TRBR

Telecommunications, Radiocommunications & Broadcasting Regulator

2025 Telecommunications Sector Report

Executive Summary

In today's fast-changing digital world, mobile technology has become the essential technology of choice for both individuals and businesses, driving communication, innovation, and access to information. As Vanuatu embraces digital transformation, mobile technology has revolutionized daily life, enabling seamless communication, more efficient business operations, and greater access to vital services. While connectivity remains a key enabler of digital progress, it also empowers communities and supports government efforts to achieve positive social and economic outcomes.

This ninth edition of the Telecommunications, Radiocommunications, and Broadcasting Regulator's (TRBR) Sectorial Report reviews the telecom sector's performance throughout 2024. It highlights key trends, challenges, and emerging opportunities that will shape the future of mobile connectivity in the country. This report serves as an essential guide for stakeholders, policymakers, and investors, offering insights to support sustainable development and innovation within Vanuatu's evolving digital landscape.

2024 data collected by the TRBR reveals a 7% increase in total market revenue, reaching over VUV 6.2 billion. This growth has been primarily driven by rising demand and the ongoing expansion of mobile services throughout Vanuatu.

The Vanuatu's telecom sector also recorded significant growth in 2024, with mobile cellular subscriptions, rising by 7% to over 306,000 subscribers compared to 2023. This increase pushed mobile penetration to 96.13%, reflecting the sector's widening reach across the Vanuatu group. Call traffic also grew by 7%; however, revenue from this segment declined slightly by 3%, totaling VUV 827 million. These trends underscore the sector's critical role in connecting communities and supporting economic activity, particularly as demand for digital services continues to accelerate.

Rising demand for international bandwidth at the retail level has driven internet service providers and mobile operators to secure additional capacity from ICL at the wholesale level. Data collected by the TRBR indicated that the international bandwidth sold by ICL increased by 20%, with over 17.6 Gbps leased to service providers in 2024. This substantial growth underscores the escalating need for a second cable to provide redundancy, as digital services and online activities continue to expand throughout Vanuatu.

The mobile broadband market recorded a 11% decline in mobile data download traffic in 2024, amounting to 22,400 terabytes. Despite the reduction in data consumption, mobile data revenue rose sharply by 12%, generating over VUV 3.1 billion.

Furthermore, the fixed broadband market experienced a 4% decline in subscriptions, recording only 3,789 subscribers in 2024. Despite the drop in subscriber numbers, fixed broadband market generated more than VUV 830 million in revenue for the year, representing a 3% year-on-year increase. This indicated that the higher-value plans, revised pricing strategies, or increased demand for faster premium services may have offset the impact of the reduced subscriber base.

Although the demand and consumption of the Over-the-Top (OTT) services continue to grow, Vanuatu's traditional SMS market recorded an 18% increased in revenue, earning over VUV 86 million in 2024. This growth underscores the enduring relevance of SMS, particularly for businesses engaging with customers and for the government in delivering important messages and public awareness notifications.

In line with the global trends, Vanuatu also experienced a decline in fixed telephone subscriptions in 2024, recording total of 4% drop. This decline contributed to an 18% drop in fixed call revenue, with annual earnings decreasing to VUV 98.9 million. The continued downturn reflects the ongoing shift away from traditional landline services toward more flexible, cost-effective, and widely accessible mobile communication solutions.

Similarly, in 2024, Vanuatu's international outbound call market recorded another decline, with call traffic dropping by 5% to less than 1.1 million minutes. This decrease contributed to a 7% fall in revenue, generating only VUV 41.9 million for the year. The continued downturn reflects the growing shift toward alternative communication services, particularly Over-the-Top (OTT) services, which are steadily eroding the demand for traditional international voice services.

Lastly, data collected by the TRBR indicated that the total number of international inbound roamers declined slightly by 0.43%, resulting in a reduced revenue of VUV 17.4 million in 2024. In contrast, the international outbound roaming market experienced a substantial 72% increase in outbound roamers, although revenue fell to VUV 8.7 million during the same period.

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Chapter 1
Introduction

This 2025 Telecommunications Sector Report was prepared by the Telecommunications, Radiocommunications, and Broadcasting Regulator (TRBR), building upon the insights of the eight-report released in 2024. This sector report covers the period from January 2024 to December 2024.

It provides an updated overview of the telecommunications market in Vanuatu, detailing recent trends, sector developments, and regulatory changes. The report offers an in-depth analysis of the sector's performance and key events during 2024, serving as a vital resource for stakeholders to understand the evolving landscape and for informed future policies and investment decisions.

The collection, analysis and dissemination of accurate and timely market information is critical for a wide range of stakeholders including the TRBR, playing a vital role in assisting the designing of effective, proportionate and efficient market legal frameworks to foster and importantly to maintain a healthy competitive telecommunications sector. The TRBR collects statistics bi-annually for that purpose and continues to improve its collection of a range of detailed data and statistics from the telecommunication service providers. These statistics are also used for awareness and an understanding of the trends in the Vanuatu telecommunications markets, as well as enabling transparent and aggregated information to be available to the Vanuatu Government, the telecommunication industry and the general public. The data presented in this Sector Report are also extremely useful for international and regional comparison and transparency.

Furthermore, this data collection framework has proven to be an effective regulatory tool, enabling the Vanuatu Government to monitor and evaluate progress toward achieving ECO 2.9 of the National Sustainable Development Plan (NSDP). It provides a comprehensive overview of the commitments made by both the Government and mobile operators to "increase the use of and access to information and communications technologies, including online Government."

The office of the TRBR would like to acknowledge all the telecom service providers for honoring their commitments in submitting the required data to enable the statistical analysis for this Report to be developed. The TRBR also welcomes their support and cooperation and looks forward to their continuous collaboration going forward.

This Report is also available in electronic format on the TRBR's website (https://www.trbr.vu/en/public-register/reports/telecommunications-sector-report) and any comments or feedback on any aspect of this Report is welcome.

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Chapter 2
Data Source Disclaimer

Under section 8 of the Telecommunications, Radiocommunications, and Broadcasting Regulations Act N0. 30 of 2009, as amended, the Regulator has specific powers to request the provision of information or documents relevant to the exercise of any of the Regulator's powers or functions.

The Regulator may require the person to:

(a). produce such documents;

(b). make copies of such documents for the Regulator; and

(c). require the service provider to furnish such information.

The data presented in this Sector Report is drawn from multiple sources, including the TRBR's data collection framework, the Department of Customs and Inland Revenue, the Vanuatu National Statistics Office, and others. However, the analysis is primarily based on data gathered through the TRBR's bi-annual collection of market statistics from the industry, conducted under Order No. 1 of 2015 (Order 1). It also incorporates information collected on an ad-hoc basis, in accordance with the powers granted under Section 8 of the TRBR Act and the conditions of Telecommunications and Exceptions Licenses of the service providers.

The data collected under Order 1 covers the two previous six-month period, from 1st January to 30th June and 1st July to 31st December 2024 respectively. Where this Report, or the prior Report, indicates a value for a period prior to 1st January 2015, that information has typically been provided to the TRBR under prior reporting frameworks, or through an ad-hoc request for information by the TRBR under Section 8(1) of the TRR Act. The TRBR is unable to confirm or deny the accuracy or consistency of data for that period in this Report.

For information collected under Order 1 of 2015 where the data is a measure of volume, such as revenue and minutes, the information is related to the volume utilized or accrued during a specific monthly period. Where the information describes a variable that is a snapshot in time, such as subscriber numbers, then it is related to the number of subscribers counted on the last day of the calendar month. For example, in relation to the number of mobile subscriptions, this number represents the number of users that have initiated a chargeable event during the preceding 90-day period.

In instances where data is related to a measure of volume (e.g. a volume of usage such as total SMS sent, call minutes made, or revenue earned and so on), this data is presented as a quarterly or annual value and the TRBR has, at times, sought to combine specific values to provide more workable and useful insight on longer term trends. On occasions where a variable is a snapshot in time, such as for subscriber numbers, then the TRBR has provided the value at the end of the last month of the same quarter. For example, at 31st December for any annual subscriber values presented or the 31st March for the value for the first quarter of the year (i.e. Q1).

The Act, however, provides restrictions on the use and disclosure of information collected by the TRBR under Section 8(7) which states:

"Information furnished or documents provided under this section must not be disclosed by the Regulator except:

(a) with the written permission of the person from whom the same was obtained; or

(b) in the course of proceedings under Part 9; or

(c) was required by a court order; or

(d) where, in the opinion of the Regulator, the information comprises, or will be reproduced in, aggregated data so that it does not identify any particular service provider; or

(e) where such disclosure is required by this Act or any other law."

The TRBR is currently under no obligation under the Act to report on specific statistical indicators or to produce this Telecommunications Sector Report. It is only required under the Act to release an Annual Report. Therefore, the TRBR is currently restricted to only disclosing information with prior approval from the provider of that information, or where the information provided is in aggregated form.

In some instances, the TRBR has chosen not to report on specific indicators so as not to compromise its adherence to Section 8(7) (d) and to avoid the disclosure of the specific information of a service provider.

The data used in this Report may be revised by either the respondents or the TRBR when inaccuracies, errors, or incorrect estimations are identified. As a result, some figures reported in previous publications have been updated. It is also important to note that not all respondents were able to provide complete information, which limited the TRBR's ability to fully compare, disaggregate, or report on certain indicators. In such cases, the TRBR has applied estimation methods or combined available data to present the most relevant information. Where estimates have been used, the TRBR has clearly indicated this and, where appropriate, provided additional rationale to support the approach taken.

In light of such challenges, the TRBR does not make any warranties that the information in this Report is free from inaccuracies, errors or omissions, is exhaustive, is of merchantable quality and fit for a particular purpose and is not liable for any inaccuracy, error or omission in the information contained in this document.

Chapter 3

Key Trends in the Telecommunications Sector

Key observation trends that TRBR has been able to capture for the year ending in 2024.

Mobile
subscriptions increased by
7%

3%

Mobile voice revenue declined

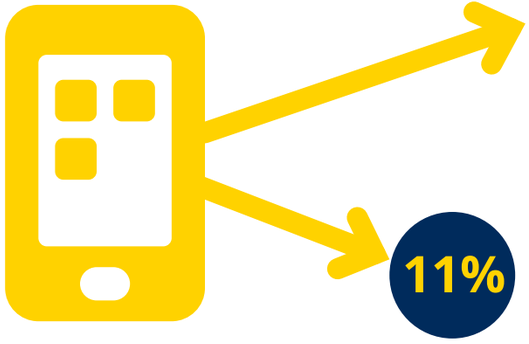
Gross market revenue increased
7%

Mobile penetration increases to
96.13%

Fixed telephony

subscription declined by
4%

revenue dropped by
18%



Mobile data revenue increase

Mobile data traffic (MB) declined

Fixed internet

Subscription decreased by
4%

Revenue increased by
3%

International bandwidth acquired increased by
20%

International inbound roaming
revenue declined by
56%

International outbound call
revenue dropped by
7%

6%

SMS
volume decreased

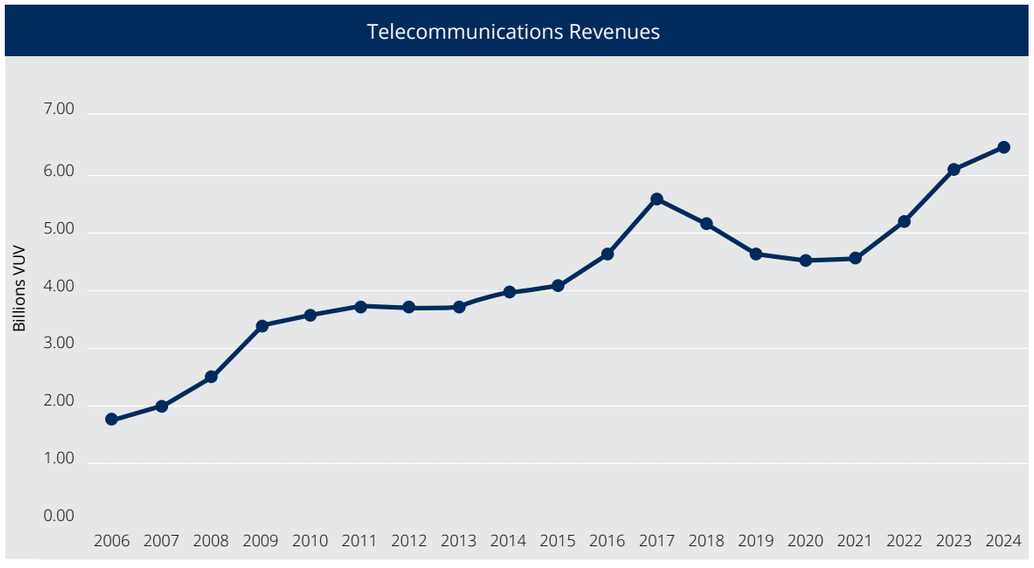
SMS
revenue increased
17%

Chapter 4

Gross Telecommunications Revenue

The Vanuatu's telecommunications sector has witnessed a growth in the gross revenue in 2024. Data collected by the TRBR illustrated in Figure 1 shows that the total telecommunications gross revenue has increased by 7% from 2023, recording over VUV6.2 billion in 2024. This upward trend marks a positive growth for the industry, reflecting sustained growth in demand for telecommunications and digital services across the country despite challenges faced in the sector from natural disasters, and man-made disasters.

