

Country Overview: Vanuatu

Vanuatu TRR Team
ITU Telecommunications Strategy for the Pacific
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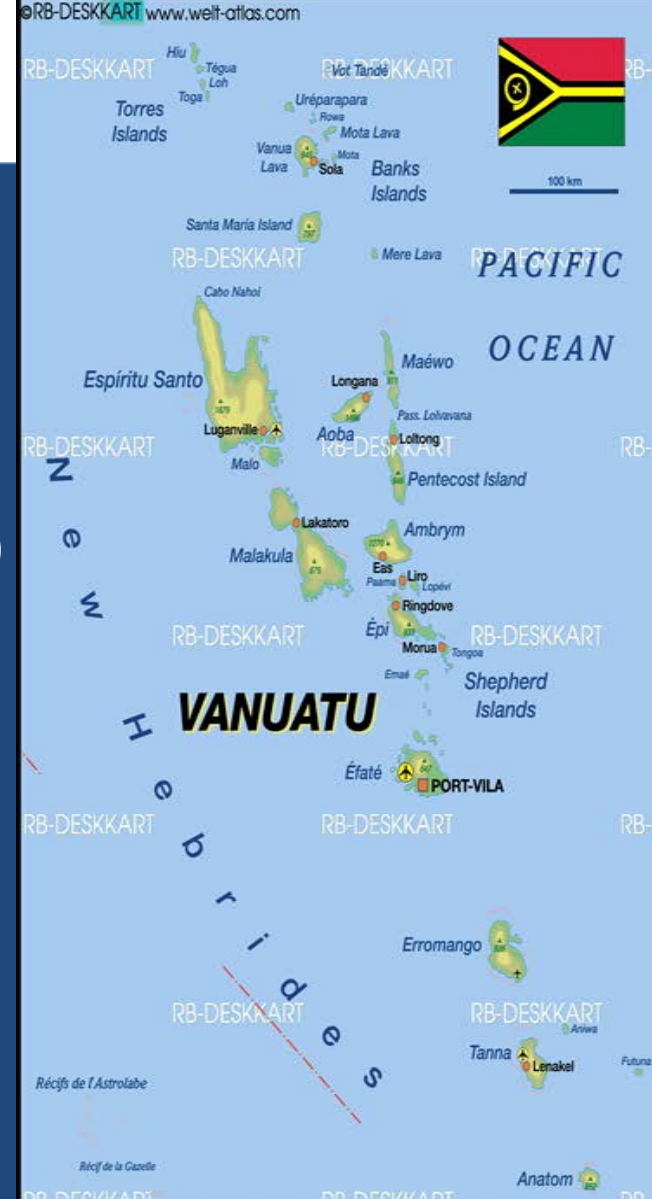
The Government
of The Republic
of Vanuatu



Telecommunication &
Radiocommunication
Regulator

Vanuatu – Geopolitical Overview

- Archipelago consisting of 83 islands of which 63 are inhabited
- Population of approximately 280,000 (2014 estimates)
 - 50% of the population are under 18
- GDP (2013) of VUV75,800 million (\$688.9 million)
- Largest contributor to GDP is Tourism
 - Agriculture follows close behind
- GNI (per capita 2013) \$US3,130
- Political system is unicameral
 - Single chamber, multiparty, democratic republic
- Political challenges
 - Stability



Regulation

- **The Telecommunications & Radiocommunications Regulation Act No.30 of 2009 was enacted & it established the formal Office of the Telecommunications & Radiocommunications Regulator (TRR)**
 - **Act commenced 27 November 2009**
 - **World Bank Sponsored**
- **TRR operates as an independent body outside of government**
- **TRR takes a Collaborative working methodology with both government and operators**
- **TRR works under a “Light Touch” regulatory framework**
 - **Consultative, collaborative and all informed (where necessary)**

