



Cost of Living Report



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Glossary of frequently used terms

GCC	Gulf Cooperation Council
LMRA	Labor Market Regulatory Authority
USD	United States Dollar
UAE	United Arab Emirates
VAT	Value-Added Tax



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I. Executive Summary

Cost of Living

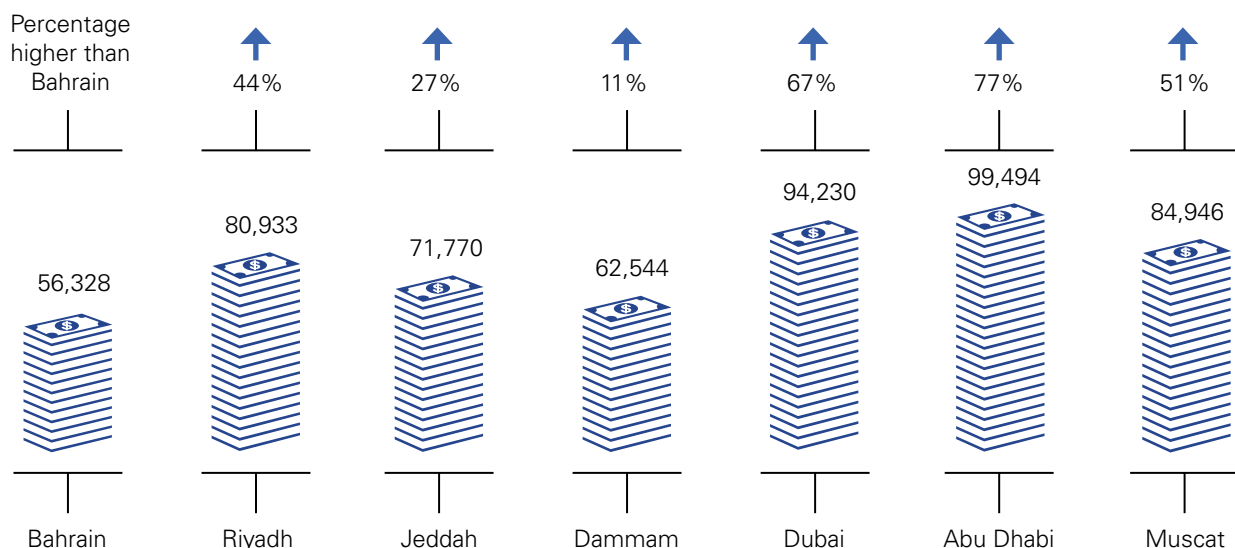
The cost of living report provides an overview of select cost-of-living indicators benchmarked across Bahrain, Saudi Arabia, the UAE and Oman. The cost indicators benchmarked for the purpose of this study include accommodation, residential utility, vehicle and fuel, education and domestic help.


Figure A below outlines the estimated overall annual cost of living assuming the following scenario:

- **Accommodation:** Two bedroom furnished apartment
- **Utilities:** For an expatriate household of four individuals. Assuming monthly consumption of 4,500kWh of electricity and 45m³ of water; one standard 18kg LPG cylinder; one residential PSTN connection (cost for 60 calls per residence per month) and mobile phone connection (cost for 900 calls + 2GB data usage per user per month)
- **Vehicle and Fuel:** Assuming a household owns a Audi A4 and a Toyota Camry. Annual cost is obtained by depreciating the cost of vehicles over five years period; for fuel cost it is assumed that the two vehicles use Gasoline 91
- **Education:** For a British curriculum school where one child is in year 3 and another in year 9 of education
- **Domestic Help:** Assuming one domestic help for the household

Based on the parameters taken to arrive at the estimated annual cost of living, Bahrain emerges as the most competitive destination. Compared to Bahrain, the annual cost of living in Saudi Arabia is around 11% to 44% higher. The UAE on average emerges 67% to 77% higher and Oman 51% higher than Bahrain.

Figure A: Indicative Annual Cost of Living (USD)



 Annual Cost of Living



II. Cost of Living

2.1 Accommodation Cost

Cost of accommodation has been estimated for a range of accommodation types across select cities in Bahrain, Saudi Arabia, UAE and Oman. Saudi Arabia and Bahrain emerge as the most competitive destinations for renting an accommodation.