Figure 1: Telecommunications Gross Revenue



The growth in telecommunication gross revenue has been driven by several key factors. Foremost among these is the implementation of the Universal Access Policy, under which operators have continued to expand mobile and internet coverage in line with their commitments in their undertaking agreements signed with the office of the TRBR. Complemented by individual infrastructure development initiatives, these efforts have enabled operators to penetrate new markets—particularly in the rural, previously unserved, and underserved areas—while also addressing congestion in urban centers. As a result, the sector has seen an increase in subscriber numbers and a significant increase in data consumption.

Secondly, the growing consumer dependence on digital tools for communication, education, business and entertainment has boosted overall revenue growth. The increased use of smartphones, online streaming platforms, mobile money services and cloud-based applications has significantly contributed to rising revenue per user.

Furthermore, service providers have continued to introduce innovative and attractive bundling offerings and value-added services at affordable and reasonable prices that have encouraged multi-service usage and enhanced customer engagement, further boosting the overall revenue.

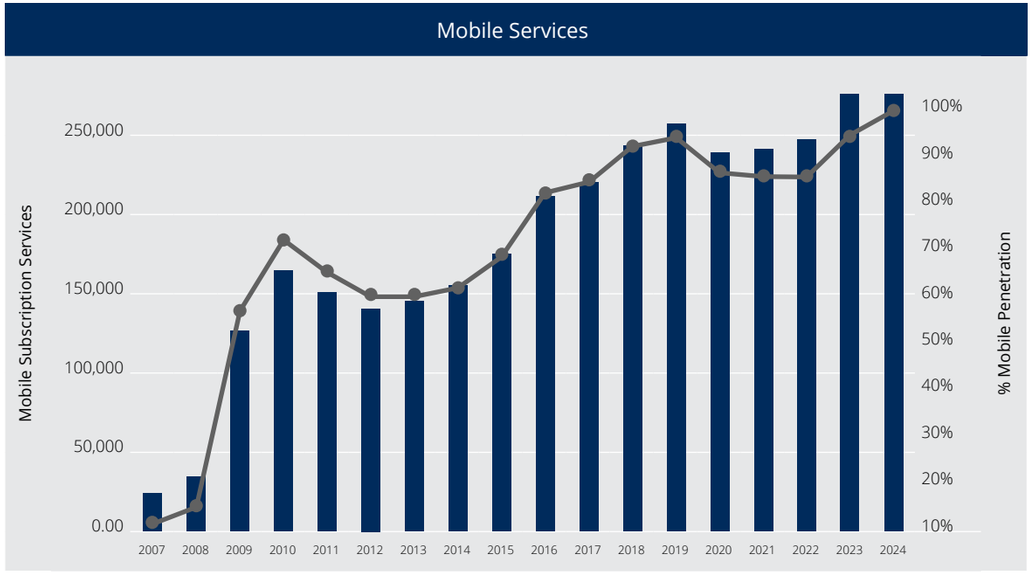
Chapter 5
Mobile Services

Mobile connectivity plays a crucial role in enabling social and economic development in Vanuatu. It serves as a key driver of digital inclusion, bridging communications gaps between families, communities and providing access to essential services such as education, health care, financial services and emergency services.

In a geographically dispersed nation like Vanuatu where islands are separated by tenths of kilometers of ocean, mobile services play a critical role in connecting people and are the most affordable services and therefore are the primary choice of communication services for many citizens particularly in the remote communities. As such, the expansion and enhancement of mobile coverage is therefore very significant to provide an affordable alternative communication medium to improving livelihoods, to strengthening community resilience, and to supporting national development.

5.1. Mobile Cellular Subscriptions

Figure 2: Mobile Cellular Subscriptions



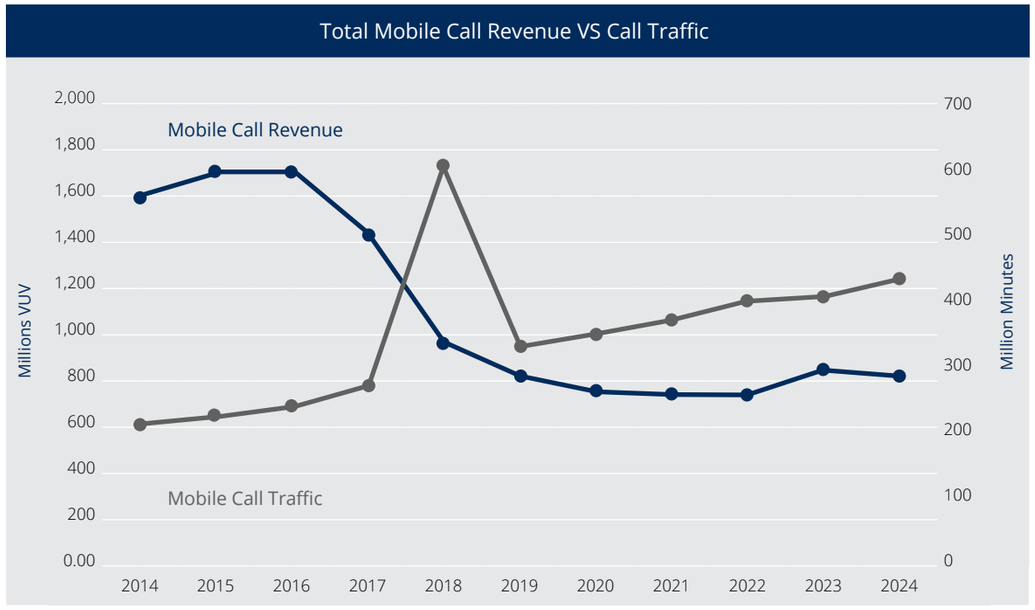
The mobile telecommunications market in Vanuatu continues to show significant growth, driven by strong consumer demand of mobile services and on-going expansion of network coverage through Universal Access Policy implementation and individual operator's development initiatives. As illustrated in Figure 2, the total number of mobile subscribers has increased by 7%, recording over 306,000 in 2024. This upward trend reflects the growing reliability on mobile connectivity for everyday communication, digital access, and access to essential services in both rural and urban areas in Vanuatu.

Furthermore, the availability of different mobile prepaid plans options, flexible top-up options, and credit advance options, has further stimulated mobile services uptake, and subscription growth as well. As such, these options allow users to manage their consumption and spending according to their income level, making mobile services more accessible to a wider demographic. Mobile operators have also invested in community outreach and marketing campaigns to raise awareness of their service offerings, while improving customer support in both urban and rural areas. Together, these efforts have not only boosted mobile adoption but also contributed to greater digital inclusion across the country.

As operators continues to advance the expansion of their mobile network coverage, mobile penetration has also increased by 5% compared to 2023, reaching a historic rate of 96.13% in 2024. This milestone reflects a strong national uptake of mobile connectivity, which has significantly boosted the demand for more digital services, that could broaden market opportunities, and driving innovation within the sector. In turn, this growth is contributing to economic development and enhancing the quality of life for individuals and communities across the country.

The mobile voice market continued its upwards trend with mobile call traffic increasing by 7%, recording over 437 million minutes in 2024.

Figure 3: Mobile Call Revenue Vs Mobile Call Traffic

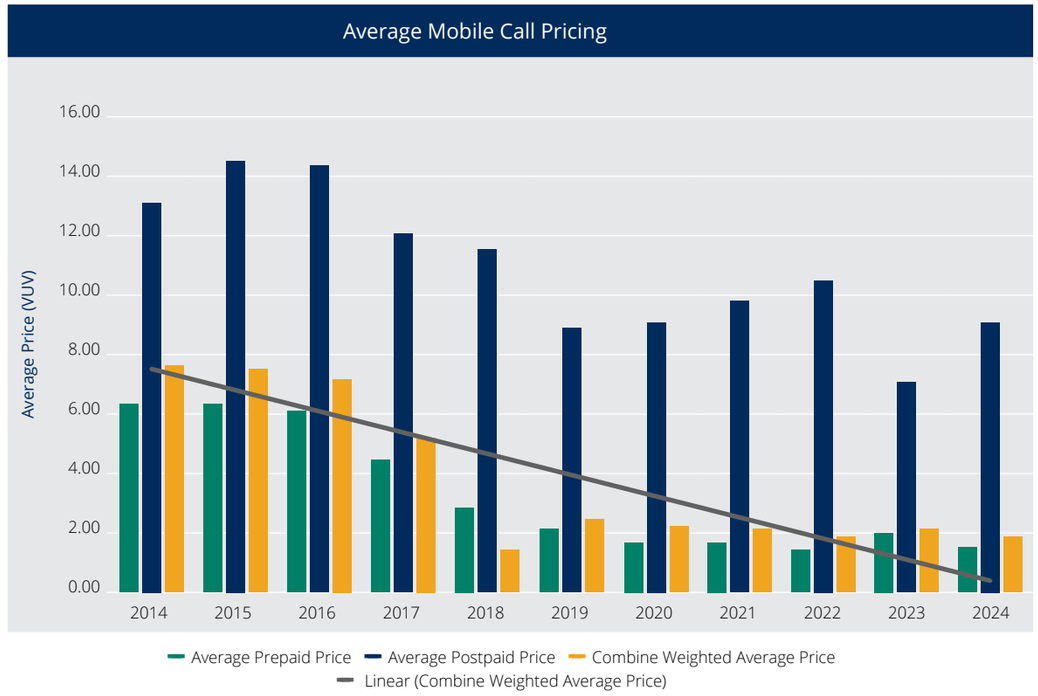


5.2. Mobile Call Revenue Vs Call Minutes

The mobile voice market continued its upwards trend with mobile call traffic increasing by 7%, recording over 437 million minutes in 2024. The growth in voice traffic has been driven by strong consumer reliance on traditional voice services, despite the rise of internet-based communication platforms or Over the Top (OTT) services. This growth was due to the expansion and improvement of 4G network coverage, competitive call bundle offerings, and increase mobile penetration across both rural and urban areas.

