

BROADBAND CONNECTIVITY – Vanuatu Experience

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

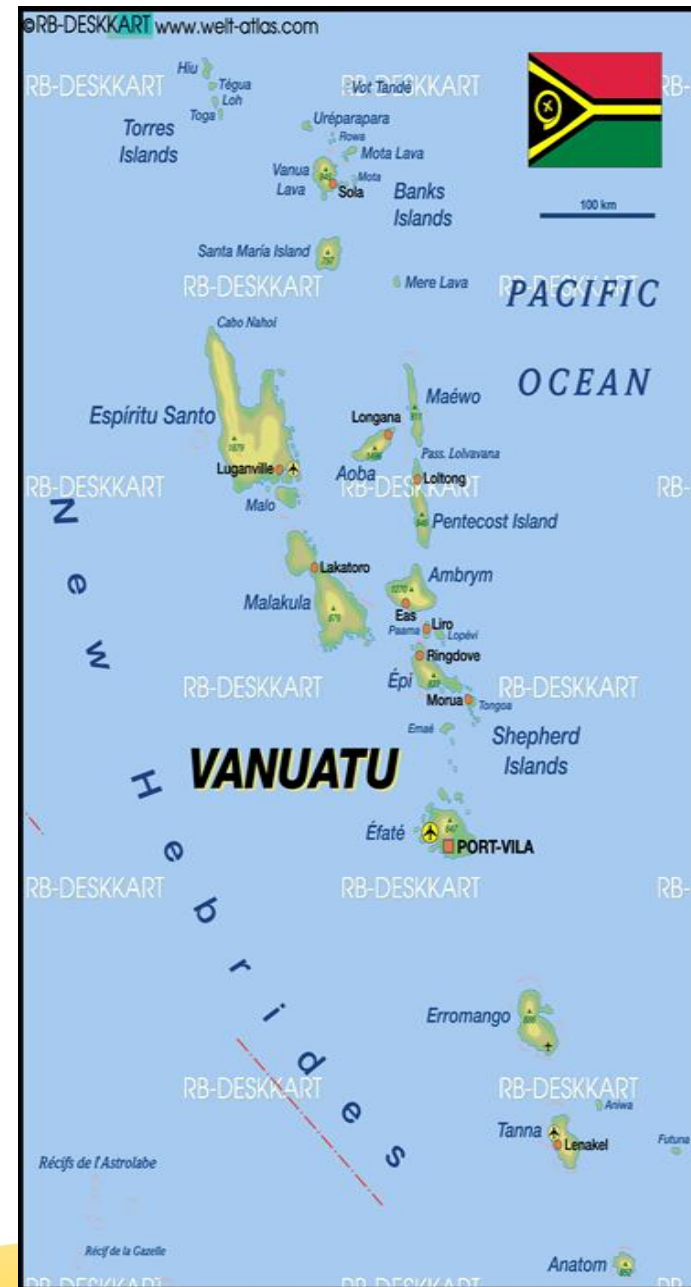


Vanuatu - Brief Overview

- 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

Indicators	2014	2015	2016
Mobile subscriptions	129,185	174,818	192,167
Mobile data subscriptions (Est.)	5,000	35,000	60,000
Fixed internet subscriptions	4,122	4,323	4,524
Fixed-line telephone subscriptions	5,590	4,797	4,267
Total domestic mobile call minutes	213,572,542	226,189,426	241,751,930
Total domestic fixed call minutes	12,198,909	12,128,721	11,847,545
Total outgoing international call minutes	4,320,780	4,247,112	3,453,917
Total SMS sent	190,509,085	116,950,064	93,467,210
Total Mobile Data Downloads (Mb)	16,251,427	85,435,487	272,693,622
Market gross revenues (Billions VT)	3.89	3.95	4.48

* Cheapest unlimited internet service is around VUV 6,180 (\$US58) per month (512 kbps advertised speeds)

