PRESENTING THE FIJIAN EXPERIENCE

in

Establishing a Regulatory Framework to Encourage Investment and Innovation

Commonwealth Telecommunications Organization Forum

14-16 September 2015

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BACKGROUND

Fiji

- 333 islands of which 110 are inhabited
- Population - 837,271 (Source : 2007 Census)
- GDP = $4.375 billion USD (2013)
- 49% of population in rural / maritime areas
- Telecommunications sector liberalized as of 2008

Telecommunications Service Providers:

- Telecom Fiji Limited – fixed line provider
  - Connect Fiji Limited (Subsidiary) - ISP
- Vodafone Fiji Limited – mobile and ISP
- FINTEL- International Gateway Operator
  - Kidanet (Subsidiary) - ISP
- Digicel Fiji Limited – mobile and ISP
  - Unwired Fiji (Common Ownership) – ISP through 4G Wimax

TELECOMMUNICATIONS SECTOR CHARACTERISTICS PRIOR TO DEREGULATION

- Due to exclusive licensing arrangement, a monopoly existed
  - Fixed line operator (Telecom Fiji Limited)
  - Mobile service provider (Vodafone Fiji Limited)
  - International Gateway Operator (FINTEL)

- Impact on the telecommunications sector
  - Mobile penetration was low and mostly concentrated within city and town boundaries – estimated to be available to only **40%** of the population
  - Fixed line services were also mostly only concentrated around city and town boundaries
  - Only FINTEL had access to the Southern Cross Cable and this created bottleneck and capacity issues
  - Internet penetration was very low at **1.5% in 2000** and **13% in 2008**
  - Cost of services were very expensive
    - Mobile call charges during peak hours were in the vicinity of up to $1.98 cents a minute. Later the cost came down to approx. $1.20 a minute but this still remain outside the affordability of most people
    - Fixed line internet packages would typically cost **$50.00** a month for a **128kbs** service
    - High cost of for mobile broadband meant that the service was mostly taken up by the rich and affluent.

INITIATING CHANGE

- Change was initiated through the vision of the Bainimarama Government, and under the direct leadership of the Attorney General and Minister for Communications

- Liberalization of the Telecommunications sector began in 2008
- The Telecommunications Authority of Fiji was established

The following legislations and policies were progressively implemented

- Telecommunications Promulgation 2008
- Regulations of National Spectrum Decree 2009 (amendment – 2013)
- Determinations
  - Telecommunications Licensing Regulations (2011)
  - Telecommunications Licensing Fees (2012)
- Policies
  - National Broadband Policy (2011)
  - Reviewed National ICT Policy (2012)

INITIATING CHANGE

- Proper mechanisms were put in place to govern the allocation of spectrum.
- Modernization and reform of spectrum management practices
- Standards were established and defined
- A new licensing framework was established
- Open telecommunications licenses were issued
- Separation of Spectrum Licenses from Operation Licenses
- A separate annual spectrum management fee is also charged to spectrum users
- A levy was placed on the industry, proceeds of which are earmarked for investment back into the sector

GOVERNMENT INITIATIVES/PROJECTS TO IMPROVE ICT ACCESSIBILITY

- Government Community Telecentre Project
- Modernization of Spectrum Management Practices:
  - 4G Spectrum Auction
  - Migration to Digital Television

IMPACT OF MAKING 4G SPECTRUM AVAILABLE FOR BROADBAND DEPLOYMENT

- Increased uptake of mobile broadband services by Fijians and significant increase in mobile broadband subscriptions
- Broadband services are now available in greater geographical areas-21 out of 40 sites declared under the Universal Service Access programme have already been covered by the service providers on their own initiative.
- Migration of existing 3G users to 4G services to ease congestion on 3G networks, while giving consumers better value for money

TRANSITION TO DIGITAL BROADCASTING

- Preparatory work began as early as 2012- band planning, research and feasibility carried out
- Roadmap for the Transition was published with the assistance of the ITU in July 2013
- Model chosen by Government was to create a single infrastructure (with full redundancy) on which all broadcasters would be able to deploy their services. This included both FTA and pay content
- Obvious advantage of the above is to avoid duplication of infrastructure and costs and to ensure most efficient use of resources

DIGITAL TELEVISION MIGRATION

- The rational for the Migration
  - Efficient use of spectrum
  - Better quality of broadcast
  - More content and as such more content providers
  - Eventually analogue content and the technology itself will be obsolete leading to issues on the supply side if we do not upgrade our infrastructure

- Current Progress
  - The first site- Suva already has the encrypted Digital broadcast live
  - The transmitters, head end and conditional access systems have all been fully commissioned
  - Set Top Boxes for retail distribution will be available for customers soon.

THE IMPACT

The services are much more affordable

- Costs of mobile calls have significantly dropped tremendously
  - **40 cents** a minute by one of the operators
- Fast broadband packages are now much more affordable
  - Broadband packages are now available for a approx. **$25.00** a month
  - Speeds of up to **10mbps**
  - Mobile broadband services are affordable to the masses with casual packages available at **$1.49** a day
- Huge reduction in cost of sourcing bandwidth from Southern Cross Cable
  - By a factor of **3.5 times** in some categories
  - IP bandwidth is now rated at **5,310 mbs**, growing from **200 mbs** in 2008

Penetration of services are at a all time high

THE IMPACT

ICT INDICATORS

ICT contribution economy - **6.5%**. Source: 2011 Fijian Bureau of Statistics estimation

ICT Indicators	2010	2011	2012	2013	2014
Fixed Telephone subscription	129,845	129,845	142,963	74,895	75,747
Mobile-Cellular Telephone subscription	697,920	727,000	858,809	930,406	923,368
Wireless Broadband subscription				13,353	18,248
Active Mobile Broadband subscription		135,000	94,742	892,014	904,743
Fixed (wired) Broadband subscription	23,250	23,250	13,516	10,927	12,819
International Internet bandwidth in Mbit/s	625	1,950	2,725	4,110	5,310

Mobile penetration: 110%

Figures for 2014 are up to Sept 2014

THE REVELATION

- Liberalization of Fiji's Telecommunications sector achieved the objective of increasing ICT accessibility and penetration
- Cost of service acquisition was greatly reduced
- The open licensing regime ensured opportunities for the operators to innovate their products (example introduce 4G services) and provide services to costumers with differing service appetite
- Modernization of spectrum management policies have paid dividends resulting in Fijians having access to cutting edge ICT services

THANK YOU FOR YOU ATTENTION
AND INVITATION
TO COME AND SHARE OUR
EXPERIENCE WITH YOU

VINAKA VAKALEVU