Despite the increased in mobile voice traffic in 2024, the mobile call services revenue has recorded a decline in 2024 compared to 2023. As illustrated in Figure 3, total mobile call revenue has declined by 3% from over VUV854 million in 2023 to VUV827 million in 2024. This decline reflected a shift in consumer behavior and market dynamics, where higher call volumes did not translate into increased revenue. The drop may be attributed to factors such as the growing use of unlimited call bundles, or competitive pricing strategies by the operators. While these developments were beneficial to the consumers, they did contribute to the downward growth on the average revenue per minute.

Figure 4: Average Mobile Call Pricing

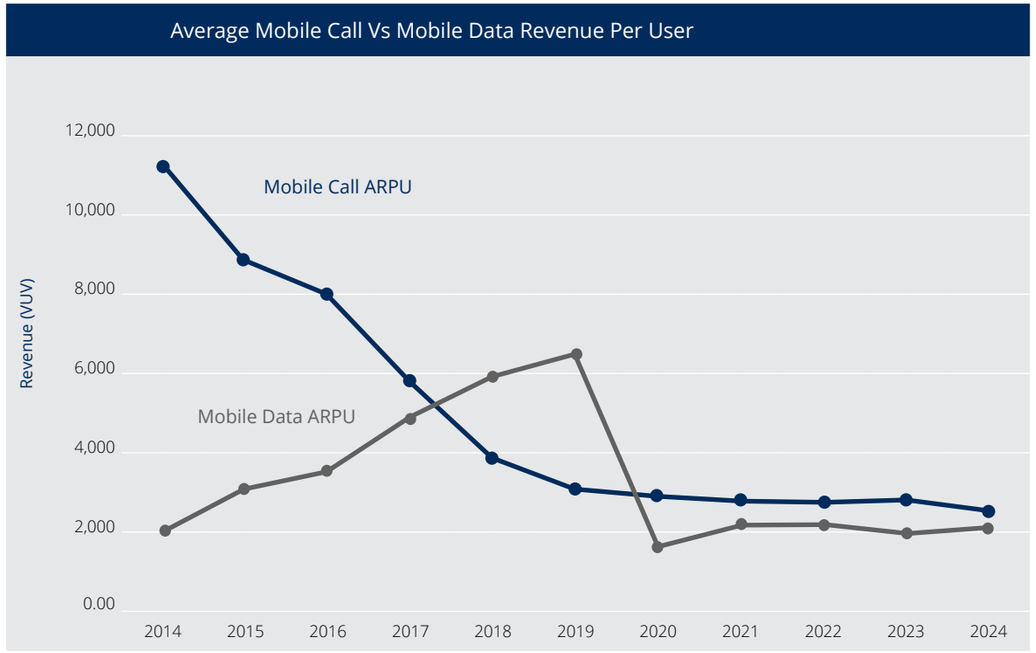


5.3. Average National Mobile Call Pricing

Although the advertised mobile call rates remained unchanged at VUV 28 per minute for on-net calls and VUV 32 per minute for off-net calls, figure 4 illustrates a significant decline in the average prepaid call price by 22%, reaching VUV 1.57 per minute in 2024. In contrast, the average postpaid call price rose by 28%, peaking at VUV 9.01 per minute during the same period. The reduction in prepaid pricing was likely due to increased promotional offers, bundled minute package offerings, and competitive market strategies targeting the prepaid users. This downward trend in prepaid rates—coupled with a relatively smaller postpaid user base—has resulted in a 10% drop in the combined weighted average call price, bringing it to VUV 1.89 per minute in 2024. This shift reflects a wider move towards provisioning of more affordable services and market segmentation, where operators are focusing more on volume-based pricing for prepaid customers than postpaid services.

**2024 average revenue per mobile caller declined by 9%.
In contrast, the average revenue per mobile data user increased by 6% in the same year.**

Figure 5: Mobile Call ARPU Vs Mobile Data ARPU



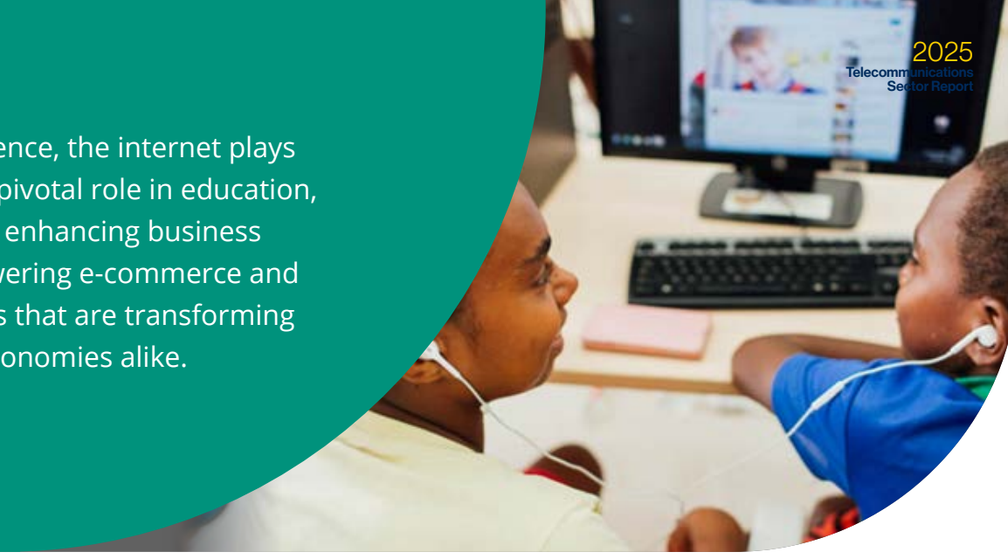
5.4. Average Mobile Revenue per Subscriber

Average Revenue Per User (ARPU) is a key performance indicator that measures the average revenue generated per mobile service subscriber, reflecting both the operator's pricing strategy and the level of customer engagement with the service. The graph above compares ARPU for mobile voice and mobile data services. As illustrated in Figure 5, average revenue per mobile caller declined by 9%, reaching VUV 2,598 in 2024. In contrast, the average revenue per mobile data user increased by 6%, rising to VUV 2,188 in the same year.

This divergence highlighted a shift in consumer spending behavior and usage patterns. The decline in voice ARPU was stimulated by the growing popularity of bundled voice plans and the increasing use of the over-the-top (OTT) communication platforms, which provided an alternative to traditional voice services. Meanwhile, the rise in data ARPU suggested an increasing demand for mobile internet services, driven by the expansion of 4G coverage, digital service adoption, and higher data consumption per user. These trends indicated that mobile data is becoming the primary driver of revenue growth in the sector, while traditional voice services continue to face pressure from the OTT alternatives and affordability-focused pricing especially on mobile data bundle offerings.

Chapter 6 Internet Services

In today's rapidly increasing digital world, internet services have become a vital backbone of modern life—enabling communication, expanding access to information, driving economic growth, fostering innovation and ensuring social inclusion. As technology continues to evolve, particularly with the rise of artificial intelligence, the internet plays an increasingly pivotal role in education, innovation, and enhancing business operations, powering e-commerce and digital platforms that are transforming societies and economies alike.



In Vanuatu, the impact of internet services reflects these global trends, driving digital transformation in health, education, finance, and other sectors. From remote health consultations and flexible online learning to mobile banking and e-payments, the internet is not only improving access and convenience but also reshaping how citizens engage with everyday services. As adoption accelerates, internet services will continue to drive inclusive development, open new opportunities, and continue to bridge the country's geographical divides.

6.1. International Bandwidth.

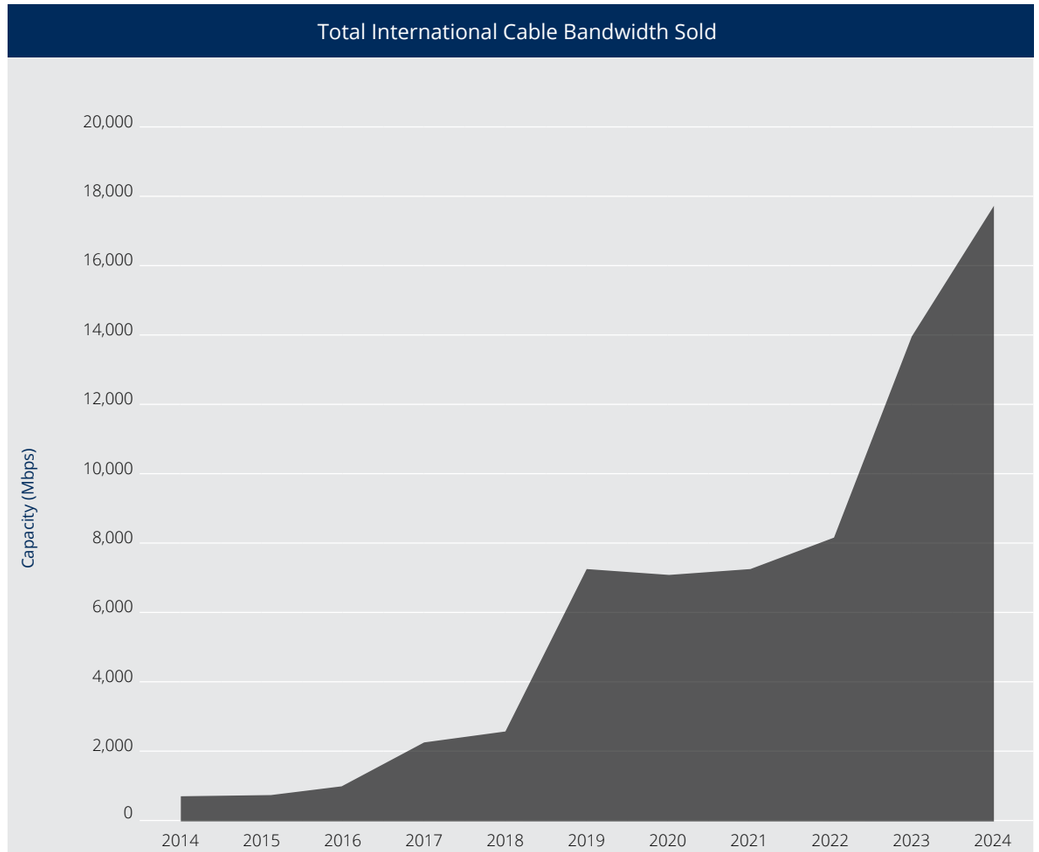
Access to international bandwidth—delivered through submarine cable and satellite network—is a critical enabler of Vanuatu's digital economy and broader development initiatives. High-speed international broadband has become a cornerstone of modern connectivity in Vanuatu, driving digital transformation nationwide. It has unlocked new business opportunities, improved service delivery, and enhanced daily life by enabling faster communication and greater access to global information and markets.

International connectivity provided by Interchange Limited (via submarine cable), along with satellite broadband services from Kacific and Starlink, has significantly contributed to Vanuatu's development. In the wake of COVID-19, the surge in demand for internet services has placed even greater importance on reliable international bandwidth. While submarine cable access is largely concentrated in urban canters, then extended via microwave transmission links to remote islands, satellite services also play a vital role in bridging the digital divide by connecting outer islands and remote communities—ensuring connectivity across the country.

The subsea international bandwidth market has experienced another year of robust growth, driven by the sustained rise in fixed and mobile broadband consumption across the retail market. As shown in Figure 6, the total international bandwidth capacity sold increased by 20%, reaching a new peak of 17.65 Gbps in 2024. This upward trend reflects the surge in demand for data services at the consumer level, prompting mobile network operators and internet service providers to secure additional capacity to maintain service quality and meet user demands and expectations.

