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Latest Developments in the Telecommunications Market and Competition in Vanuatu

Issues to consider

Which operator should I use? What promotions do I subscribe to? Which internet service bundle should I use?

In an ever growing and innovative market that TRR welcomes, these are typical questions that telecommunications customers and end users (consumers) must inevitably face. The telecommunications market in Vanuatu has seen an increase in its different service provision since the liberalization of the sector in 2008. The rise in number of telecommunications service providers offering wider available choices for consumers at an affordable price has provided wider choice and variety of service offerings, and is evidence of the increase in market size and growth.

General impacts of telecommunications services on the market

Studies in many developed countries have shown that telecom products and services, like mobile phones, SMS services and mobile internet services, have become a *required need* in people's everyday lives; and Vanuatu is no different!. One cannot leave their house now without their mobile phone(s) or feeling the need to constantly check and updating their Facebook status. A contributing factor to this innovation and widened service provision is the *fall in price*. With the increase in competition, product and service prices have fallen to attract customers. The price of a sim card has reduced by 90%, from 5000vt to 500vt, to even receiving a free sim as part of a package sometimes. Similarly, refill cards can now be purchased for a 100vt and 200vt where the cheapest refill card before was 500vt – an average price fall of 70%. In terms of mobile phones handsets, the cheapest mobile handset price decreased by more than 80%.

The recent introduction of the submarine cable has also had a significant affect and it has given rise to competition within the internet retail services market. This market has experienced the fall of prices, combined with an increased internet speed, and more options are available compared to the previous years. Also, uptake and demand of internet services is increasing, but this is mainly and currently, only in the urban areas. Importantly, TRR's implementation of the Government's innovative Universal Access Policy will greatly assist this uptake as 98% of the population of Vanuatu must have access to a range of telecommunications services – voice, sms and broadband internet – by 1 January 2018.

There is also a trend within the market that consumers are migrating from using a basic mobile phone to smart phone devices to easily access and surf the internet. More package data are also available that give consumer more choices within the internet market.

What are promotions and tariff filings? What is the difference?

Advertising and promotions is an important feature in the telecommunications market. While these activities have played an important role in the promotion of telecommunication services as well as the opportunity for customers to take advantage of cheaper options, the lack of information on the promotions or services being advertised, can harm competition and/or mislead consumers.

Put simply, a promotion is a short-term offer and has an end date, and tariff filings are ongoing rates that consumers are charged.

What should a consumer do in order to avoid being misled? TRR encourages consumers to be responsible, thoroughly investigate what is being offered and what is not, and take note of the following:

- (1) It is important to pay attention to promotions and advertisements to guarantee that you are not misled.
- (2) To ensure that you are not trapped by a misleading advertisement you, as a consumer, must carefully read advertisements to *fully* understand the terms and conditions of the service.
- (3) Additionally, when subscribing for a promotion, you must ensure that only the stated charges are deducted and the promotion service is available for the duration stated in the promotion advertisement.
- (4) Before getting into a contract with a service provider you, as a consumer must make sure you read the terms and conditions of the service provider carefully and ensure you understand them. If you are not sure, ask questions. Continue to do so until you *fully* understand.
- (5) In the event that your service provider is not performing up to the standard stated or you feel you should be receiving in accordance with the promotion or your contract, and you have made such complaints to your service provider and you do not feel it has been resolved to your satisfaction, that is the time for a consumer to lodge a complaint with TRR; but not before you have exhausted all avenues with your service provider.

What does TRR do to ensure there is fair pricing?

The different operators in Vanuatu have an obligation to file *all* of their tariffs with TRR. Tariff filing means that a tariff or any price for a service available to consumers must be filed with TRR before they impose it in the market. All service providers have the obligation to treat consumers fairly, and consumers must get the deal they have purchased or signed up for.

TRR assesses the tariff filed in line with the operators' legal requirement to impose fair pricing and other such elements as necessary for competition purposes. So if, for example, consumers are charged differently for the same type of services then consumer should enquire with their operators as to why that is so?. If they are not satisfied with the operator's response, they can refer the matter, with evidence, to TRR for investigation but only after all avenues have been exhausted with your service provider.

Regulation of the telecommunications market

Of many TRR functions, one core function and power of TRR is to regulate to ensure that there is *fair play* in the market. One element of fair play is fair pricing. A fair price is one that is fair to both service providers and consumers considering quality, performance, supply and payment options. When consumers and service providers are happy with the price after all factors are considered, then fair pricing has been achieved.

TRR notes that the fall in prices is a key indicator and confirmation that a competitive telecommunications market has been, and continues to be, beneficial for Vanuatu consumers and the country at large.

Want more information?

For more information, please visit our website www.trr.vu or call us on 27621 or email enquiries@trr.vu if you have any other queries or want to know more about the telecommunications sector.