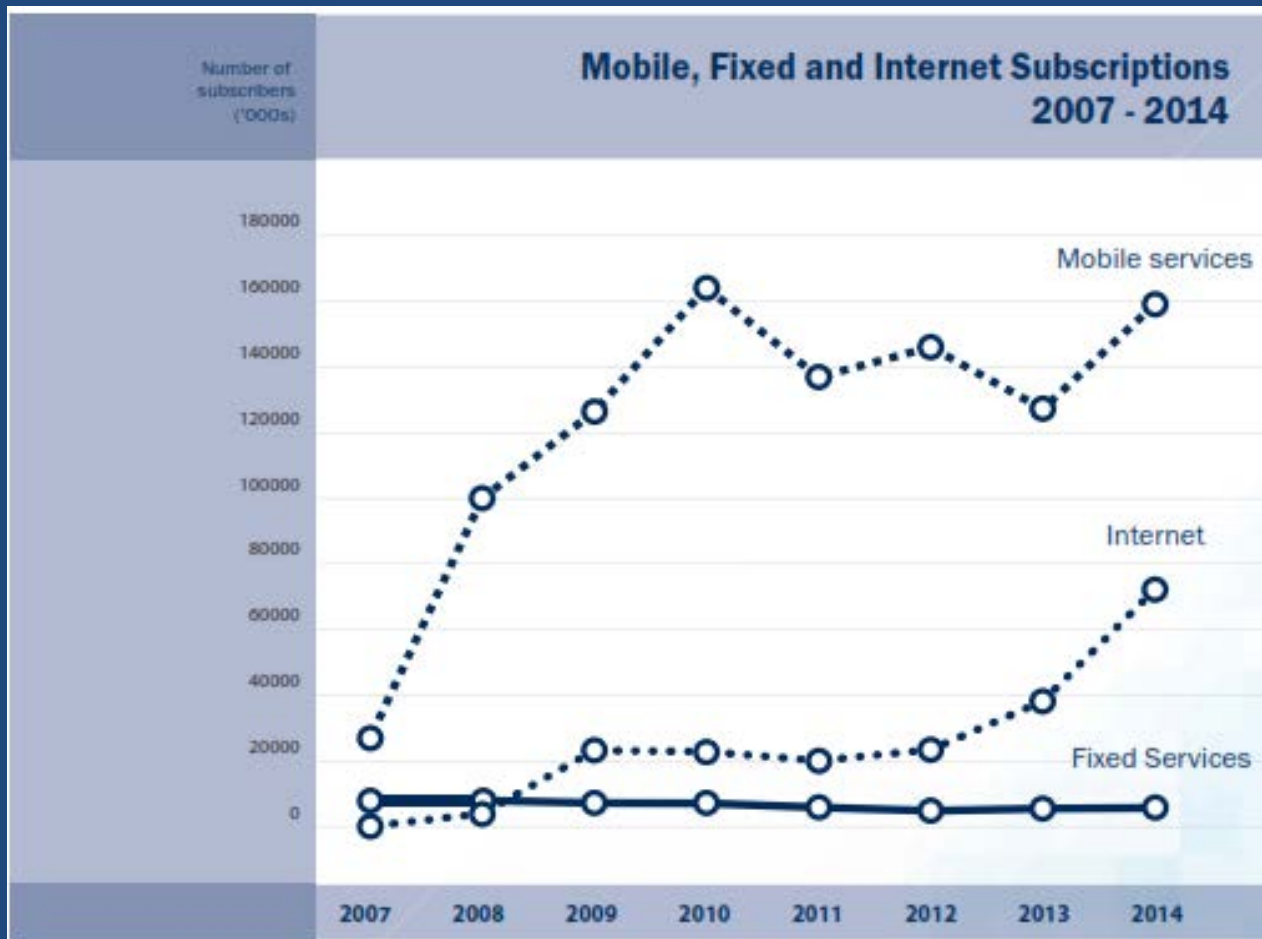


Competitive Landscape

- TRR is an Independent Regulator – that is a critical “must”
- Two full service carriers (Telecom Vanuatu, Digicel)
 - TVL dominant in fixed line and ISP
 - Digicel dominant in mobile
- A further 5 ISP players
 - Telsat, Wantok (fixed 4G), GPT, SPIM, Incite
 - Cover Port Vila only at this point in time
 - 8 licences have been revoked through inactivity or by request
- Single Submarine Cable – Interchange Cable Limited
 - Fiji – Vanuatu
 - Operational March/April 2014
 - Upon operation provided a threefold increase in bandwidth for existing price points
- Pricing of international bandwidth, wholesale and retail of interest