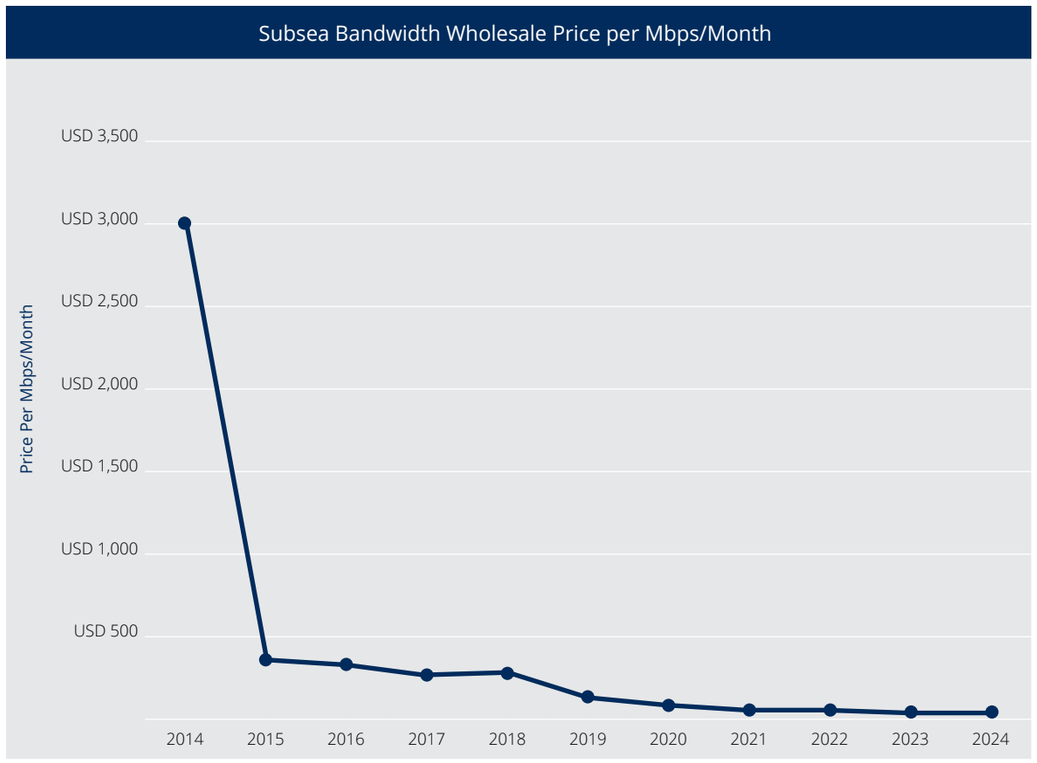
In response to this increased demand, Interchange Limited (ICL) further reduced its wholesale bandwidth pricing by 13%, bringing the cost down to an average of USD 39.00 per Mbps/month in 2024. This price adjustment not only supports broader affordability for downstream providers but also enables continued investment in digital infrastructure and service expansion. The growth in international bandwidth usage highlights the critical role of robust international connectivity in sustaining digital inclusion, economic development, and service reliability across the country.

Figure 6: International Cable Bandwidth sold by ICL



While demand for international bandwidth via submarine cable remains strong, satellite communication services play a vital complementary role in achieving nationwide connectivity.

Figure 7: Subsea Wholesale Bandwidth Pricing



While demand for international bandwidth via submarine cable remains strong, satellite communication services—delivered by Kacific, Aelan SAT, and more recently Starlink—play a vital complementary role in achieving nationwide connectivity. These satellite solutions are particularly crucial for remote and underserved areas where terrestrial and subsea infrastructure is limited or absent, as such helped in bridging the digital divide and support inclusive development across Vanuatu.

Beyond expanding connectivity, satellite services have proven essential during natural disasters and emergencies. When mobile and fixed networks are often disrupted during disasters such as cyclones, satellite links often serve as one of the reliable means of communication—facilitating disaster response, coordination, and the delivery of life-saving information. Therefore, as Vanuatu continues to face both geographical challenges and climate-related risks, satellite communication remains a cornerstone of national resilience, digital inclusion, and emergency preparedness.

6.2. Mobile Broadband Services

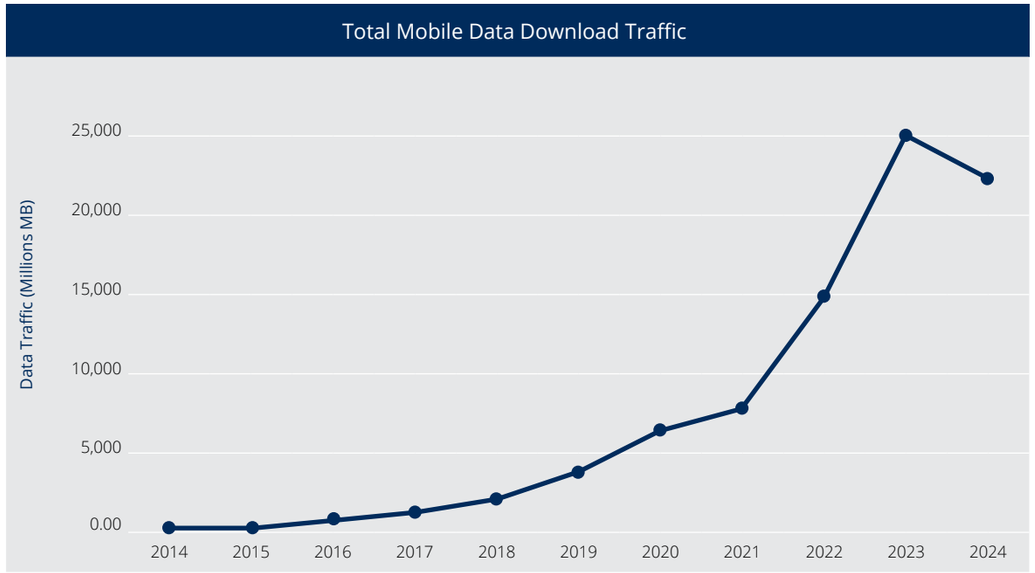
6.2.1. Mobile Data Traffic

Mobile broadband is rapidly transforming connectivity, communication, and access to essential services throughout Vanuatu. While the economic impact and widespread adoption of mobile devices are well recognized, it is the high-speed mobile internet that offers the greatest potential for fostering inclusive growth and digital empowerment. Mobile broadband is already reshaping daily life in Vanuatu—facilitating remote work, broadening access to online education and healthcare, and enhancing social connections. Fixed and wireless broadband networks continue to advance as well, however, the mobile broadband is set to remain a key driver of economic development, innovation, and improved quality of life in both urban areas and remote communities.

Amid Vanuatu's ongoing digital transformation, the mobile broadband market has continued to grow, driven by increasing demand for mobile data. Yet, as shown in Figure 8, the total mobile data download traffic experienced an unexpected decline of 11% in 2024, dropping to 22,500 terabytes. This marks the first contraction in recent years and is primarily triggered by the disruption caused by the 7.5 magnitude earthquake that struck the capital city on 17th December 2024.

One of the primary drivers of mobile date revenue growth is the widespread use of high-bandwidth digital platforms such as video streaming, social media, and online gaming.

Figure 8: Showing growth of Mobile Data Traffic



The earthquake inflicted extensive damage on telecommunications infrastructure in Port Vila and its surrounding areas, resulting in widespread service disruptions and limited access to mobile data during a critical period. Although long-term growth in digital usage remains strong, the temporary decline in data consumption highlights the sector's vulnerability to natural disasters, thus, reinforces the need for greater investment in network resilience and disaster recovery planning to safeguard service continuity during future emergencies.

6.2.2. Mobile Data Revenue Vs Mobile Voice Revenue

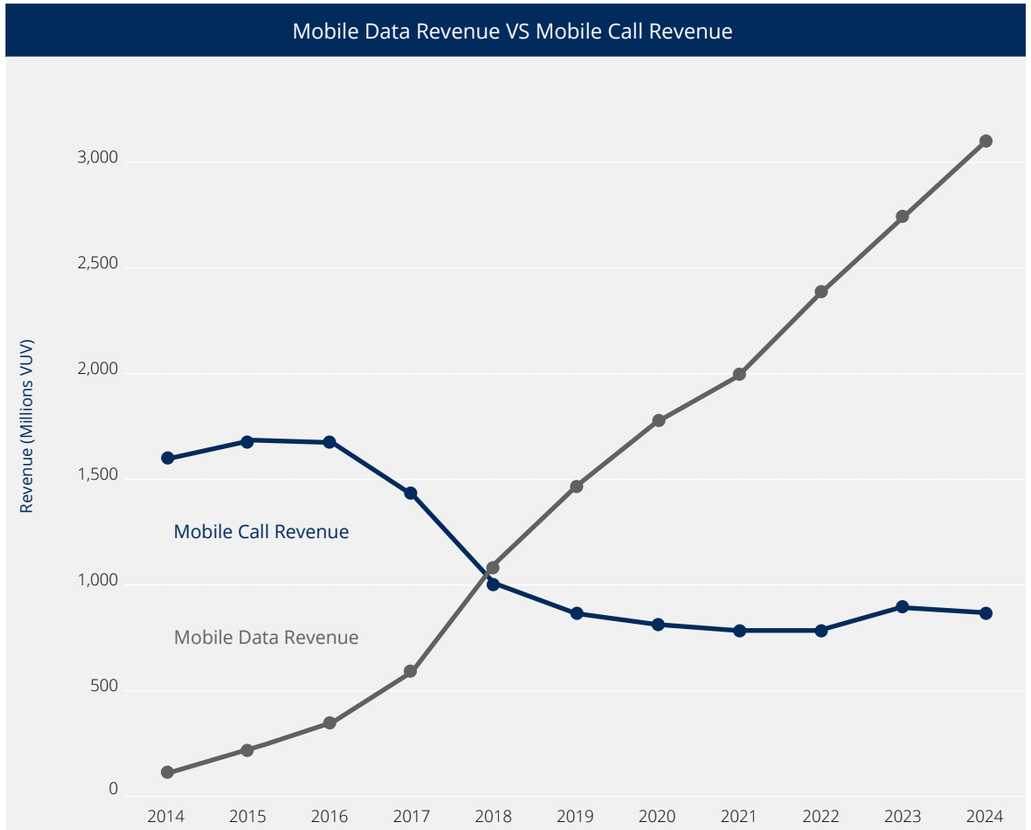
Despite the temporary decline in overall mobile data traffic, Vanuatu's mobile broadband market recorded another year of strong growth in mobile data revenue, while revenue from mobile call remains relatively low. As illustrated in Figure 9, mobile data revenue rose by 12% in 2024, surpassing VUV 3.1 billion. This growth reflects a structural shift in consumer behaviour toward data-driven services, supported by the growing use of data-intensive applications and sustained investment in network infrastructure.

One of the primary drivers of this revenue growth is the widespread use of high-bandwidth digital platforms such as video streaming (e.g., YouTube, Netflix), social media (e.g., TikTok, Instagram), and online gaming. These services play a vital role in everyday life—enabling entertainment, communication, learning, and work. As consumers increasingly depend on mobile broadband for these activities, their data consumption continues to rise—driving corresponding increases in revenue, even if the total traffic temporarily fluctuates.

Furthermore, contineous upgrades and expansion of mobile networks, particularly the deployment of 4G/LTE infrastructure, have improved the quality and reach of mobile broadband services. Faster speeds, broader coverage, and more reliable connections have encouraged greater user engagement and allowed for richer digital experiences. These infrastructure improvements not only attract new users but also increase the average data consumption per user, contributing to the overall revenue growth.

Although the mobile data traffic experienced a temporary in 2024—primarily due to disruptions caused by natural disasters—the outlook for mobile data services in Vanuatu remains highly positive. Over the next few years, the telecommunications sector is projected to experience strong growth, driven by sustained demand for digital services, ongoing network improvements, and accelerating digital transformation across the country.

