BROADBAND CONNECTIVITY – Vanuatu Experience

ASIA-PACIFIC LDC’s Regional Meeting
26 – 27 October , 2017, Port Vila Vanuatu
Vanuatu - Brief Overview

- Archipelago with 83 islands of which 63 are inhabited
- Population of approximately 272,459 (2017 mini census) with the annual growth rate of 2.3%
  - Around 40% of the population is under 15
  - Around 75% of the population live in rural areas
- GDP (2014) - was estimated at VUV79,109M (USD$728,690)
  - largest contributor to GDP is through services
  - Agriculture, Fishing & Forestry follows close behind
- GNI (2014) – VUV77,781M (USD$716,458)
- 2010 Household Income and Expenditure Survey reported:
  - Average Monthly income per capita was estimated VUV18,700 per person in urban and in rural is VT16,400 per person
- Common General Challenges across the Country ICT Development
  - Low level of Digital knowledge & the industry is servicing a highly spread low population density (beyond Port Vila and Luganville) with challenging topography and topology

Source - Vanuatu National Statistics Office
Telecommunications/ICT Market Overview

- Independent Regulator – TRR
  - Established under the Telecommunications and Radiocommunications Regulation Act No.30 of 2009 to promote:
    - Investor Certainty
    - Sustainable Market Competition
    - Consumer Protection
  - Regulatory Approach
    - Industry Led Market
    - Light Touch Regulatory Regime

- Two full service carriers (Telecom Vanuatu, Digicel)
  - TVL dominant in fixed line and ISP
  - Digicel dominant in mobile

- A further 4 ISP players
  - Telsat, Wantok (fixed 4G), GPT, and SPIM

- Exception Licence Holders:
  - Fidelity Communications Corporation (FCC)
  - Interchange Holding Limited (5 Share Holders)
  - Government of Vanuatu
  - SpeedCast

- Gateways outside Vanuatu
  - Single Submarine Cable (Private Construction) – Interchange Cable Limited
    - Connects Vanuatu to Fiji then to Sydney and US
    - Commenced operations March 2014
  - Satellite Connectivity as back-up
## Main ICT/Telecommunications At Glance Market Indicators

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<th>Indicators</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td>Mobile subscriptions</td>
<td>129,185</td>
<td>174,818</td>
<td>192,167</td>
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<td>Mobile data subscriptions (Est.)</td>
<td>5,000</td>
<td>35,000</td>
<td>60,000</td>
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<td>Fixed internet subscriptions</td>
<td>4,122</td>
<td>4,323</td>
<td>4,524</td>
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<tr>
<td>Fixed-line telephone subscriptions</td>
<td>5,590</td>
<td>4,797</td>
<td>4,267</td>
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<tr>
<td>Total domestic mobile call minutes</td>
<td>213,572,542</td>
<td>226,189,426</td>
<td>241,751,930</td>
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<tr>
<td>Total domestic fixed call minutes</td>
<td>12,198,909</td>
<td>12,128,721</td>
<td>11,847,545</td>
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<tr>
<td>Total outgoing international call minutes</td>
<td>4,320,780</td>
<td>4,247,112</td>
<td>3,453,917</td>
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<td>Total SMS sent</td>
<td>190,509,085</td>
<td>116,950,064</td>
<td>93,467,210</td>
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<tr>
<td>Total Mobile Data Downloads (Mb)</td>
<td>16,251,427</td>
<td>85,435,487</td>
<td>272,693,622</td>
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<td>Market gross revenues (Billions VT)</td>
<td>3.89</td>
<td>3.95</td>
<td>4.48</td>
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* Cheapest unlimited internet service is around VUV 6,180 ($US58) per month (512 kbps advertised speeds)
* Approx. VUV 1,030 ($US9.70) for a 1GB monthly allowance of data

Source - TRR Sector Report 2017
Broadband Connectivity - Technology Experience

- **ITU Definition** - a “transmission capacity that is faster than primary rate Integrated Services Digital Network (ISDN)

- **Vanuatu Definition** – In accordance with the GoV’s UAP Policy, Broadband internet services that shall enable download speed of 2Mbps and upload speed of at least 1Mbps

