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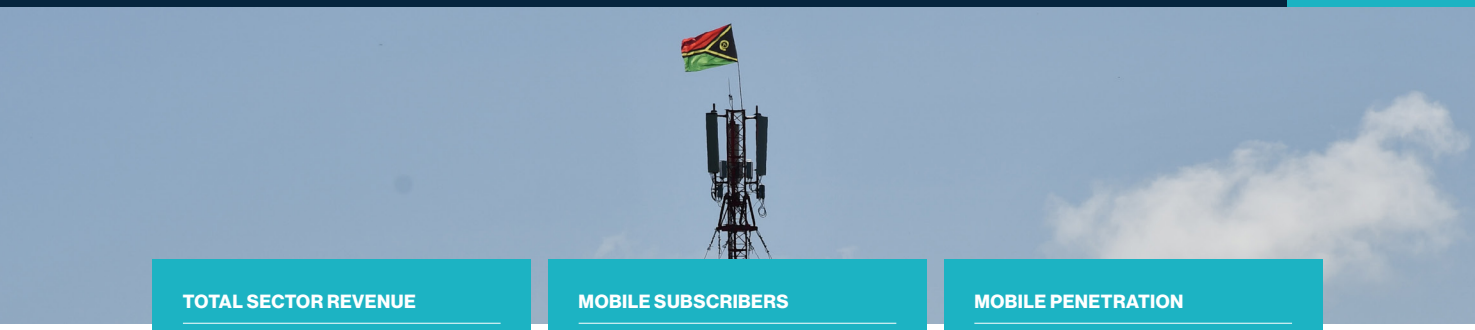
Telecommunications,
Radiocommunications &
Broadcasting Regulator



SECTOR REPORT

2026

01 EXECUTIVE SUMMARY



TOTAL SECTOR REVENUE	MOBILE SUBSCRIBERS	MOBILE PENETRATION
VT 7.12B	**353,381**	**103%**
▲ +14.3% YoY	▲ +15.5% YoY	▲ First time > 100%

MOBILE DATA REVENUE	INTERNATIONAL BANDWIDTH	FIXED INTERNET SUBSCRIPTIONS
VT 3.50B	**31.5 Gbps**	**3,341**
▲ +12.0% YoY	▲ +78.5% YoY	▼ -11.8% YoY

Overview

In 2025, Vanuatu's telecommunications sector achieved a total revenue of VT 7.12 billion, marking a 14.3% increase over 2024's VT 6.22 billion, with a considerable shift toward data driven services.

Mobile data emerged as the dominant revenue stream at VT 3.50 billion more than four times voice revenue (VT 0.83 billion) driven by 4G/LTE network maturity and a 97% data price reduction (VT 4.70/MB in 2014 to VT 0.13/MB in 2025), which bring exponential consumption growth.

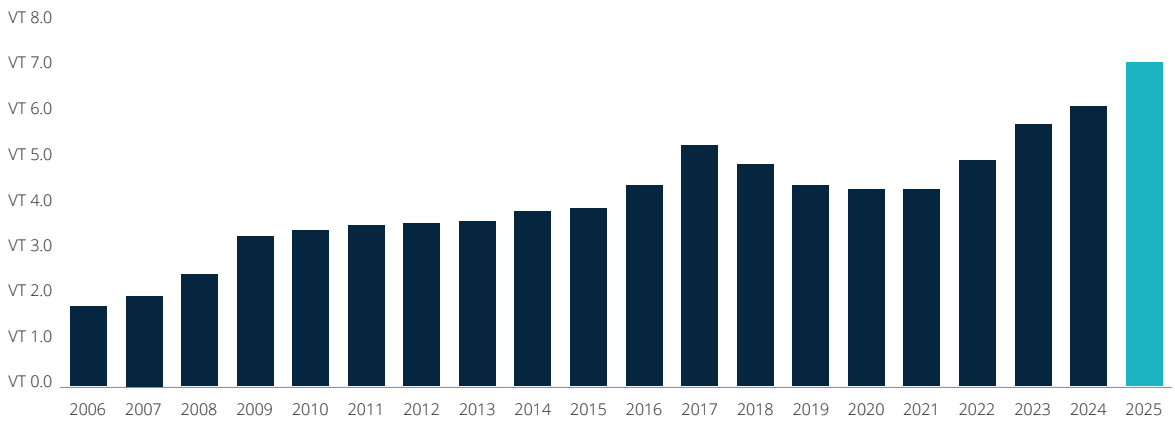
Mobile penetration reached a historic 103% (353,381 subscriptions vs. a population of 343,320), propelled by dual-SIM usage and youth adoption, placing Vanuatu ahead of the Pacific Island average. International bandwidth surged 78.5% equal to 31.5 Gbps, supporting a 21.6% rise in data traffic and an increase in inbound roaming revenue of VT 56.0M (27,533 roamers), reflecting a strong tourism rebound.

Fixed internet subscriptions has dropped again by 11.8% (3,341 subscribers remain), with a revenue down of 23.2% (VT 637.9 million), as mobile substitution intensifies particularly across outer islands. Continued investment in last-mile fibre (FTH) remains critical to preserving digital inclusion for businesses and institutions.

02 SECTOR REVENUE OVERVIEW

Total Sector Revenue - Historical Trend (2006-2025)

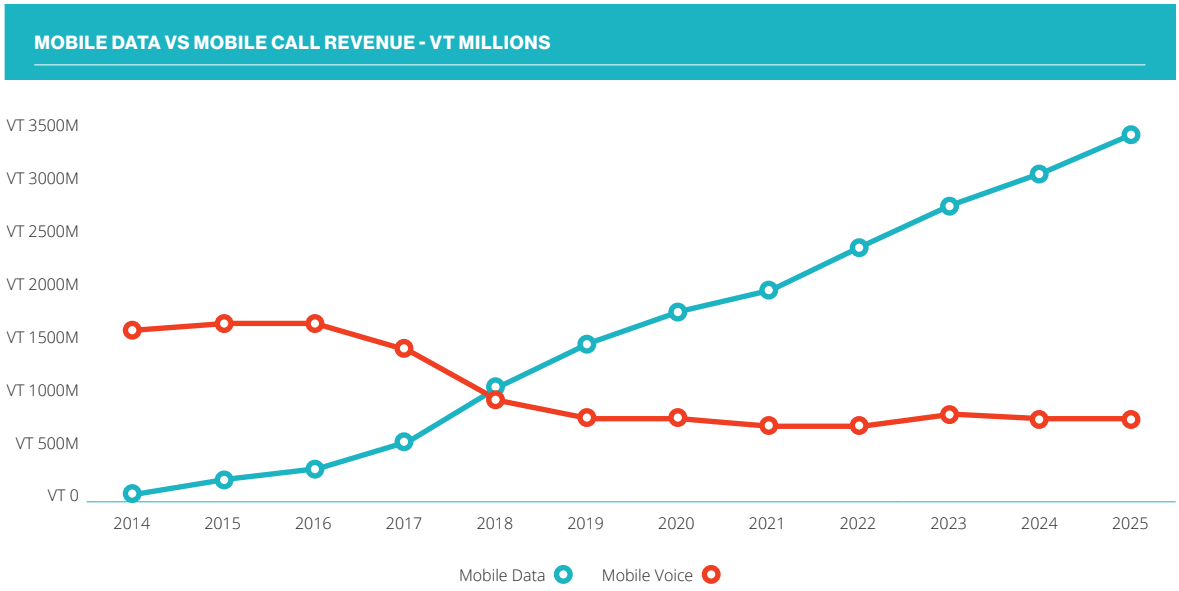
ANNUAL REVENUE IN VT BILLIONS - 2025 DATA HIGHLIGHTED



Revenue by Service Stream (2023-2025)