Figure 9: Showing Mobile Data Revenue Vs Mobile Voice Revenue



The downward trend in mobile data pricing is expected to persist in the coming years, driven by continued growth in mobile broadband adoption.

6.2.3. Average Price of Mobile Data

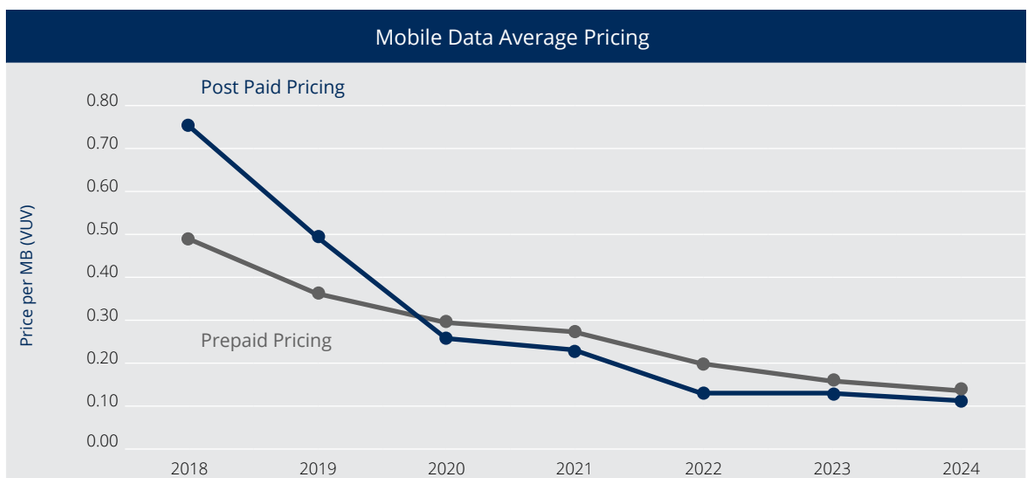
As illustrated in Figure 10, the average prepaid mobile data price per megabyte (MB) declined by a further 13% in 2024, reaching a new low of VUV 0.14 per MB. The ongoing decline in prices is largely the result of intensifying competition between the two mobile operators. In their efforts to attract new customers and strengthen retention, both providers have introduced increasingly innovative approaches—offering more affordable, data-heavy packages and tailored promotions.

Furthermore, the average postpaid mobile data price also fell by 14% in 2024, reaching a new low of VUV 0.12 per MB. This decline reflects the broader market shift toward more a competitive and customer-focused pricing strategies, as operators work to align postpaid offerings with evolving user expectations. The drop also indicates that the operators are seeking to enhance the value proposition for higher-tier customers by offering larger data bundles at more attractive rates—encouraging greater data usage and customer loyalty within the postpaid segment.

As a result of declining prices in both the prepaid and the postpaid segments, the combined weighted average mobile data price dropped sharply by 27% in 2024, reaching VUV 0.14 per MB. This significant decline reflects the intensifying competition among mobile operators, increased data consumption, and ongoing efforts to achieve affordability for all citizens and expand digital access.

The downward trend in mobile data pricing is expected to persist in the coming years, driven by continued growth in mobile broadband adoption, economies of scale, and the strategic shift of operators toward data-centric service models. As mobile data becomes the dominant force in the telecommunications market, operators are likely to maintain competitive pricing to capture and retain a growing base of digital consumers—further reinforcing mobile broadband's central role in Vanuatu's digital transformation.

Figure 10: Showing Mobile Data Average Pricing



6.3. Fixed Internet Services

Fixed internet services have become a pillar for digital connectivity in Vanuatu, providing reliable, high-capacity access for homes, businesses, and institutions. In an increasingly digital world, fixed broadband delivers the speed and stability necessary to support essential activities such as education, work, commerce, and access to public services. Its reliability is especially crucial during times of crises, when consistent communication is vital for saving life. As demand for digital services rises, fixed internet remains central to connecting communities, enhancing productivity, and driving sustainable development across the nation.

6.4. Fixed Internet Subscriptions

Amid rising demand for mobile broadband, Vanuatu's fixed internet market has experienced a slowdown in subscription growth. Recent data shows that the total fixed internet subscriptions declined by 4%, with only 3,789 subscribers recorded in 2024. This trend reflects a shift in consumer preferences toward the flexibility and broader coverage offered by mobile broadband, which increasingly fulfills the connectivity needs of both households and businesses. As a result, fixed internet services are becoming less dominant in the overall broadband landscape, despite their advantages in providing stable, high-speed connections for data-intensive activities.

Fiber and satellite services are maintaining or growing revenue, pointing to a shift toward higher-value, higher-speed connectivity solutions.

Figure 11: Fixed Internet Subscription

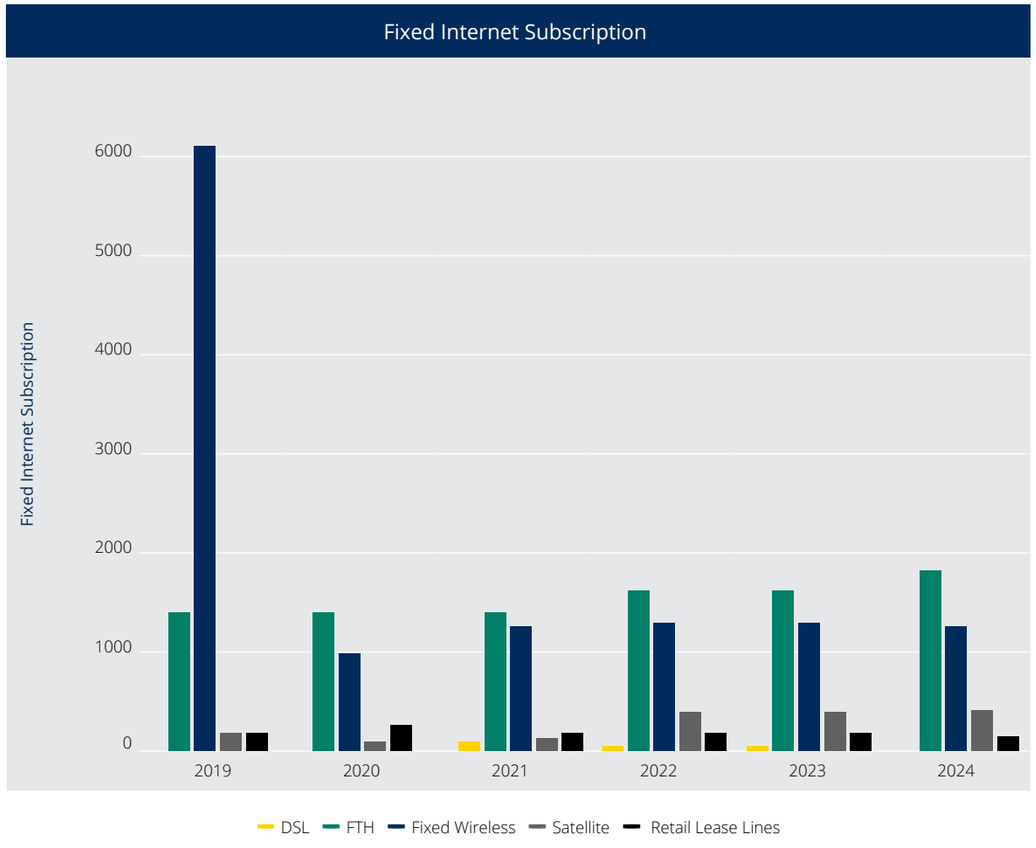
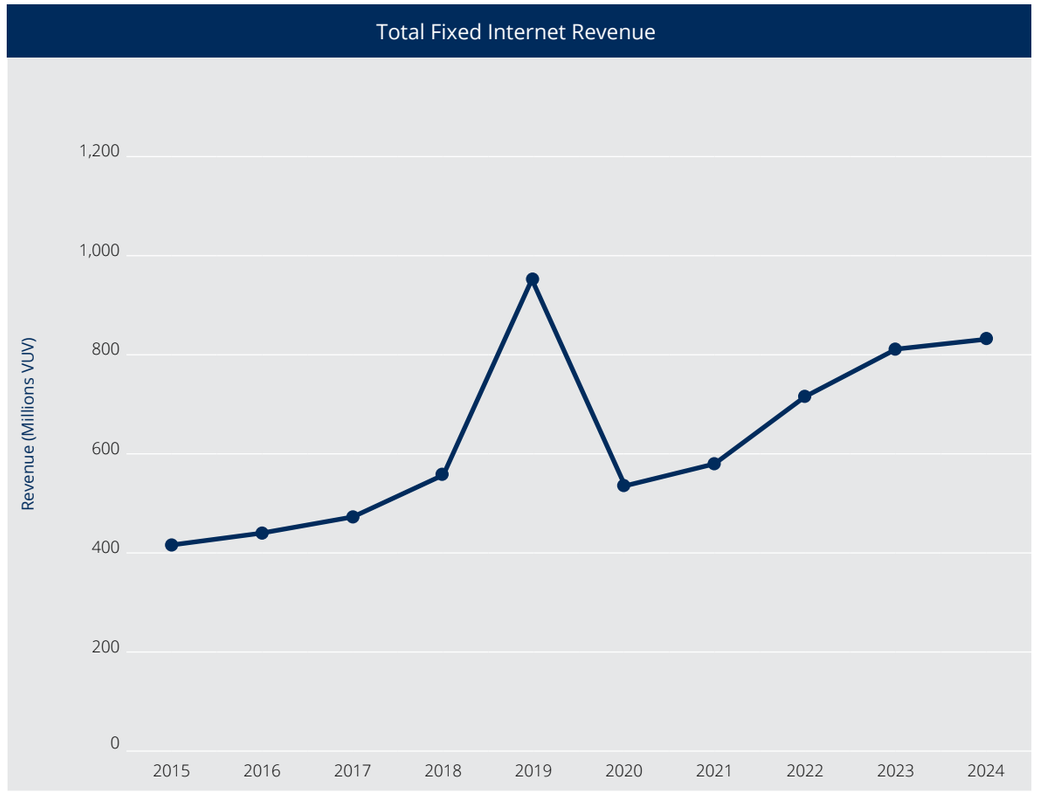


Figure 12: Showing Total Internet Revenue



While some traditional technologies like DSL and fixed wireless are being phased out globally, fiber and satellite services are maintaining or growing revenue, pointing to a shift toward higher-value, higher-speed connectivity solutions. As illustrated in Figure 11, DSL subscriptions continued to decline, dropping by 43% to just 33 subscribers in 2024. FTH subscriptions, on the other hand, increased by 4%, generating over VUV 406 million in revenue. The fixed wireless segment also recorded a 6% decrease in subscriptions, accompanied by a 5% drop in revenue. Meanwhile, the satellite market experienced a slight decrease by 1% in subscriptions, but still generated over VUV 149 million in 2024—a notable 11% increase in annual revenue. These trends highlight broader infrastructure upgrades and evolving user expectations, particularly in urban centers and underserved rural communities.

