quite significant with Oslo standing out as the region with the widest choice of providers.

When it comes to **new build one-time fees**, the Norwegian fees are very reasonable in comparison to the Swedish and Finnish examples. Only Denmark seems to generally operate with lower new build one-time fees. Norwegian one-time fees for *existing connections* are higher than in Denmark, Sweden and Finland.

When summing up the **total fees during a 5 year period**, the Norwegian *new build* customer will pay a lower amount than a Swedish customer and a similar amount as a Finnish customer. Denmark operates with the lowest total fees.

Many, if not most, households are however already connected to modern broadband infrastructure. If comparing the total fees during a 5 year period for a customer with an *existing connection*, the Norwegian customer generally, with few exceptions, pays a higher amount than customers in Denmark, Sweden and Finland.

Norway has fixed broadband networks with **high median throughput**, but so have Sweden and, particularly, Denmark. With Norway's generally higher subscription fees, the willingness to pay for a faster throughput tier might not be as present as in Denmark.

Fixed wireless access (**FWA**) over mobile networks is – with the exception of Finland – a niche proposition, but due to Telenor’s decommissioning of the copper network in Norway, FWA has quickly grown its base in Norway and is, de facto, the only available broadband solution for some households.

The FWA take-up in Norway happens although the Norwegian FWA plans are more expensive than same-speed plans in Denmark, Sweden and Finland.

Unlike in the other countries where an **external antenna** is optional, Norwegian FWA providers are currently requiring an external antenna to be installed, something that adds to the total fee without necessarily improving the customer experience. It also limits the location flexibility for the customer.

The Norwegian new build FWA one-time fees are comparable to the Danish and Swedish examples *with external antenna* – and generally lower than in Finland. The one-time fees *without external antenna* are significantly lower, but so far no such options are offered in Norway.

When summing up the **total fees during a 5 year period**, the Norwegian FWA customer with external antenna will always pay a higher amount than all Danish and Finnish customers for the same speed. Norwegian plans are however limited to 2000 GB of full-speed data per month. It is a restriction compared to fixed broadband plans. Providers in Sweden and Finland have not made that restriction; also FWA plans are unlimited.

This updated analysis compares the pricing between FWA and fibre broadband. Although more limited in data volume and likely in actual speed, Norwegian FWA plans are almost always **priced with a premium** over same-speed fibre plans.

It is common to offer combined, discounted, **broadband & TV bundles**. In Norway such bundles almost always come with a higher average monthly subscription fee than similar plans in Sweden, Finland and Denmark.

Telenor Norway has the second highest **TV ARPU**<sup>1</sup> among reporting Nordic operators. Telia Norway is at a lower level – close to the Nordic median.

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<sup>1</sup> Since broadband and TV sometimes are bundled together, operators are distributing part of the bundle revenue into broadband ARPU and part into TV ARPU

## 2. Background

This analysis is commissioned by Kommunal- og distriktsdepartementet (KDD). It provides a one-year-later update of the first analysis "Assessment of Norwegian fixed broadband pricing in a Nordic context", dated 23 February 2021, which was written to support Kommunal- og moderniseringsdepartementet's<sup>2</sup> white paper to the Norwegian Parliament covering electronic communications issued 9 April 2021<sup>3</sup>.

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<sup>2</sup> The ministry changed name from Kommunal- og moderniseringsdepartementet to Kommunal- og distriktsdepartementet 1 Jan 2022

<sup>3</sup> <https://www.regjeringen.no/no/dokumenter/meld.-st.-28-20202021/id2842784/>