REVENUE STREAM	2023 (VT)	2024 (VT)	2025 (VT)	YoY CHANGE
Mobile Data	2,794,299,121	3,123,178,274	3,497,992,004	▲ +12.0%
Mobile Voice	854,498,910	827,734,061	825,816,400	▼ -0.2%
Fixed Internet	808,168,791	830,602,121	637,925,635	▼ -23.2%
Fixed Telephony	120,892,352	98,955,768	92,200,904	▼ -6.8%
SMS	73,185,032	86,065,779	81,426,722	▼ -5.4%
Intl. Outbound Calls	45,171,245	41,942,038	42,038,617	▲ +0.2%
Intl. Inbound Roaming	39,661,836	17,452,538	55,988,928	▲ +220.9%
Outbound Roaming	12,490,820	8,741,602	8,366,379	▼ -4.3%
Others	1,086,319,799	1,189,209,105	1,874,024,904	▲ +57.6%
TOTAL SECTOR REVENUE	**5,241,755,589**	**6,223,881,286**	**7,115,780,493**	**▲ +14.3%**

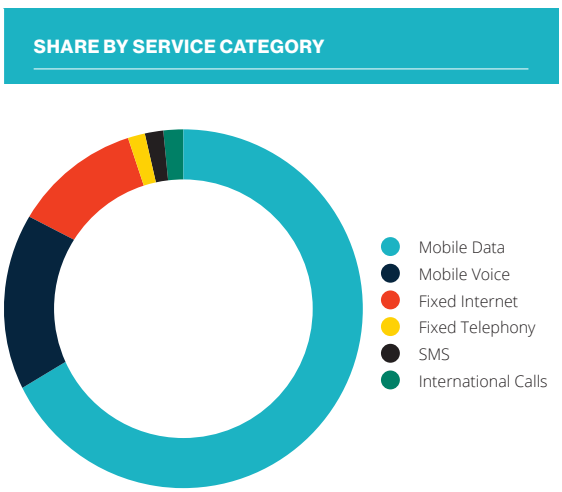
Data VS Voice Revenue Shift (2014-2025)



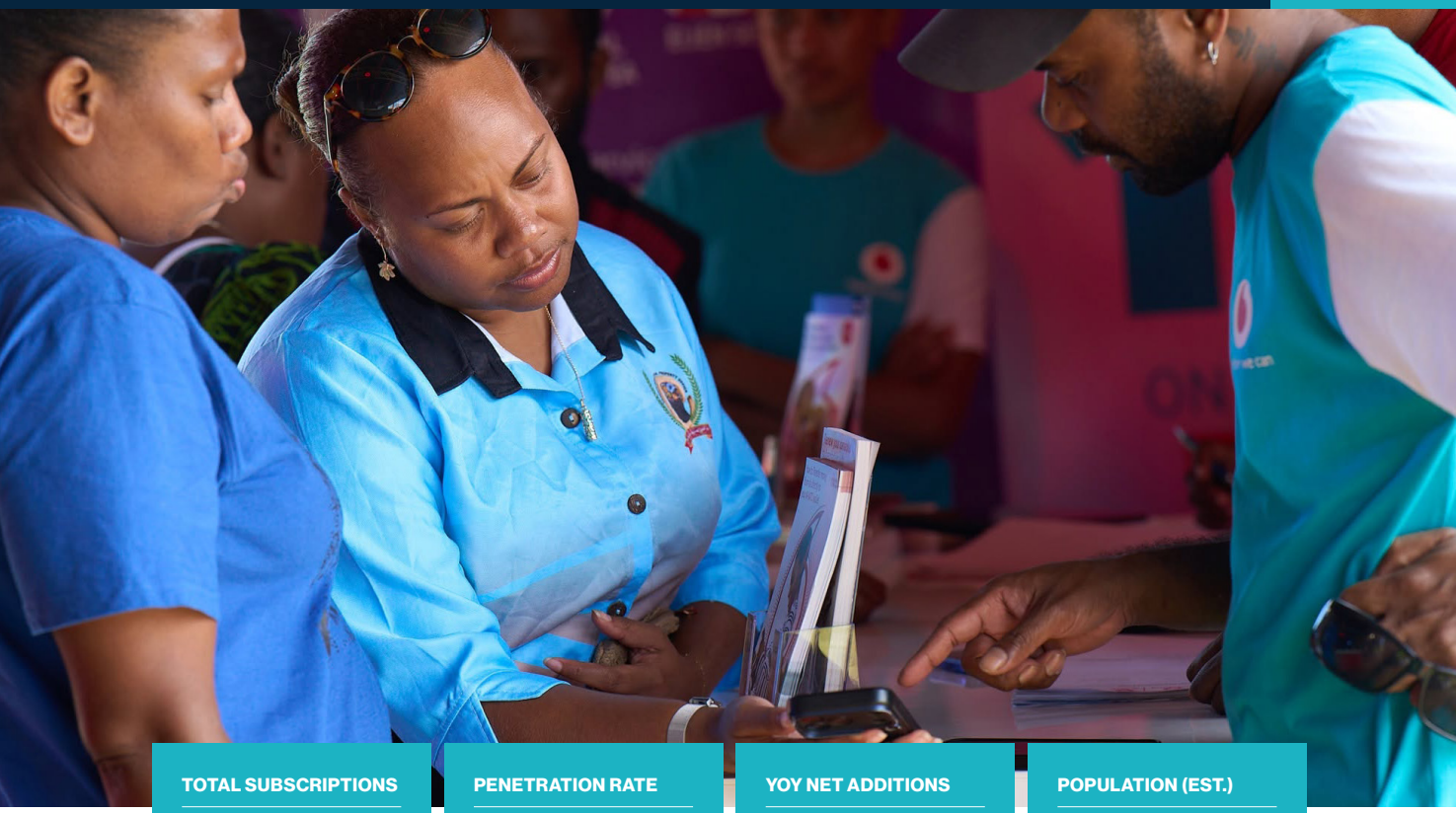
Vanuatu's telecom sector has sustained a compound annual revenue growth of approximately 4.5% per year since 2006, growing from VT 1.80 billion to VT 7.12 billion. The 2025 figure represents the highest sector revenue recorded in history, crossing the VT 7 billion mark for the first time.

The revenue composition shift is structurally significant since 2014, voice services accounted for the majority of revenue by 2025, mobile data represents 49.2% of total sector revenue, with mobile services overall (data + voice + SMS) accounting for 61.9% of total revenue. This mirrors the pattern seen across other Pacific countries and their island economies. Vanuatu's digital transition is now aligned with regional peers.