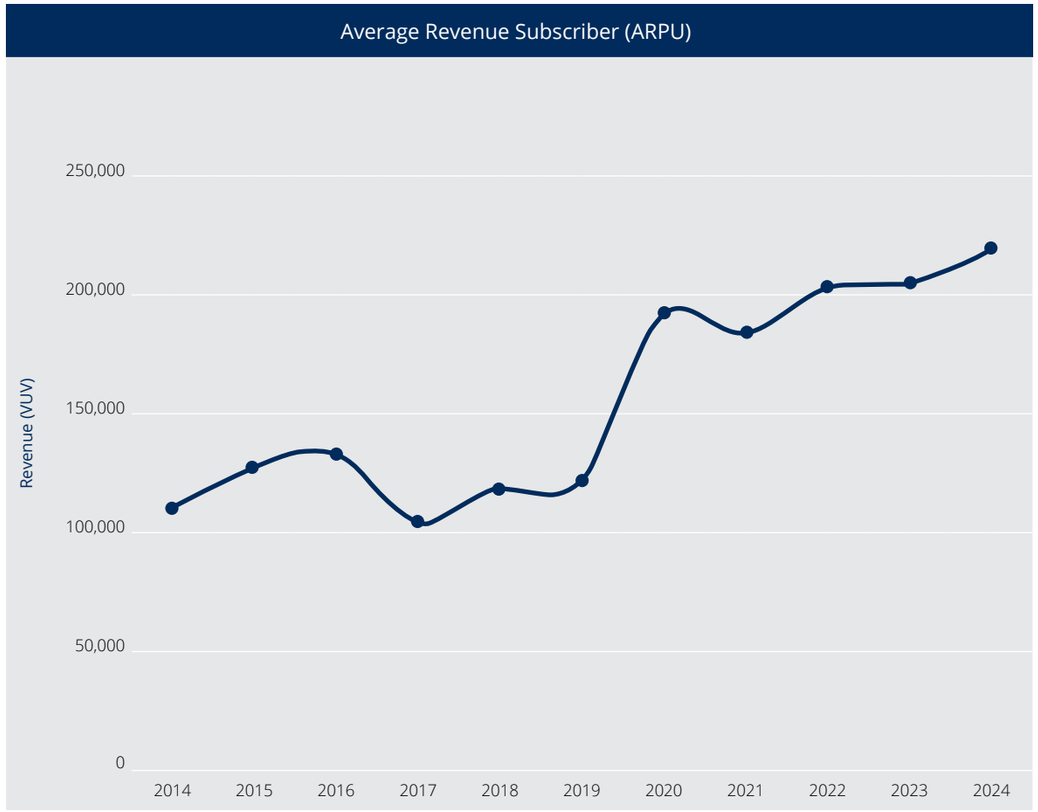
6.5. Fixed Internet Revenue

Vanuatu's fixed broadband market continued its revenue growth in 2024, rising by 3% to surpass VUV 830 million. This increase reflects the growing demand for high-speed, reliable internet, driven by expanding digital requirements across households, businesses, and public services. The revenue increase also highlights the ongoing expansion of fixed broadband infrastructure nationwide, including the rollout of fibre and improvements in last-mile connectivity.

With continued infrastructure investment and digital adoption, this upward trend is expected to persist in the coming years, positioning fixed broadband as a key enabler of economic development, e-learning, remote work, and digital public services in Vanuatu.

Fixed internet revenue per subscriber rose by 7% in 2024.

Figure 13: Showing Trend of Fixed internet Revenue per Subscriber



6.6. Average Fixed Internet Revenue per Subscriber

Fixed internet revenue per subscriber is an important metric as it reflects the average income generated from each customer, providing valuable insights into the financial sustainability and efficiency of internet service providers.

Fixed internet revenue per subscriber rose by 7% in 2024, reaching VUV 219,272 per user. This increase reflects improved pricing strategies, higher-value service offerings, or greater data consumption among subscribers. The growth in per-subscriber revenue is a positive sign for the financial performance of internet service providers, indicating more efficient monetization and a shift towards innovative broadband services.

Chapter 7

Traditional Short Message Services (SMS)

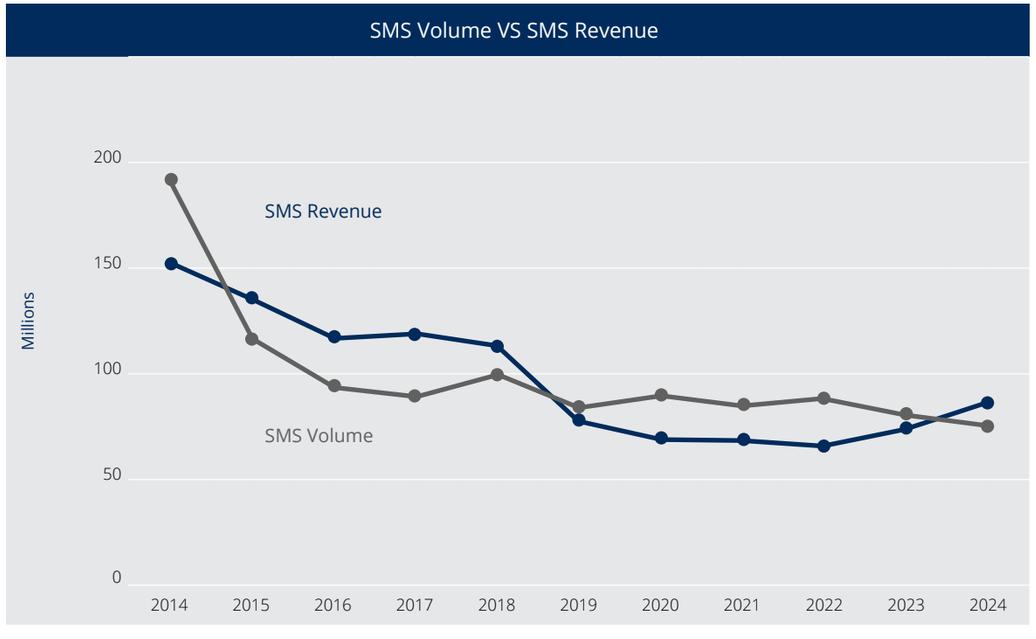
SMS technology continues to play a key role in the digital ecosystem, offering a simple and reliable method of communication across all mobile networks. Its ability to function without internet access makes it especially important in areas with limited connectivity.

From personal messaging to essential services like emergency alerts and banking notifications, SMS remains a trusted medium for delivering timely and secure information to users across all demographics in Vanuatu.

7.1. SMS Traffic & Revenue

In today's digital world, short message service (SMS) remains a reliable and widely used form of communication. While internet-based messaging apps dominates the Vanuatu's telecom market, SMS continues to play a critical role, particularly in areas with limited or unreliable internet access. Its ease of use, low cost, and ability to reach people instantly make it valuable for everyday communication, business interactions, and the delivery of urgent public information.

Figure 14: Showing Trend of Traditional SMS Revenue & Volume



In 2024, Vanuatu's SMS market saw a 6% decline in message volume, dropping to under 76 million messages, as illustrated in Figure 14. Despite the reduction in usage, SMS revenue rose sharply by 17%, surpassing VUV 78 million. This trend—declining volume alongside increasing revenue—is largely driven by the growing adoption of premium messaging services and enterprise applications. Businesses are increasingly leveraging SMS for high-value functions such as:

- Marketing campaigns
- Transactional alerts (e.g., banking, booking confirmations)
- Customer engagement and loyalty programs

This shift toward targeted, enterprise-grade messaging solutions has expanded the commercial viability of SMS, highlighting its continued relevance in the digital ecosystem despite broader declines in peer-to-peer text messaging.

The decline in SMS usage is largely driven by the increasing consumption of mobile data, which has accelerated the shift toward instant messaging platforms.

7.2. Average SMS Pricing

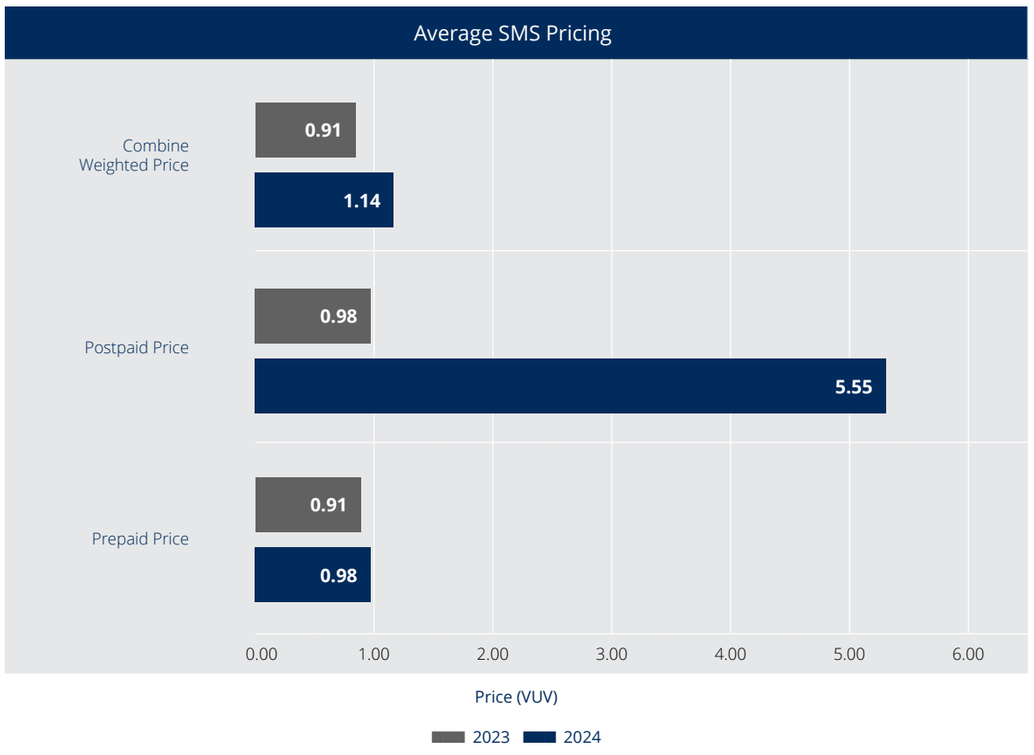
Although the advertised rates for SMS remained unchanged in 2024—VUV 10.50 per on-net SMS and VUV 11.50 per off-net SMS—Figure 15 revealed significant variations in actual user pricing across prepaid and post-paid plans.

- The average prepaid SMS price rose by 8%, reaching VUV 0.98 per message.
- The average post-paid SMS price also increased, climbing to VUV 5.55 per SMS.

These changes drove a 25% increase in the combined weighted average SMS price, which peaked at VUV 1.14 per SMS in 2024.

The increase in the weighted average reflects shifts in consumer usage patterns, the growing share of premium or enterprise messaging, and possible changes in bundled or tariffed offerings within post-paid plans. Despite static advertised rates, these pricing dynamics suggest a more sophisticated monetization strategy by operators, particularly in the post-paid segment.

Figure 15: Showing Average SMS Pricing



One of the key drivers is the decline in peer-to-peer SMS volumes, largely due to the widespread adoption of over-the-top (OTT) messaging platforms like WhatsApp, Facebook Messenger, and Viber and so on. In response, the operators have adjusted pricing structures particularly in the post-paid segment—to maintain revenue streams. In parallel, the growing use of premium and enterprise messaging has had a notable impact on average pricing. High-value applications, including marketing campaigns, bank alerts, and transactional notifications, have contributed to higher average prices, as these services typically involve larger-scale or more frequent messaging by businesses. Furthermore, inflationary pressures and operational cost adjustments have influenced pricing strategies, while the shift towards a more value-driven, business-oriented SMS usage means that even modest price increases in the postpaid segment have significantly pushed up the combined weighted average price. Collectively, these factors highlight a transformation in the SMS market—from low-cost, high-volume personal messaging to targeted, higher-value commercial communications.