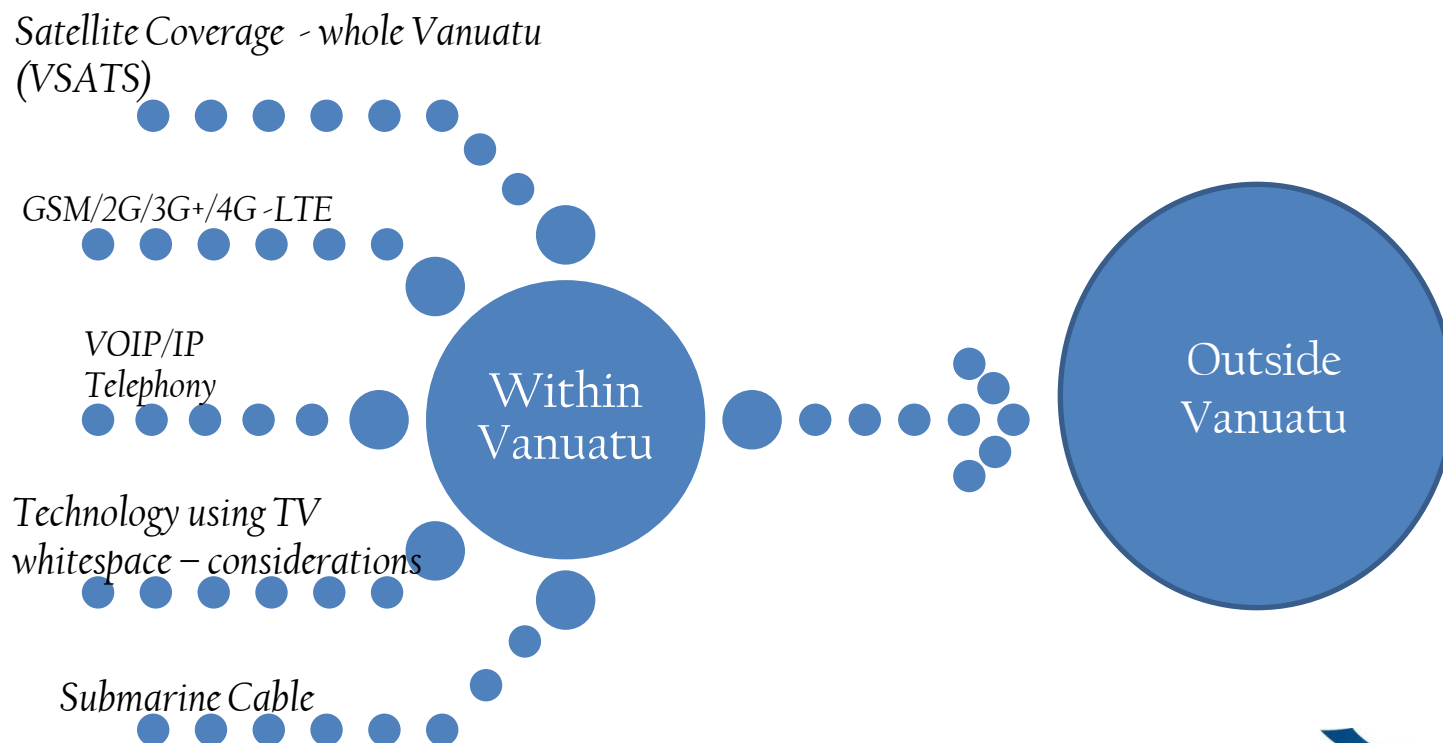
* Approx. VUV 1,030 (\$US9.70) for a 1GB monthly allowance of data

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

- Low Level of Digital Knowledge
- Trust and Confidence by Citizens associated with Tourist Activities including products and display
- Cost of Internet Capacity (both wholesale and retail is still highest in the region)
- Market Structure is Duopoly in terms of mobile service
- Very limited Government or any Private Businesses - two way online interactions (online services)
- Lack of local Content and its Policies or Rules
- Lack of cyber legislation and required national strategy to manage existing cyber experience by many Ni-Vanuatu
- A number of Cybercrime and Security related activities are operating in silos
- Limited National Capacity in terms of Human Resource in specific areas in this evolving industry
- Too many related Legislation which may limit other development eg. Copy Right Law, E-Business, Telecom, Broadcasting and Television, Censorship etc....
- 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 & assumptions cause and stimulate reactions, both positive and negative
- Lack of Innovative Ideas using existing ICT devices to make businesses
- Other issues including natural disasters (cyclones, earthquakes, tsunamis, climate change)
- Electronic Fraud: Money Transfer of Funds from one account to by unknown people



FINANCING INVESTMENTS IN BROADBAND

- **Broadband/Voice Roll Out:**
 - Operator Commercial Roll Out to major population communities
- **Projects:**
 - UAP (Play or Pay Approach)
 - Computer Laboratory Internet Community Centres (19 Schools and 3 Internet Café') funded by the Australian Government through GfG program
 - 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)
 - ITU VSAT Installation (yet to be completed)
 - 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**
 - High Cost of Tower Base stations
 - High cost of logistics to Islands outside Port Vila
 - Low return on investment in areas where there is minimal population
 - ARPU is low in those areas
 - Land Disputes
 - Limited interactive online services
 - 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, Copy Right 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!