Revenue Composition 2025



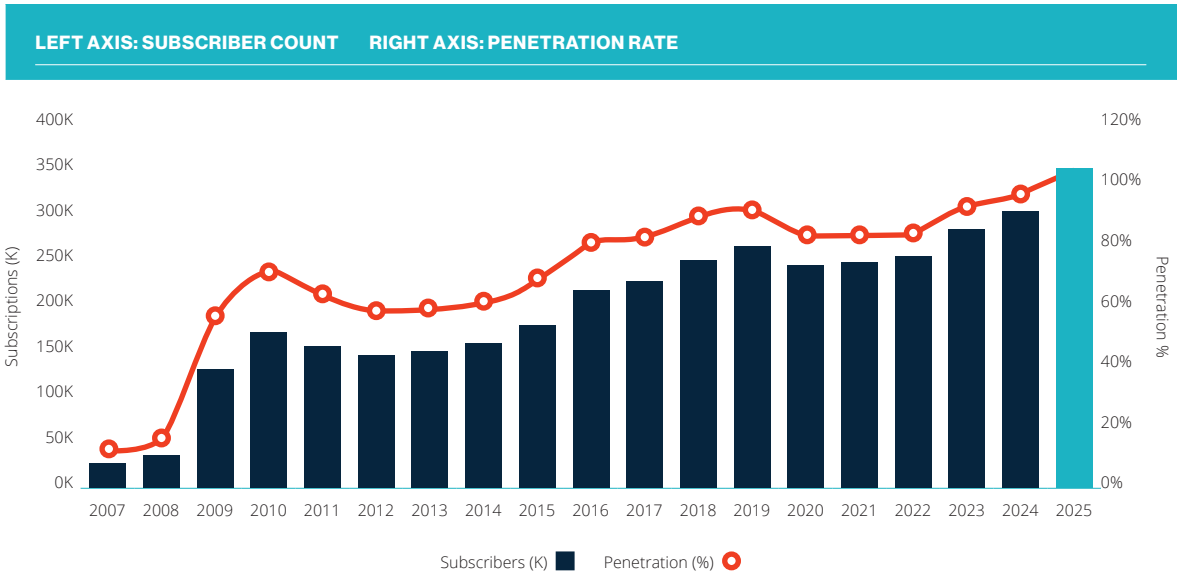
03
MOBILE SUBSCRIPTIONS & MARKET PENETRATION



TOTAL SUBSCRIPTIONS	PENETRATION RATE	YOY NET ADDITIONS	POPULATION (EST.)
353,381	**103%**	**+47,334**	**343,320**
▲ +15.5% vs 2024	▲ First time > 100%	▲ Largest in 6 years	2025 estimate

Vanuatu's mobile penetration reaching 103% is a landmark but requires nuanced interpretation. In the Pacific Island context, penetration above 100% typically indicates dual SIM usage where subscribers hold active SIM cards from both Digicel and Vodafone to benefit from on-net pricing, a common behaviour across Pacific Island nations. The effective individual user reach is estimated at 80–85% of the population. This milestone nonetheless confirms near universal access among economically active adults and represents a genuine acceleration in digital inclusion following a period of stagnation (2020–2023 range: 83–92%).

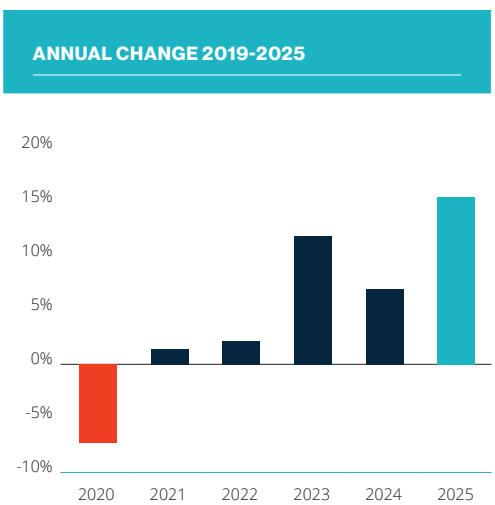
Mobile Subscriptions & Penetration Rate (2007-2025)



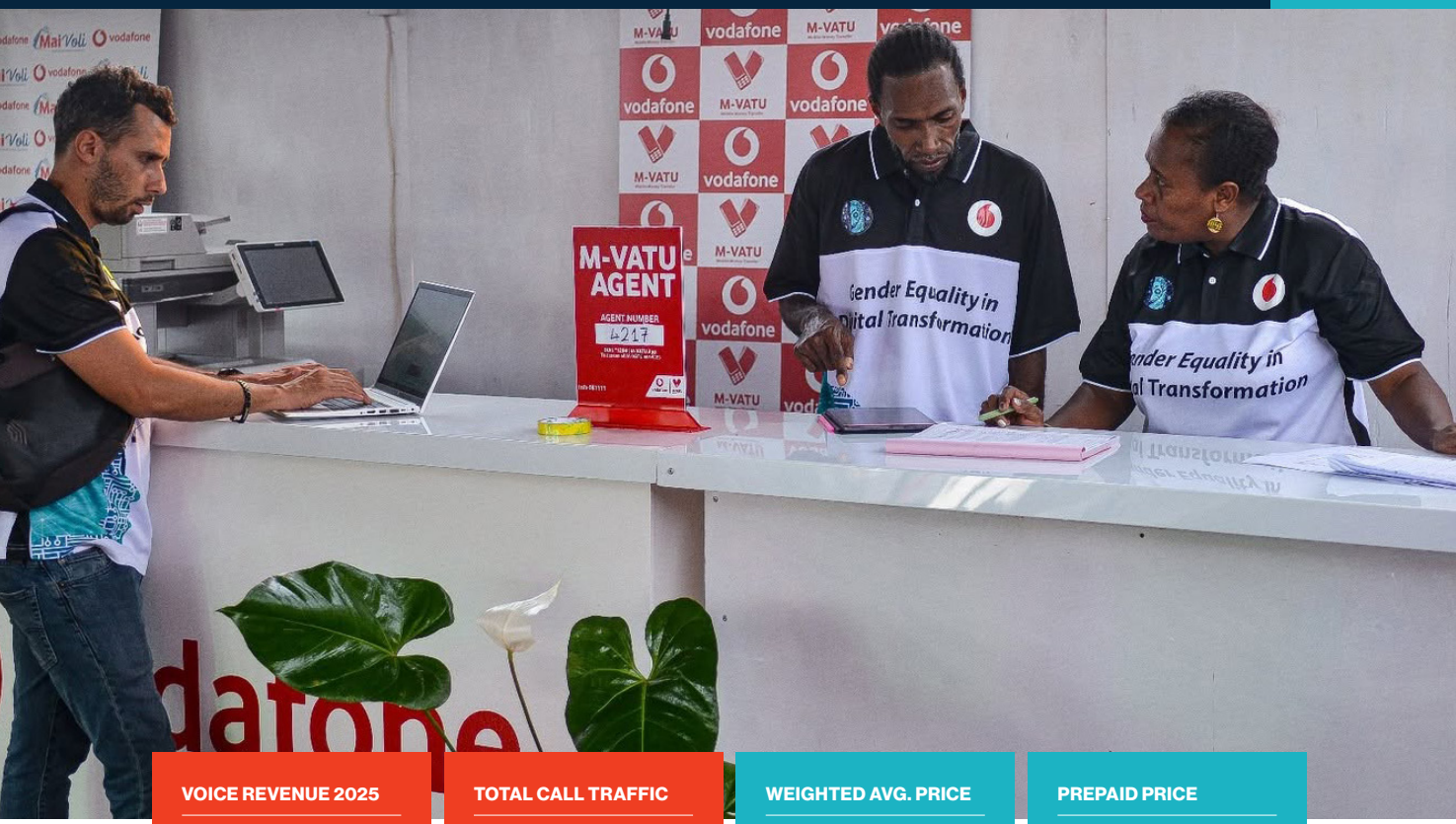
Subscription Growth Milestones (2019–2025)

YEAR	SUBSCRIBERS	PENETRATION RATE	YOY GROWTH
2019	265,219	92.0%	-
2020	246,232	83.7%	▼ -7.2%
2021	249,868	83.3%	▲ +1.5%
2022	255,509	83.5%	▲ +2.3%
2023	286,107	91.7%	▲ +12.0%
2024	306,047	96.1%	▲ +7.0%
2025	**353,381**	**103.0%**	**▲ +15.5%**