7.3. On-net and Off-net SMS

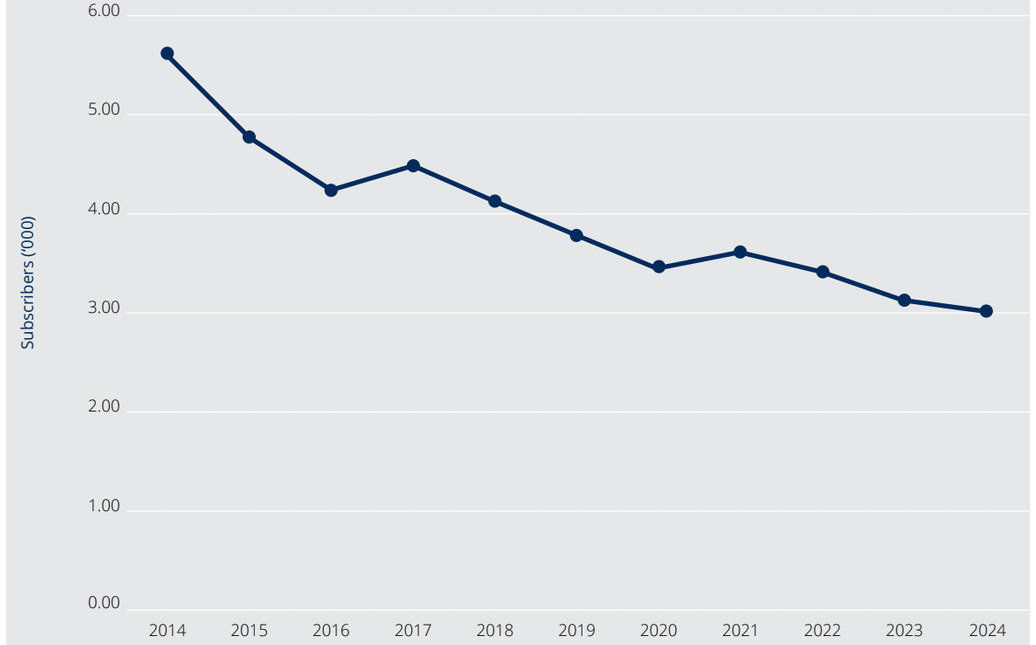
Data analyzed by TRBR indicated that the on-net SMS traffic fell by 6%, totaling only 72 million messages in 2024. Despite this drop, the on-net SMS revenue rose by 31%, generating over VUV 63 million in the same year. In contrast, off-net SMS traffic also declined, recording just 2.06 million messages in 2024, accompanied by a 31% drop in revenue to VUV 10.3 million. The continued decline in SMS usage is largely driven by the increasing consumption of mobile data, which has accelerated the shift toward instant messaging platforms and further reduced reliance on traditional SMS services.

Chapter 8
Fixed Voice Services

Fixed telephone services continue to be a critical part of telecommunications infrastructure, delivering reliable and stable voice connectivity for households, businesses, and government entities. Despite the rapid expansion of mobile and internet-based communication, fixed lines still provide consistent call quality and support vital functions such as emergency response, broadband connectivity, and essential government communications. For government agencies, fixed telephone networks offer secure and reliable channels necessary for administrative work, public safety coordination, and disaster management.

8.1. Fixed Voice Subscription

Figure 16: Showing Fixed Line Telephone Subscription



In 2024, Vanuatu's fixed telephone market experienced further subscriptions decline by 4%, falling to a total of 3,036 subscribers.

This decline reflects the rapid growth and adoption of mobile telecommunications services. The widespread rollout of 4G technology, combined with affordable smartphones and competitive pricing, has made mobile services more accessible and attractive to the population. Consequently, many consumers have migrated from traditional landline services to mobile phones, enjoying greater flexibility, mobility, and convenience. This shift is clearly reflected in the substantial rise in mobile subscriptions and data usage nationwide.

Furthermore, the rise of internet-based communication, particularly Over-the-Top (OTT) platforms, has significantly contributed to the ongoing decline in fixed-line telephone subscriptions. Services such as WhatsApp, Zoom, Microsoft Teams, and other VoIP applications enable users to make voice and video calls over the internet, often at minimal or no cost. These platforms also provide advanced features—such as instant messaging, file sharing, and real-time discussions—that far surpass the capabilities of traditional fixed-line telephony.

As both individuals and businesses increasingly embrace the flexibility and cost-effectiveness of these digital tools, the move away from traditional fixed-line telephone services is expected to persist, driven by ongoing digital transformation across all sectors.

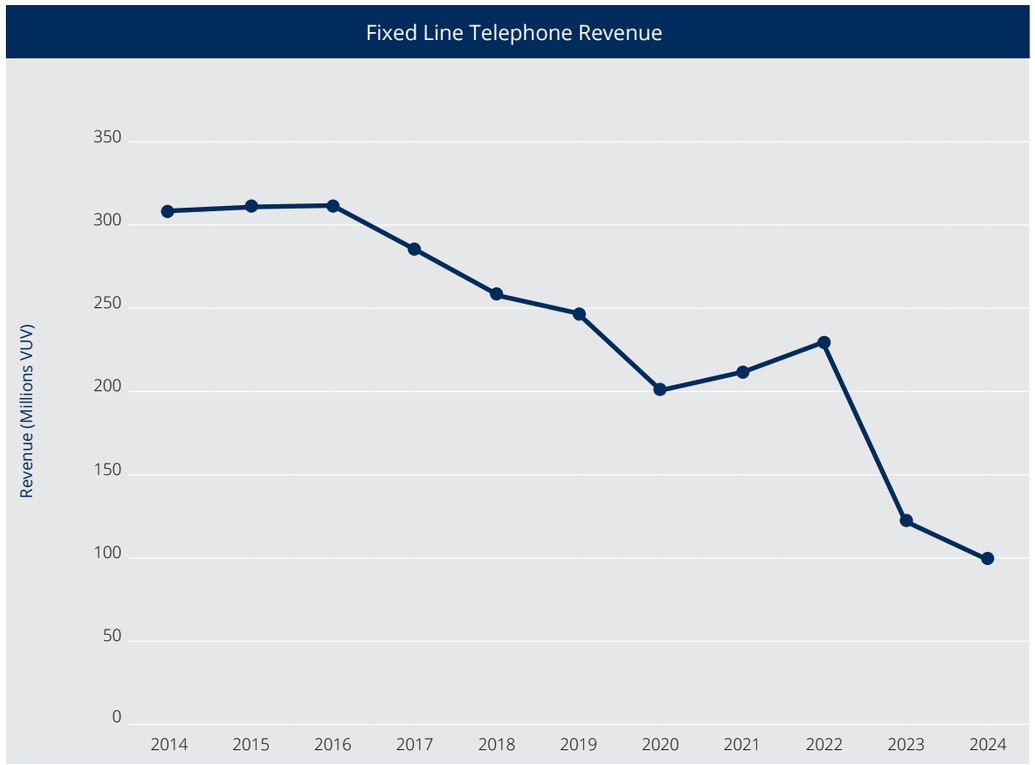
VoIP remains a critical component of modern telecommunications infrastructure despite the widespread adoption of mobile networks.

8.2. Fixed Voice Revenue

The drop in fixed-line telephone subscriptions has directly led to a decline in total fixed voice revenue. As shown in Figure 17, revenue from fixed voice services fell 18% in 2024, reaching just VUV 98.96 million. This decline reflects changing consumer preferences, with mobile and internet-based communication platforms steadily reducing demand for traditional fixed-line services.

Though, mobile services continue to gain popularity, many businesses, corporate entities, and government agencies still rely heavily on IP-based solutions such as VoIP for their voice and data traffic. These technologies offer greater flexibility, cost efficiency, and integration capabilities, enabling organizations to streamline communications and support increasing digital workflows. As a result, VoIP remains a critical component of modern telecommunications infrastructure despite the widespread adoption of mobile networks.

Figure 17: Showing Fixed Line Telephone Revenue



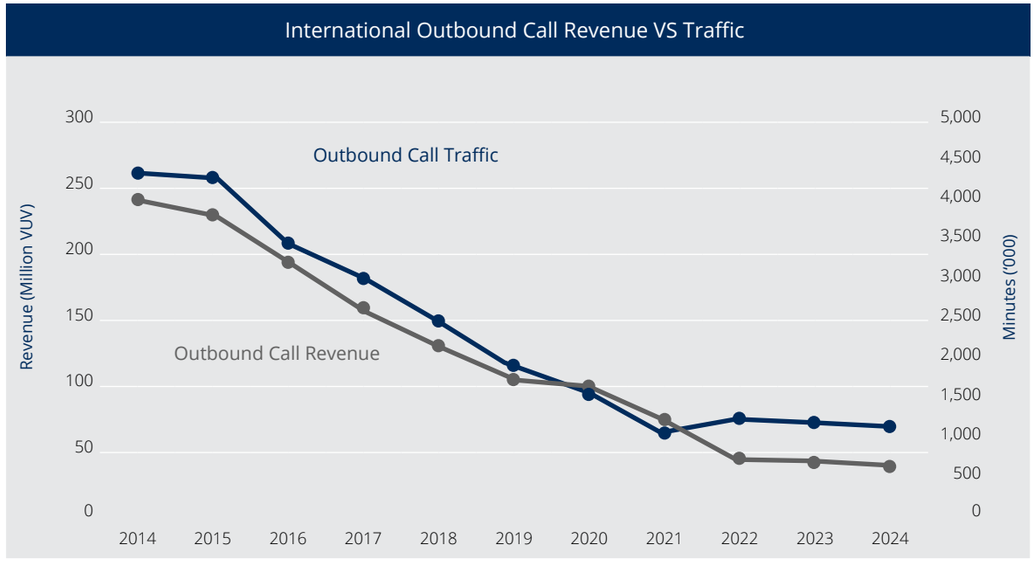
Chapter 9
International Calls

International calling services remain a vital part of Vanuatu's telecommunications landscape, connecting individuals, businesses, and government agencies to the global community. While internet-based communication platforms are increasingly widespread, traditional international voice calls remain essential for providing reliable and direct connectivity—particularly in areas with limited internet access or for users who require consistent call quality. For businesses and government entities, international calls are crucial for sustaining cross-border relationships, coordinating regional initiatives, and supporting economic activities that rely on timely and secure communication.

9.1. International Outbound Call Traffic

With the global decline in the traditional voice services, Vanuatu's international outbound call market has also continued to experience a drop in traffic. As illustrated in Figure 18, the total outbound international call minutes fell by 5% in 2024, recording just only 1.16 million minutes. This downward trend reflects a broader shift in consumer behavior, as users increasingly turning to internet-based communication platforms such as OTT services, which provide low-cost or free alternatives to traditional calling. As a result, service operators are experiencing growing revenue pressures, with the erosion of traditional voice usage further challenging the sustainability of international call services.

Figure 18: Showing International Outbound Call Revenue & Traffic



Furthermore, data in Figure 18 shows that revenue from the international outbound calls dropped by 7% in 2024, generating only VUV41.9 million. This downward trend is expected to continue as consumers increasingly adopt alternative communication options, particularly OTT services, which offer cost-effective or free voice and video calling over the internet. The growing popularity of these services is fueling increased demand for internet-based communication, further accelerating the move away from traditional international calling. As a result, this shift in user preferences continues to put downward pressure on international outbound call revenues, posing challenges to the long-term sustainability of this service segment.

9.2. International Call Roaming

International call roaming services remain a crucial part of Vanuatu's telecommunications sector, allowing mobile users to stay connected while travelling abroad. These services allow subscribers to make and receive voice calls, send messages, and access essential communication channels using foreign networks, ensuring seamless connectivity across borders. For business travelers, government officials, and international visitors, roaming plays a key role in maintaining real-time communication for operational needs, coordination, and personal contact. Despite the growing use of internet-based alternatives, international roaming continues to serve as a critical solution in areas where mobile data or Wi-Fi access is limited, reinforcing its importance in global mobility and connectivity.