*Mobile data subscription (Estimate) has grown from 5,000 in 2014 to 60,000 in 2016*
Regulatory Framework

- **Telecommunications and Radiocommunications Act, 2009:**
  - Consumer Protection Regulation
  - .vu Regulation
  - Guidelines
  - Annual Reporting

- **To achieve a balanced and fair decision that will impact all stakeholders:**
  - Positive Working Relationship with all Stakeholders is key but independent decision
  - Public Consultation and with targeted audience is paramount
### Existing Experience and Issues at Hand

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<tr>
<td>▪ Low Level of Digital Knowledge</td>
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<td>▪ Trust and Confidence by Citizens associated with Tourist Activities including products and display</td>
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<td>▪ Cost of Internet Capacity (both wholesale and retail is still highest in the region)</td>
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<td>▪ Market Structure is Duopoly in terms of mobile service</td>
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<td>▪ Very limited Government or any Private Businesses - two way online interactions (online services)</td>
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<td>▪ Lack of local Content and its Policies or Rules</td>
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<td>▪ Lack of cyber legislation and required national strategy to manage existing cyber experience by many Ni-Vanuatu</td>
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<td>▪ A number of Cybercrime and Security related activities are operating in silos</td>
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<td>▪ Limited National Capacity in terms of Human Resource in specific areas in this evolving industry</td>
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<td>▪ Too many related Legislation which may limit other development eg. Copy Right Law, E-Business, Telecom, Broadcasting and Television, Censorship etc....</td>
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<td>▪ Use of Social Media Platform as main platform of interaction eg. Facebook subscribers create a group known as “Yumi Toktok Stret” – meaning direct discussions…. Leads to false IDs, fake news, misleading information, potentially libelous views and freedom of expression through perceptions &amp; assumptions cause and stimulate reactions, both positive and negative</td>
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<td>▪ Lack of Innovative Ideas using existing ICT devices to make businesses</td>
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<td>▪ Other issues including natural disasters (cyclones, earthquakes, tsunamis, climate change)</td>
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<td>▪ Electronic Fraud: Money Transfer of Funds from one account to by unknown people</td>
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FINANCING INVESTMENTS IN BROADBAND

• Broadband/Voice Roll Out:
  o Operator Commercial Roll Out to major population communities

  o Projects:
    o UAP (Play or Pay Approach)
    o Computer Laboratory Internet Community Centres (19 Schools and 3 Internet Café’) funded by the Australian Government through GfG program
    o APT-J3 (in Tanna – installation of cameras, devices, including network equipment, computers, TV monitors and poles/towers to provide internet access to health centres, schools and the Airport)
    o ITU VSAT Installation (yet to be completed)
    o Other related activities through TRR Consumer Protection and Relation activities such as providing minimal funds to support innovative ideas, Mobile applications etc....

• Issues of Financing Broad Band
  o High Cost of Tower Base stations
  o High cost of logistics to Islands outside Port Vila
  o Low return on investment in areas where there is minimal population
  o ARPU is low in those areas
  o Land Disputes
  o Limited interactive online services
  o No Local Content
Way forward Approach

- Promote Partnership programs to deliver Broadband services across the country
- Given that Vanuatu has ubiquitous Broadband coverage, we now need all associated stakeholders to consider investing in ICT services and applications
- Harmonization of the existing legislation such as E-Business Legislation, Copyright and Related Rights Act, Censorship of Films Act, Telecommunications Act, Broadcasting Television Act must be done
- Reduce Cost of Capital (Sharing Infrastructure or alternative technologies)
- Consult and collaborate with all appropriate and related Stakeholders and make arrangements on the best way forward on managing local content versus overseas content
- Need to ensure there is a clear, consistent, appropriate and effective approach in all sectors – to achieve GOV’s aims and intentions, to benefit all Vanuatu citizens
- Facilitate Priority Actions to minimize rate of cybercrime and other related activities;
- Promote and deliver more educational awareness across the country;
- Study the pros and cons for the approach of regulating Local Content.
Thank you!

KAM JAM LONG BUS
BLONG GO LONG FIUJA!!!