Subscriber Growth



Government Tax

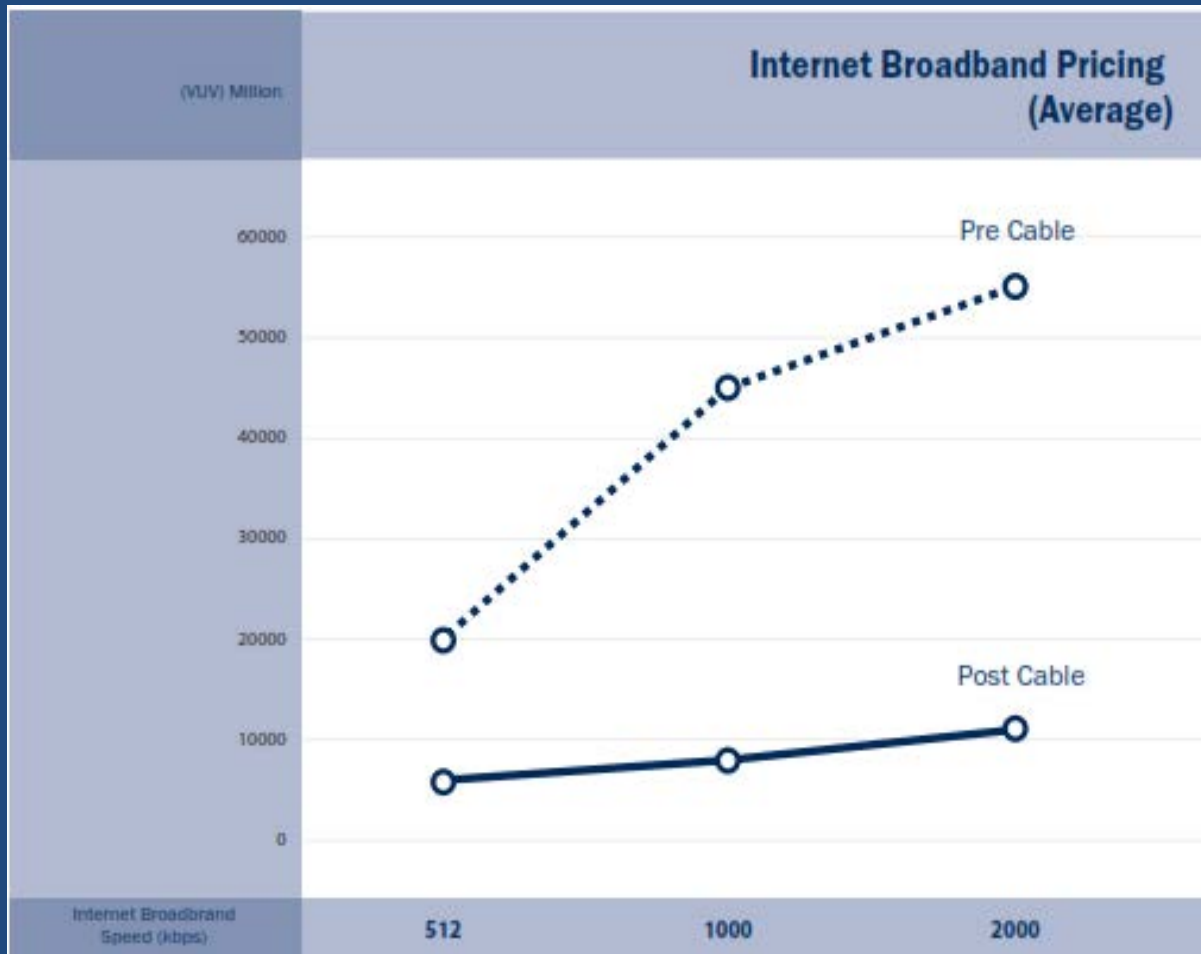
For the Past 5 years, the sector has contributed over USD\$5million into the country's economy

GDP contribution

Increase from 4.2% to 5.3% contribution to total growth of GDP (2012 figure)



Internet Pricing



- GNI per capita 2013 estimate \$US3,130 per annum
- 5% of GNI is \$US156.50 per annum
- Monthly \$US13
- Current pricing starts at \$US26 for 1Mbps and 3Gb of data per month
- Average price approximately \$US66 for 1Mbps unlimited per month



UAP

- **Increase/Improve coverage to under and unserved areas**
 - Combination of operator activities and Regulator UAP Fund projects
- **Operator Activities**
 - Pay or Play
 - Play: Signed undertakings to rollout infrastructure in un/underserved areas
 - Play: Will achieve GOV's UAP requirement of 98% coverage by 1 January 2018 fully funded by the operators alone
 - Pay: Levies go in to UAP Fund administered by TRR to assist UAP implementation and UAP Fund projects
- **UAP Funds Projects**
 - Initial focus on education
 - Delivery of school/community computer/internet labs and tablets
 - Monitor and evaluate use in the curriculum
 - Implement school and student administration/management applications (OPENVemis)
 - Move towards establishment of an eGov hub
 - Investigate opportunities in health and agriculture extension and application delivery



What the Populous Would Like

- Lower price of telecommunications services and products
- Higher internet speeds
- Access to both voice and internet mobile services
- Improved/Increased coverage (everywhere!!)
- Technical champions across the country
 - Education on services and service provision
- Accessible information, transparency
- Greater market choice and flexibility, particularly outside of the main towns and cities
- Better Quality of Experience (QOE) e.g. less dropped calls, more dependable faster SMS delivery
 - QoS
 - Customer service



Challenges

■ Challenges

- ❑ Full implementation of UAP roll out to unserved and underserved areas.
- ❑ Focus on consumer and customer education and awareness through the Consumer Protection Regulation
- ❑ Whole of GOV Departments understanding of ICT, applications and benefits
- ❑ Increase of market competition in the rural areas including value added services and the lowering of prices to all consumers for all telecommunications services
- ❑ Considering a best practice regulatory framework to cater for the Internet
- ❑ Continue to build and maintain positive working relationship with all stakeholders including the existing licensees
- ❑ Provide up to date sector market statistics and trends of development in Vanuatu.
- ❑ Small market size leads to inefficiencies in infrastructure (monopoly provision in some areas)
- ❑ Build on/maintain current TRR benchmark status



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