Figure 1: Accommodation Rental
Average Monthly Cost of Accommodation (USD)





Accommodation Type (USD/Month)	Bahrain Manama	Saudi Arabia Jeddah	Saudi Arabia Riyadh	Saudi Arabia Dammam	UAE Dubai	UAE Abu Dhabi	Oman Muscat
Apartment – 1 BR	960-1,300	610-860	800-1,320	570-620	1,680-2,000	2,050-2,280	1,510-1,740
Apartment – 2 BR	1,440-1,890	1,000-1,110	1,400-1,700	780-790	2,100 – 2,320	2,840-3,070	1,740-2,550
Apartment – 3 BR	1,540-2,130	1,230-1,400	1,800-2,760	820-1,050	3,160-3,370	3,530-3,870	1,850-3,020
Villa – 3 BR	1,780-3,560	1,550-1,680	3,060-3,620	1,280-1,660	3,240-4,080	4,130-4,640	2,390-3,350
Villa – 4 BR	2,260-3,560	1,810-2,320	3,920-4,410	1,790-2,170	3,850-4,520	4,740-5,350	2,990-3,820

Source: Regional/International real estate research firms, KPMG analysis

2.2 Residential Utility Cost

Figure 2 below provides the estimated cost of monthly electricity and water consumption for a typical household of four individuals across select cities in Bahrain, Saudi Arabia, UAE and Oman. Oman is the most competitive in terms of monthly consumption cost of electricity; whereas Saudi Arabia emerges as the most competitive in terms of monthly consumption cost of water.

Figure 2: Cost of Residential Utilities
Estimated Cost of Electricity and Water Consumption (USD)

Utility	Bahrain	Saudi Arabia	Dubai, UAE	Abu Dhabi, UAE	Oman
 Estimated Cost of Electricity Consumption (USD/Month)	347	226	420	386	137
 Estimated Cost of Water Consumption (USD/Month)	90	26	121	118	71

Source: Respective electricity and water authorities, KPMG analysis



Figure 3: Electricity and Water Tariff Structure¹

	Electricity Consumption (kWh)	Tariff (USD/kWh)	Water Consumption (m ³)	Tariff (USD/m ³)
Bahrain	Any quantity	0.08	Any quantity	1.99
Saudi Arabia²	0 - 6,000	0.048	Upto 15	0.04
	> 6,000	0.08	16 - 30	0.4
			31 - 45	1.2
			46 - 60	1.6
			>60	2.4
Dubai²	0 - 2,000	0.08	0 - 27.3 (0 - 6,000 Imperial Gallon)	2.45
	2,001 - 4,000	0.094		
	4,001 - 6,000	0.105	27.4 - 54.6 (6,001 - 12,000 Imperial Gallon)	2.75
	> 6,000	0.121		
			> 54.6 (> 12,000 Imperial Gallon)	3.11
Abu Dhabi²	0 - 600	0.073	0 - 21	2.13
	> 600	0.083	> 21	2.83
Oman	0 - 3,000	0.026	0 - 18.92 (0 - 5,000 US Gallon)	1.37
	3,001 - 5,000	0.039		
	5,001 - 7,000	0.052		
	7,001 - 10,000	0.065		
	> 10,000	0.078	> 18.92 (> 5,000 US Gallon)	1.72



Source: Respective electricity and water authorities, primary and secondary research, KPMG analysis

¹ All tariff slabs as applicable to an expatriate household. Bahrain and Abu Dhabi offer utilities at a subsidized rate for households of nationals


² The electricity and water tariffs are inclusive of 5% VAT for Saudi Arabia and UAE. VAT is not applicable on electricity and water tariffs for Bahrain



LPG

Figure 4 below shows the cost per kg of LPG for household use. The cost of LPG is lowest in Bahrain followed by Oman and Saudi Arabia.

Figure 4: Household LPG Cylinder Cost
Cost of LPG (USD)




For a Standard Household LPG Cylinder	Bahrain Manama	Saudi Arabia Jeddah	Saudi Arabia Riyadh	Saudi Arabia Dammam	UAE Dubai	UAE Abu Dhabi	Oman Muscat
LPG (USD/kg)	0.30	0.45	0.45	0.45	1.75	0.63	0.44

Source: Primary and secondary research, KPMG analysis

Telecommunication

Across residential fixed voice and mobile calls Bahrain is the most competitive. Overall Saudi Arabia is the most expensive for fixed voice and Oman for mobile usage.