Subscriber Growth Rate YoY



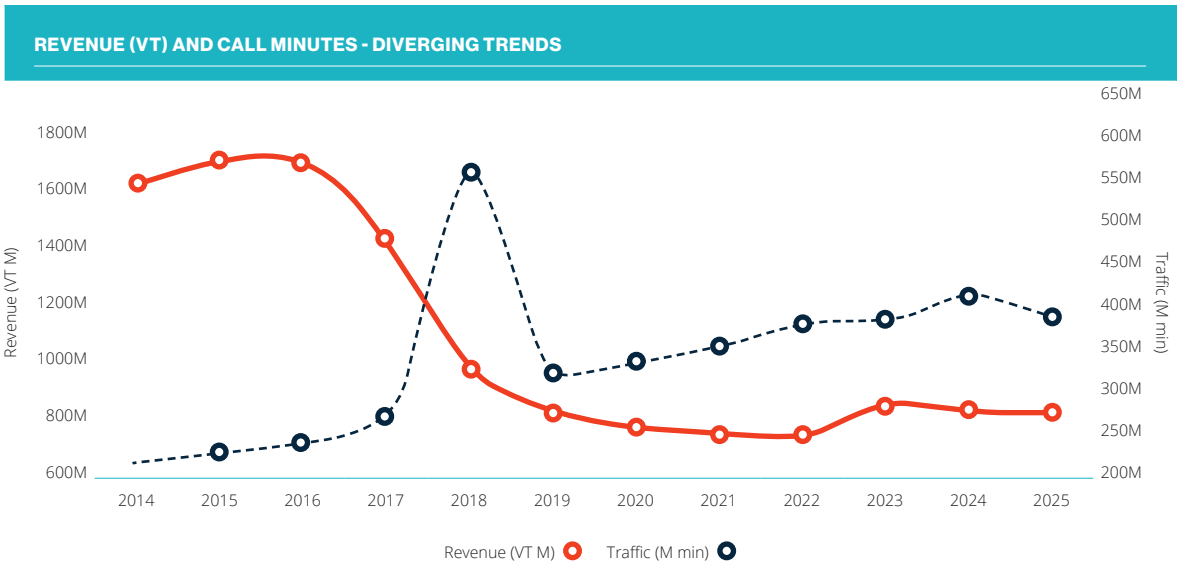
04 MOBILE VOICE SERVICES



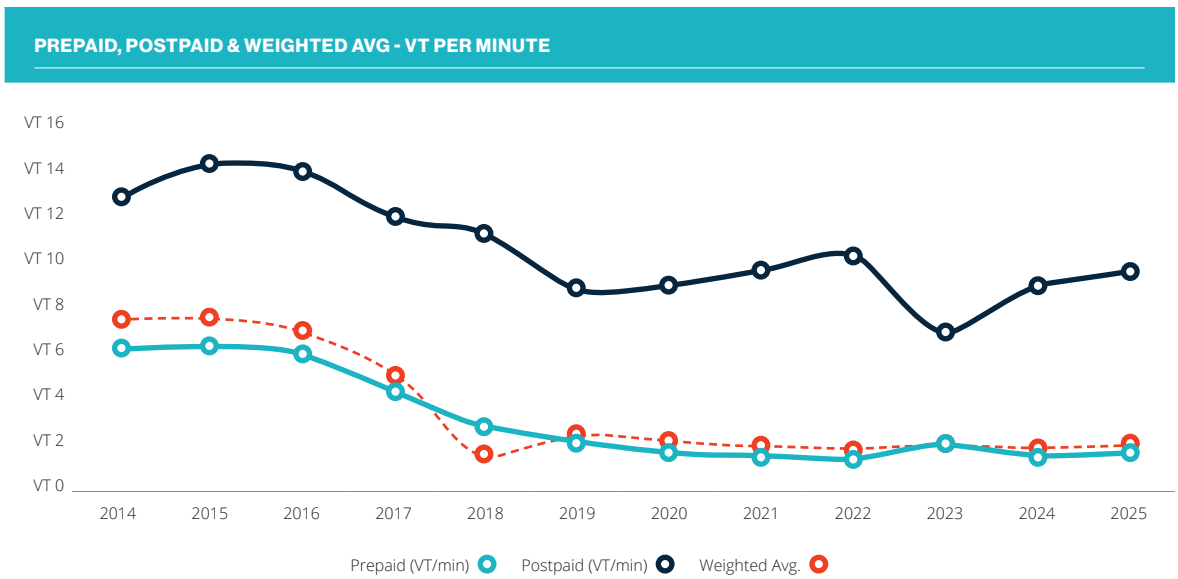
VOICE REVENUE 2025	TOTAL CALL TRAFFIC	WEIGHTED AVG. PRICE	PREPAID PRICE
VT 825.8M	**413.8M min**	**VT 2.00/min**	**VT 1.65/min**
▼ -0.2% YoY	▼ -5.5% YoY	▲ +5.8% YoY	▲ +5.1% YoY

Mobile voice revenue has entered a secular decline characteristic of maturing telecom markets. Revenue peaked at VT 1.72B in 2016 and has since fallen 52% in nominal terms to VT 825.8M in 2025. The prepaid price has collapsed from VT 6.34/min (2014) to VT 1.65/min (2025), a 74% reduction. Despite this, traffic volumes have remained relatively resilient (413.8M minutes), suggesting price elasticity is sustaining usage even as revenue per minute erodes. The slight price uptick in 2025 (+5.8%) may indicate operators are stabilizing pricing floors. OTT voice services (WhatsApp, Messenger) are partly substituting traditional circuit switched calls, a trend that is unlikely to reverse.

Voice Revenue VS. Traffic Volume (2014-2025)



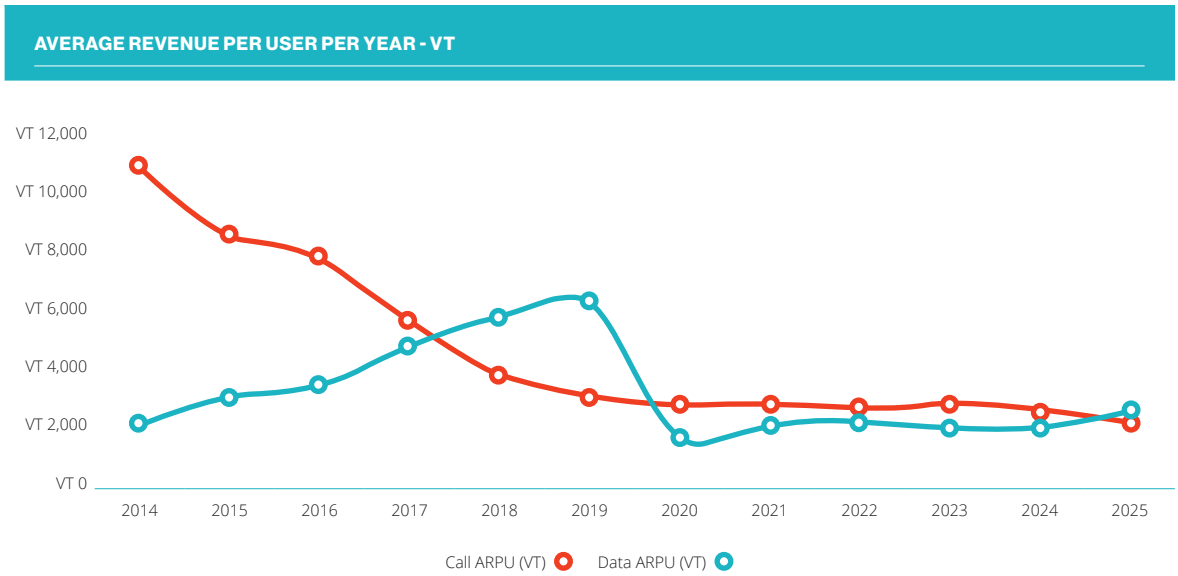
Average Call Pricing Decline (2014-2025)



Historical Call Pricing (2014–2025)

YEAR	PREPAID (VT/MIN)	POSTPAID (VT/MIN)	WEIGHTED AVG. (VT/MIN)
2014	6.34	13.00	7.60
2016	6.12	14.26	7.10
2018	2.84	11.48	1.62
2020	1.74	9.06	2.21
2022	1.43	10.43	1.85
2023	2.01	7.03	2.09
2024	1.57	9.01	1.89
2025	1.65	9.68	2.00