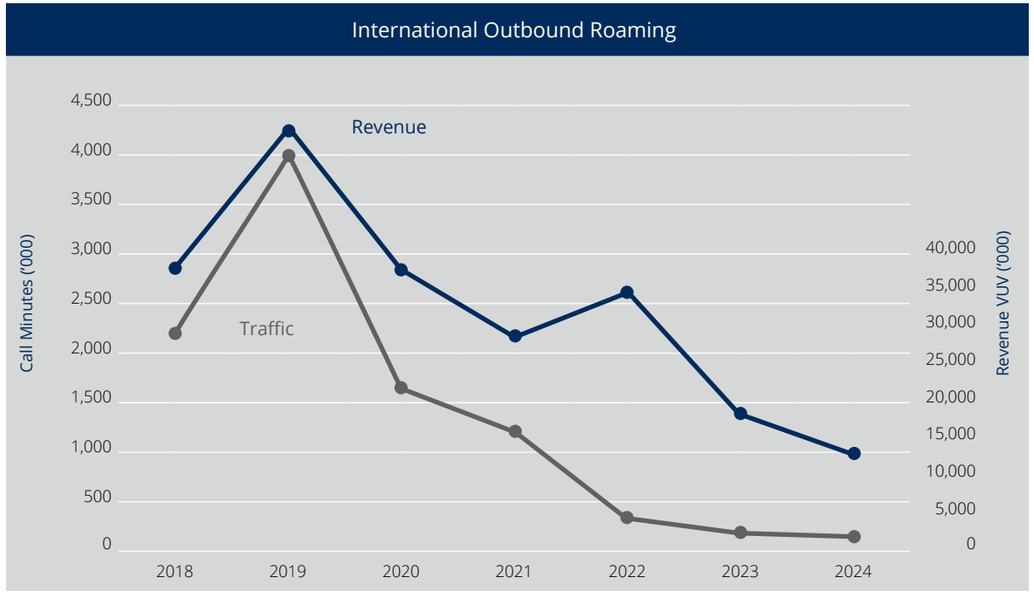
Data collected and analized by the TRBR indicated that while the total number of international call roamers increased by 3% in 2024, overall call traffic declined sharply by 19%. Despite the growth in roaming subscribers, the international call roaming market also experienced a substantial 50% decline in revenue, generating just VUV26.2 million for the year.

9.2.1. International Outbound Roaming

International outbound roaming remains essential for keeping Vanuatu's mobile subscribers connected while abroad. It allows travelers—whether for business, government, or personal purposes—to maintain seamless access to voice, SMS, and data services across borders. Despite rising competition from internet-based communication platforms, outbound roaming continues to be a critical option for users who need reliable, instant connectivity without depending on local SIM cards or public Wi-Fi. Its importance is especially clear for business and government users, who rely on uninterrupted communication to support operations and decision-making while overseas.

Revenue in the international outbound roaming market declined by 30%, generating only VUV8.7 million in 2024 compared to VUV12.9 million in 2023.

Figure 19: Showing International Outbound Roaming Call Traffic & Revenue



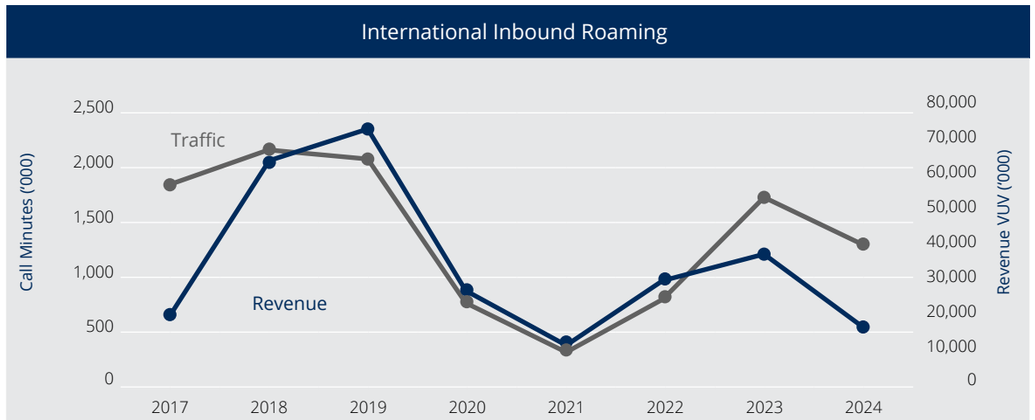
In 2024, the number of international outbound roamers increased by 72%, reaching over 2,000 subscribers. However, as shown in Figure 19, this sharp rise in roamers did not translate into higher call volumes, with total outbound roaming call traffic falling by 25%. This shift reflects changing consumer behavior, as travelers increasingly opt for alternative communication methods such as OTT applications and local SIM cards while abroad. As a result, revenue in the international outbound roaming market declined by 30%, generating only VUV8.7 million in 2024 compared to VUV12.9 million in 2023.

9.2.2. International Inbound Roaming

The continued growth of Vanuatu's tourism sector, supported by the free movement of visitors in and out of the country, has historically driven the uptake of international inbound roaming services. These services are vital for visitors, allowing them to stay connected by making and receiving calls on their mobile phones while in Vanuatu through local telecom networks. However, data collected by the TRBR indicated a slight decline of 0.43% in the total number of international inbound roamers in 2024, recording only 25,702 roamers. This drop is largely attributed to a decrease in the number of tourists visiting the country during the year.

As the total number of roamers decline, data presented in Figure 20 shows that Vanuatu's international inbound roaming market experienced a total of 18% drop in roaming call traffic, falling to 1.4 million minutes in 2024. This sharp drop in call volumes directly contributed to a 56% decline in revenue, with the market generating just VUV 17.4 million for the year.

Figure 20: Showing Trend of International Inbound Minutes & Revenue



The decline in revenue was directly related to the drop in the number of visitors to Vanuatu.

The decline in revenue was directly related to the drop in the number of visitors to Vanuatu. Data in Figure 21 shows that international arrivals fell by 23% in 2024. This decline was primarily caused by the liquidation of Air Vanuatu, which led to the suspension of all its international flights. In addition, a devastating earthquake caused extensive damage key infrastructure, including the international wharf, resulting in a complete halt to tourist arrivals during December 2024.

Figure 21: Source - Department of Customs and Inland Revenue

YEAR	MONTH	ARRIVALS						DEPARTURES						YACHT ARRIVALS	CRUISESHIP ARRIVALS	TOTAL VISITORS	YEAR	MONTH
		PORT VILA		LUGANVILLE		TOTAL		PORT VILA		LUGANVILLE		TOTAL						
		Residents	Visitors	Residents	Visitors	Residents	Visitors	Residents	Visitors	Residents	Visitors	Residents	Visitors					
2020		10,392	21,764	17	201	10,409	21,965	9,122	28,095	253	39	9,375	28,134	-	60,401	82,366	2020	
2021		3,495	-	-	-	3,495	-	8,964	-	-	-	8,964	-	-	-	-	2021	
2022		18,547	30,374	-	-	18,547	30,374	18,172	27,637	-	12	18,172	27,637	158	34,554	65,086	2022	
2023		29,087	75,302	350	1,697	29,437	76,999	27,855	88,150	156	1,231	28,011	89,381	-	263,578	341,605	2023	
2024		29,385	56,685	539	2,393	29,924	59,078	22,986	67,863	256	2,348	23,242	70,498	195	204,798	264,071	2024	
2020	May	-	-	-	-	-	-	19	54	-	-	19	54	-	-	-	2020	May
2021	May	355	-	-	-	355	-	688	-	-	-	688	-	-	-	-	2021	May
2022	May	1,056	-	-	-	1,056	-	1,040	-	-	-	1,040	-	-	-	-	2022	May
2023	May	4,168	5,992	-	-	4,168	5,992	2,502	7,395	-	-	2,502	7,395	72	14,666	20,730	2023	May
2024	May	1,211	2,722	-	-	1m211	2,722	924	2,722	4	46	928	3,055	73	21,152	23,947	2024	May
	Jun	1,860	1,943	-	20	1,860	1,963	950	2,091	-	61	950	2,152	37	12,020	14,020		Jun
	Jul	2,159	4,194	9	97	2,168	4,291	1,460	4,667	-	84	1,460	4,751	-	21,816	26,107		Jul
	Aug	3,289	5,282	0	0	3,289	5,282	2,048	5,905	-	-	2,048	5,905	53	6,046	11,381		Aug
	Sep	4,360	6,475	93	477	4,453	6,952	2,553	6,414	46	419	2,599	6,833	2	9,432	16,386		Sep
	Oct	2,970	6,300	91	385	3,061	6,685	2,789	7,857	54	492	2,843	8,349	-	5,789	12,474		Oct
	Nov	3,475	6,053	85	387	3,560	6,440	3,767	6,330	28	391	3,795	6,721	-	6,462	12,902		Nov
	Dec	4,115	5,947	131	397	4,246	6,344	2,659	6,446	30	376	2,689	6,822	-	11,646	17,990		Dec
2025	Jan(p)	2,527	6,376	101	349	2,628	6,725	2,369	7,521	56	552	2,425	8,073	-	12,635	19,360	2025	Jan(p)
	Feb(p)	1,914	4,123	58	242	1,972	4,365	3,560	4,110	38	161	3,598	4,271	-	18,948 r	23,313		Feb(p)
	Mar(p)	2,287	5,254	5	10	2,292	5,264	3,577	5,331	7	79	3,584	5,410	-	17,075	22,339		Mar(p)
	Apr(p)	2,974	8,009	na	na	2,974	8,009	2,516	7,992	na	na	2,516	7,992	6	18,535	26,544		Apr(p)
	May(p)	4,259	7,103	na	na	4,259	7,103	3,056	7,246	na	na	3,056	7,246	-	3,116	10,219		May(p)

Source - Department of Customs and Inland Revenue
No Visitors/Residents were recorded for the reference month N/A not available
p = Provisional figures

Chapter 10
Conclusion

Overall, the telecom sector in Vanuatu has shown remarkable progress over recent years, playing a critical role in connecting communities across the islands and fostering economic growth. Despite challenges such as geographic dispersion and limited infrastructure, the sector has managed to expand mobile coverage and internet accessibility, contributing to social inclusion and enabling access to essential services such as financial services, health services, educational services and so on. This progress underscores the sector's importance as a backbone for communication and development in Vanuatu.

Nevertheless, the telecom sector continues to face challenges that limit its full potential. High operational costs, inconsistent network quality, and limited competition in the rural areas, have restricted both the affordability and accessibility of telecom services. In addition, natural disasters and infrastructure vulnerabilities pose ongoing risks to service continuity, therefore, emphasizing the need for resilient systems and strengthening disaster preparedness across the sector.

To drive future progress, investment in modern infrastructure, including submarine cable and terrestrial optical fibre networks, and satellite technologies-is crucial. Promoting stronger competition among service providers could stimulate innovation, improve quality of service, and lower costs for consumers. At the same time, regulatory frameworks must adapt to balance industry growth with consumer protection, ensuring fair access and supporting sustainable development.

Furthermore, the government and private sector partnership remains essential in addressing these challenges and capitalizing on emerging opportunities. Such collaboration can accelerate digital transformation initiatives, expand digital literacy initiatives, and support inclusive policies that drive services to rural and underserved communities. Strengthening this cooperation will be a key to unlocking the full socio-economic benefits of telecommunications for all citizens, residence and visitors.

In conclusion, while the telecom sector in Vanuatu has made commendable progress, further efforts are needed to address persistent challenges and to build a resilient, inclusive communications landscape. Through strategic investments, enabling policies, and strong stakeholder collaboration, the sector can significantly contribute to Vanuatu's broader development goals and enhance the quality of life for its citizens.