Figure 5: Telecommunication Cost
Cost of Purchasing 'Basket' of Telecommunication Services (USD)



Telecom Service type	Bahrain Manama	Saudi Arabia Jeddah	Saudi Arabia Riyadh	Saudi Arabia Dammam	UAE Dubai	UAE Abu Dhabi	Oman Muscat
Residential PSTN³ (fixed voice) (USD/Month)	32	65	65	65	41	41	51
Mobile calls⁴ (USD/Month)	101	230	230	230	180	180	242

Source: Telligen, KPMG analysis

³ For a typical usage of 60 calls per month per user

⁴ For a typical usage of 900 calls and 2GB data usage per user per month







2.3 Vehicle and Fuel Cost

Vehicle

Cost of purchasing vehicles is fairly comparable across the benchmarked countries with only minor price variation.

Figure 6: Car Purchase Price⁵
Cost of Owning a Car (USD)



   	Car Make and Model	Bahrain Manama	Saudi Arabia Jeddah	Saudi Arabia Riyadh	Saudi Arabia Dammam	UAE Dubai	UAE Abu Dhabi	Oman Muscat
	Audi A4 2019	40,415	47,615	47,615	47,615	43,410	43,410	41,290
	Chevrolet Malibu 2019	22,070	21,545	21,545	21,545	23,120	23,120	22,100
	Toyota Camry 2019	23,730	23,265	23,265	23,265	24,750	24,750	25,220

Source: Primary and secondary research, KPMG analysis

Fuel

Bahrain offers the most competitive cost for Gasoline 91 and Gasoline 95. The cost of diesel in Saudi Arabia is the lowest among the benchmarked countries. The cost of diesel in Bahrain is around 50% lower than in the UAE and Oman.

Figure 7: Gasoline and Diesel
Cost of Gasoline and Diesel (USD)

 	Fuel Type	Bahrain Manama	Saudi Arabia Jeddah	Saudi Arabia Riyadh	Saudi Arabia Dammam	UAE Dubai	UAE Abu Dhabi	Oman Muscat
	Gasoline 91 (USD/litre)	0.37	0.41	0.41	0.41	0.57	0.57	0.53
	Gasoline 95 (USD/litre)	0.53	0.58	0.58	0.58	0.59	0.59	0.56
	Diesel (USD/litre)	0.32	0.13	0.13	0.13	0.64	0.64	0.64

Source: Primary and secondary research, KPMG analysis

⁵ The car prices are inclusive of 5% VAT. VAT is yet to be implemented in Oman




2.4 Education Cost

Cost of Schooling

Cost for schooling is the most competitive in Bahrain and Dammam. Figure 8 below presents the typical annual tuition fee cost for a British curriculum school across the benchmarked countries.

Figure 8: Cost of Schooling across Benchmarked Cities
Typical Annual Fees for a British Curriculum School⁶ (USD)



Annual Fee by Grade of Education (USD/Year/Student)	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
Pre-school	2,830	8,380 - 11,520	10,860 - 15,220	8,500 - 11,930	11,950 - 15,050	14,160	9,880 - 12,350
Primary (years 1 to 6)	4,020 - 4,820	14,330	15,220 - 16,290	11,930 - 12,740	15,050	16,580 - 16,970	13,260 - 13,780
Secondary (years 7 to 13)	5,030 - 7,150	17,680 - 21,910	17,790 - 24,410	13,170 - 16,570	20,760 - 26,000	16,970 - 18,690	18,980 - 23,920


Source: Select British curriculum schools, KPMG analysis

2.5 Domestic Help Cost

Domestic Help Visa

The annual cost of domestic help visa is most competitive in the UAE and Bahrain. Annual cost for the visa is significantly higher in Saudi Arabia and Oman.

Figure 9: Cost of Domestic Help Visa
Estimated Annual Cost of Domestic Help Visa (USD)




Annual Fee for Visa	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
Visa Fee (USD/Year)	45	266	266	266	41	41	183

Source: Primary and secondary research, KPMG analysis

Domestic Help Salary

Domestic help salary is the lowest in Jeddah followed by Dammam and Bahrain.

Figure 10: Cost of Domestic Help Salary
Estimated Monthly Domestic Help Salary (USD)



Monthly Domestic Help Salary	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
Salary (USD/Month)	400	378	473	383	551	488	412

Source: Primary and secondary research, KPMG analysis

⁶ School fee in Saudi Arabia is inclusive of 5% VAT. In Bahrain and the UAE school fee is exempted from VAT









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