Mobile ARPU: Voice Vs. Data (2014-2025)

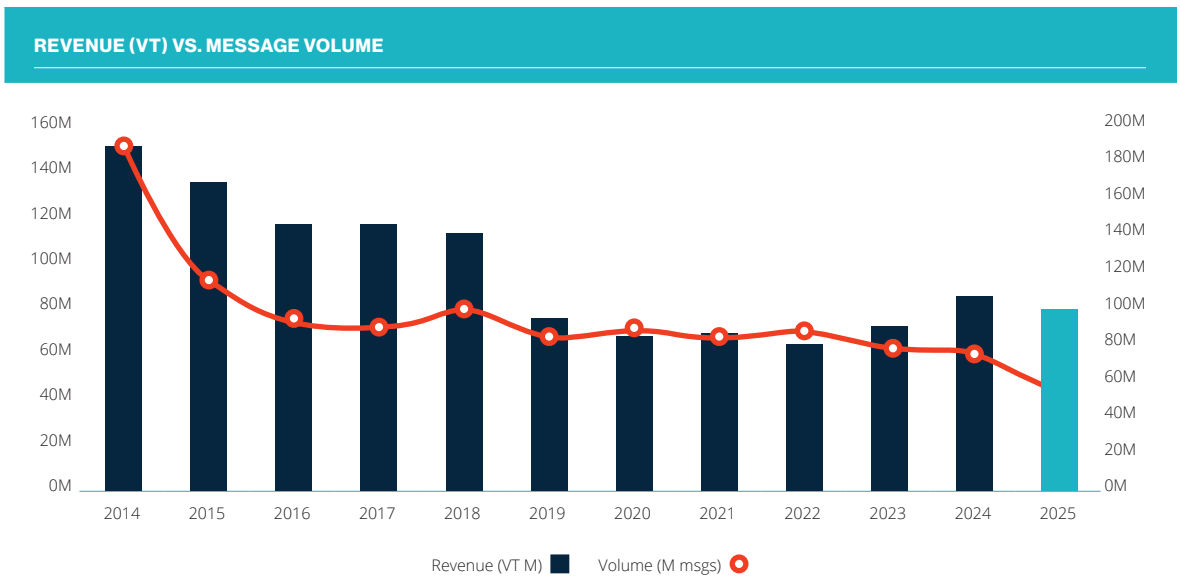


05 SMS SERVICES

SMS REVENUE 2025	SMS VOLUME 2025	WEIGHTED PRICE	ON-NET TRAFFIC
VT 81.4M	**51.9M msgs**	**VT 1.57/SMS**	**49.7M msgs**
▼ -5.4% YoY	▼ -31.4% YoY	▲ +37.7% YoY	▼ -31.7% YoY

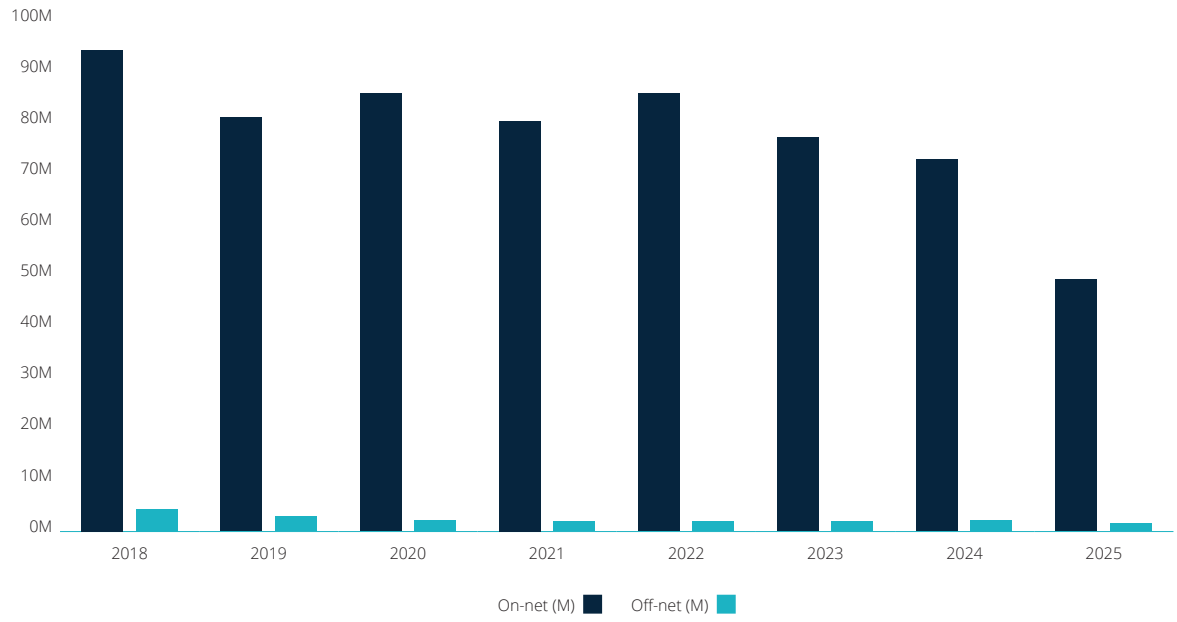
SMS traffic has fallen 31.4% year-on-year, the sharpest annual drop on record. The volume decline mirrors the global trend of messaging apps (WhatsApp, Telegram, Messenger) completely displacing person-to-person SMS. Paradoxically, the weighted average price rose 37.7%, suggesting the remaining SMS traffic increasingly comprises A2P (application to person) messages such as OTP codes and service notifications, which command a higher price. This revenue resilience is through a composition shift where operators should actively develop A2P SMS platforms for financial services, healthcare, and government notifications to maintain this revenue stream.

SMS Revenue & Volume Trend (2014-2025)





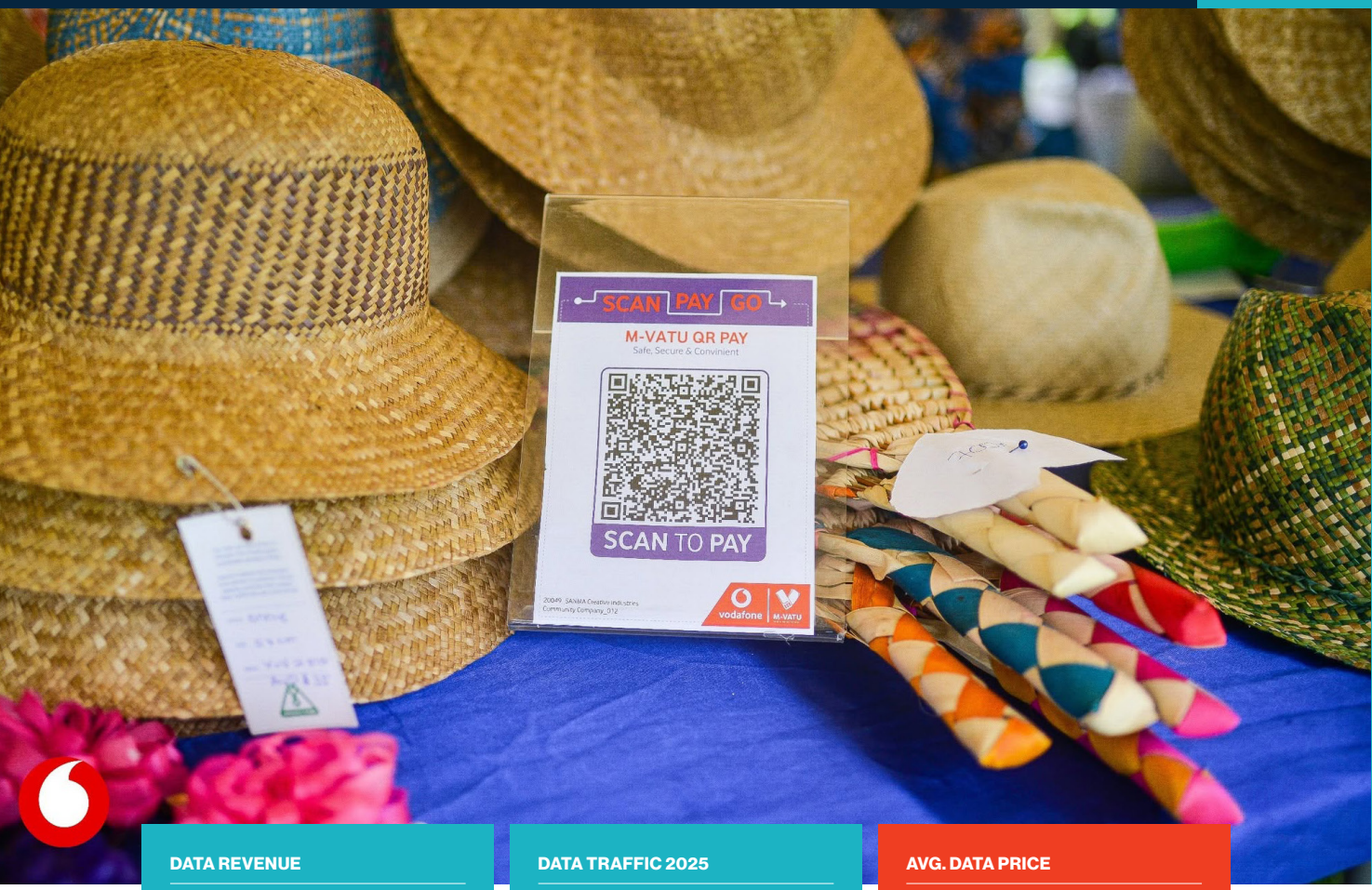
SMS On-Net VS Off-Net Traffic (2018-2025)



SMS Metrics Summary (2022-2025)

METRIC	2022	2023	2024	2025
Revenue (VT)	65,452,120	73,185,032	86,065,779	81,426,722
Total Volume (msgs)	88,752,741	80,077,555	75,640,967	51,918,037
On-net Traffic (msgs)	86,043,004	77,121,488	72,809,732	49,746,572
Off-net Traffic (msgs)	2,244,717	2,238,680	2,063,141	1,649,309
Prepaid Price (VT/SMS)	~0.63	~0.78	0.98	1.34
WEIGHTED AVG. PRICE (VT/SMS)	**0.74**	**0.91**	**1.14**	**1.57**

06
MOBILE DATA & DIGITAL ECONOMY



DATA REVENUE

VT 3.50B

▲ +12.0% YoY

DATA TRAFFIC 2025

27.3B MB

▲ +21.6% YoY

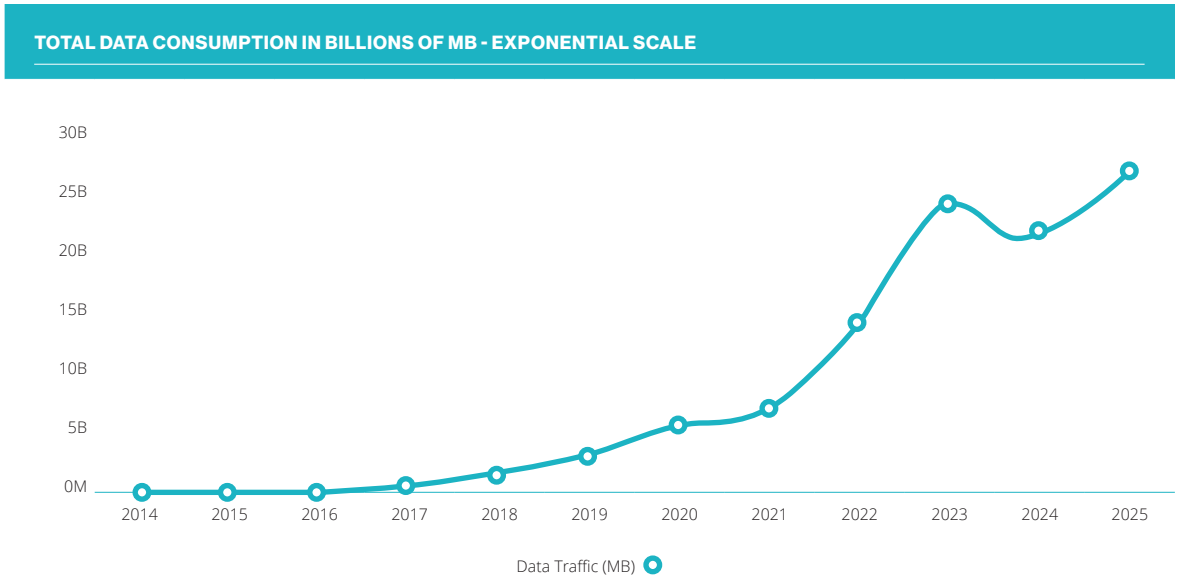
AVG. DATA PRICE

VT 0.13/MB

▼ -7.1% YoY

The transformation in Vanuatu's mobile data market over the past decade is extraordinary. Data traffic has grown from 16.3 million MB in 2014 to 27.3 billion MB in 2025, a 1,681-fold increase driven by the combined effect of rising smartphone penetration, improved network quality (3G to 4G/LTE), and dramatic price reductions. The average price per MB has fallen from VT 4.70 (2014) to VT 0.13 (2025), a 97% price reduction.

Mobile Data Traffic Growth (2014-2025)

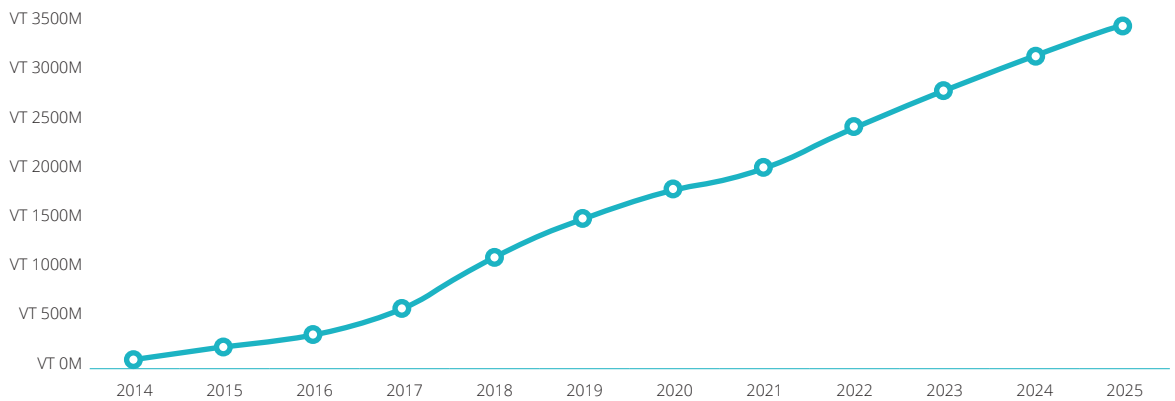


Data Traffic Growth (2014–2025)

YEAR	DATA TRAFFIC (MB)	YOY GROWTH	DATA REVENUE (VT M)	PRICE (VT/MB PREPAID)
2014	16,251,427	-	118.9	4.70
2015	85,435,487	▲ +426%	241.8	2.00
2016	272,693,622	▲ +219%	357.5	0.96
2017	663,137,542	▲ +143%	613.5	0.74
2018	2,132,864,160	▲ +222%	1,123.1	0.49
2019	3,817,815,080	▲ +79%	1,513.0	0.37
2020	6,344,113,708	▲ +66%	1,814.3	0.30
2021	7,389,798,015	▲ +16%	2,000.7	0.28
2022	14,696,118,118	▲ +99%	2,436.4	0.20
2023	25,161,331,596	▲ +71%	2,794.3	0.16
2024	22,457,034,576	▼ -11%	3,123.2	0.14
2025	**27,318,058,816**	**▲ +22%**	**3,498.0**	**0.13**

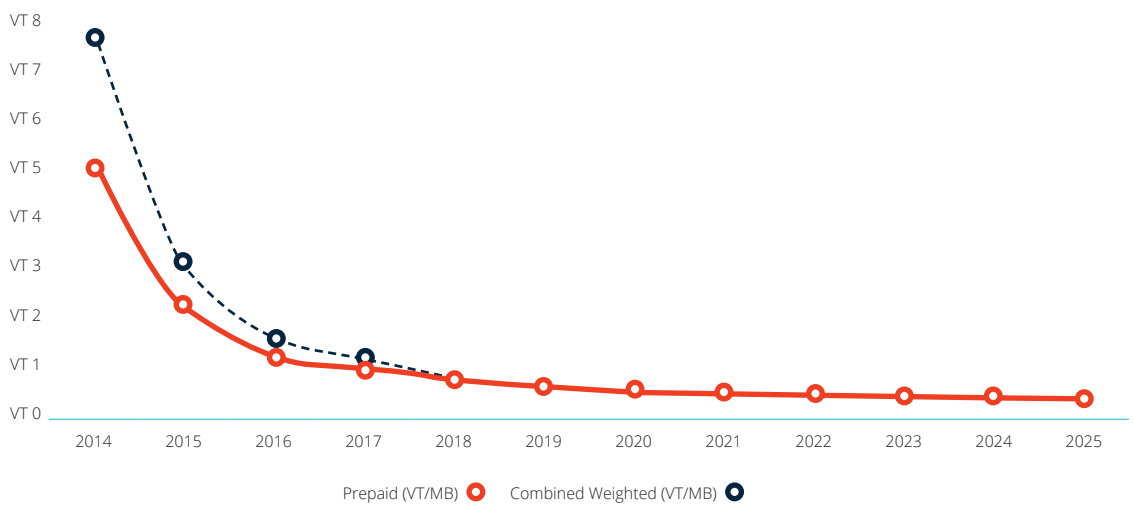
Data Revenue Growth Path (2014-2025)

MOBILE DATA REVENUE - VT MILLIONS



Data Pricing: Dramatic Cost Reduction

PREPAID & COMBINED WEIGHTED AVG PRICE PER MB - VT (2014-2025)

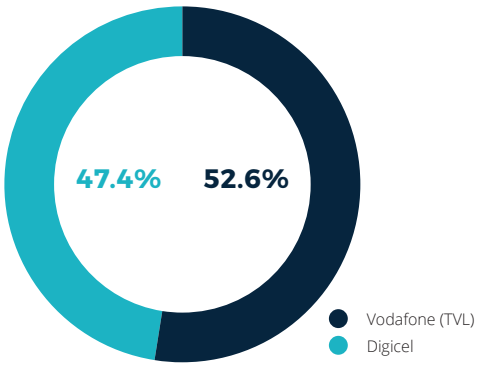


Market Share – Mobile Data Revenue 2025

OPERATOR	MARKET SHARE
Vodafone (TVL)	52.6%
Digicel	47.4%
TOTAL MOBILE DATA MARKET	**100%**

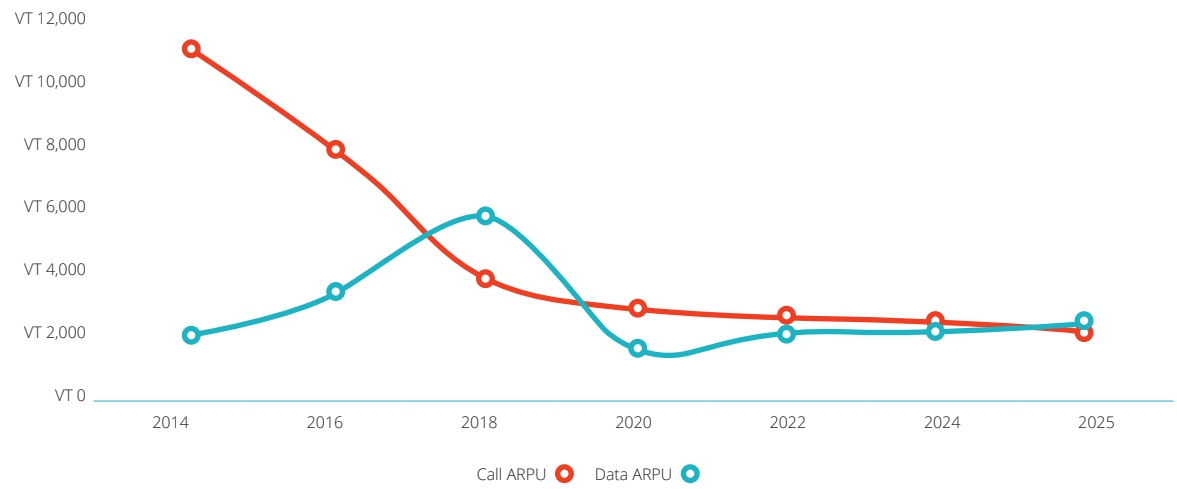
Market Share – Data Revenue 2025

SHARE BY OPERATOR

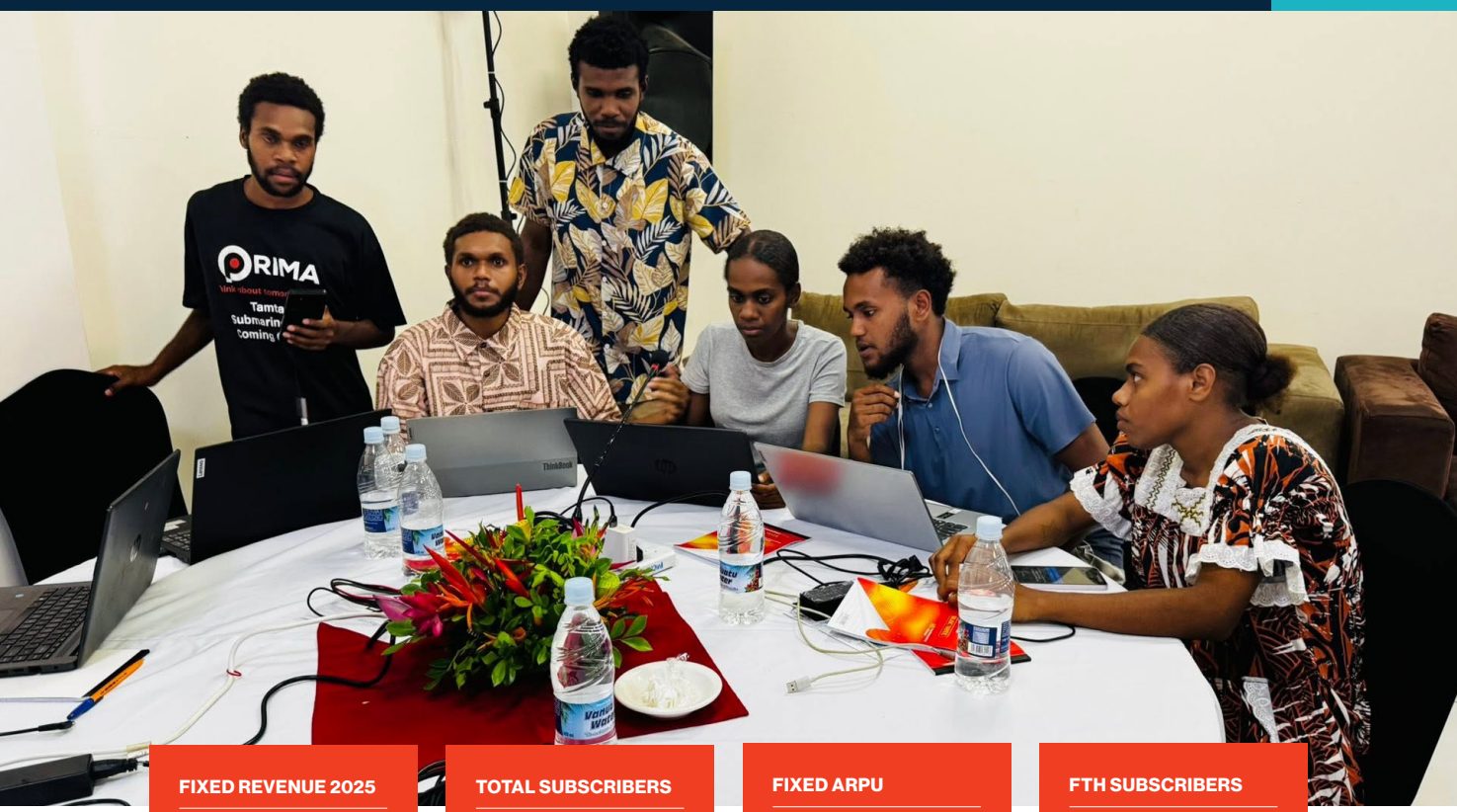


Note: based on operator submissions

Data ARPU Vs Call ARPU Crossover



07 FIXED INTERNET SERVICES



FIXED REVENUE 2025

VT 637.9M

▼ -23.2% YoY

TOTAL SUBSCRIBERS

3,341

▼ -11.8% YoY

FIXED ARPU

VT 190,924

▼ -12.9% YoY

FTH SUBSCRIBERS

1,565

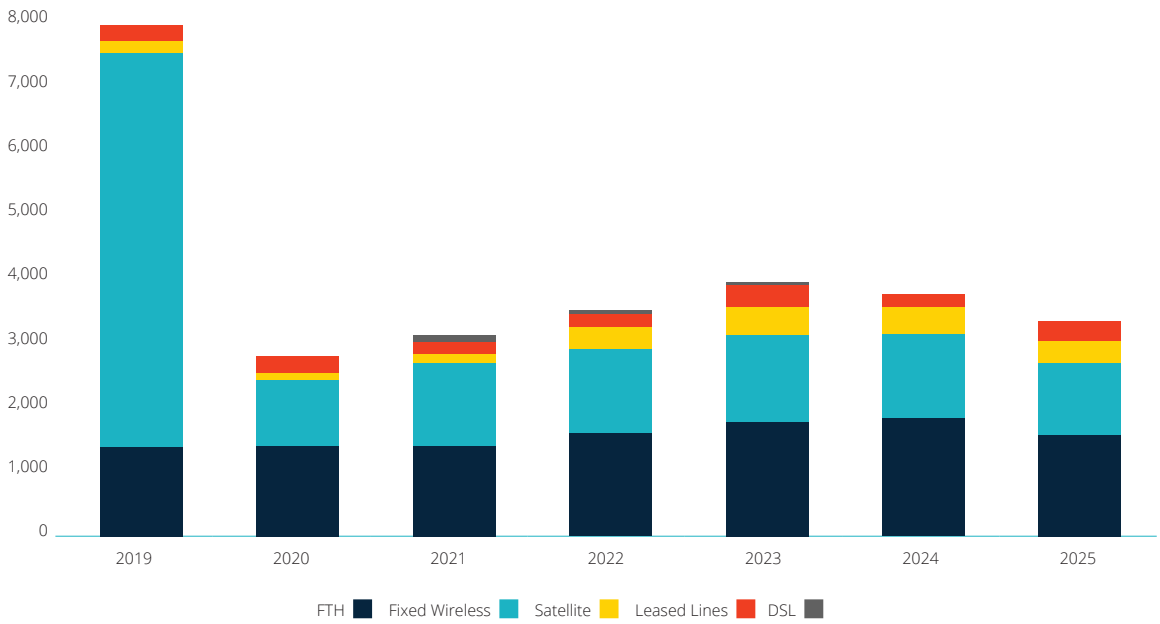
▼ -16.1% YoY

The 23.2% revenue decline in fixed internet in 2025 is the sharpest since the COVID-19 disruption year (2020, when revenues fell 44% as business premises closed). Unlike 2020, the 2025 decline appears structural rather than cyclical. With mobile data pricing at VT 0.13/MB and 4G penetration expanding across Efate and Santo, households and small businesses are actively substituting fixed broadband with mobile data plans. FTH connections dropped 16.1% (1,565 subs remain, suggesting even the premium fixed segment is under pressure. The sector must differentiate fixed internet on reliability and symmetrical speed for enterprise and government users to a segment mobile cannot easily replace.

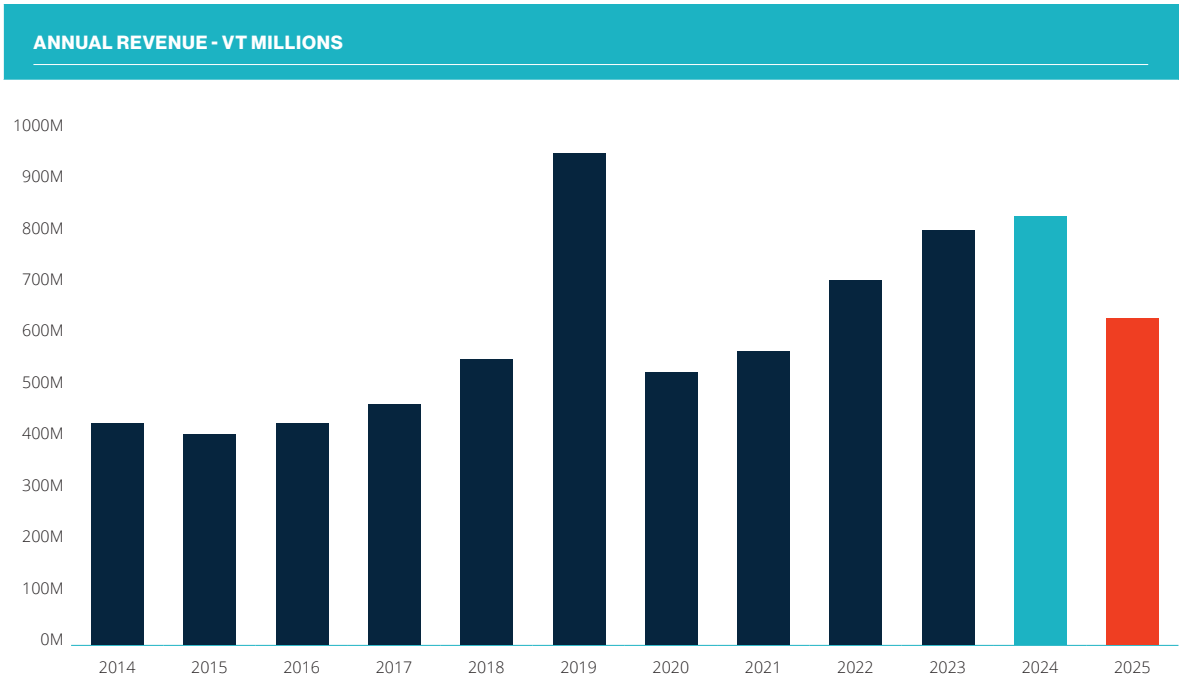


Fixed Subscriptions by Technology (2019-2025)

DSL, FTH. FIXED WIRELESS, SATELITTE, LEASED LINES



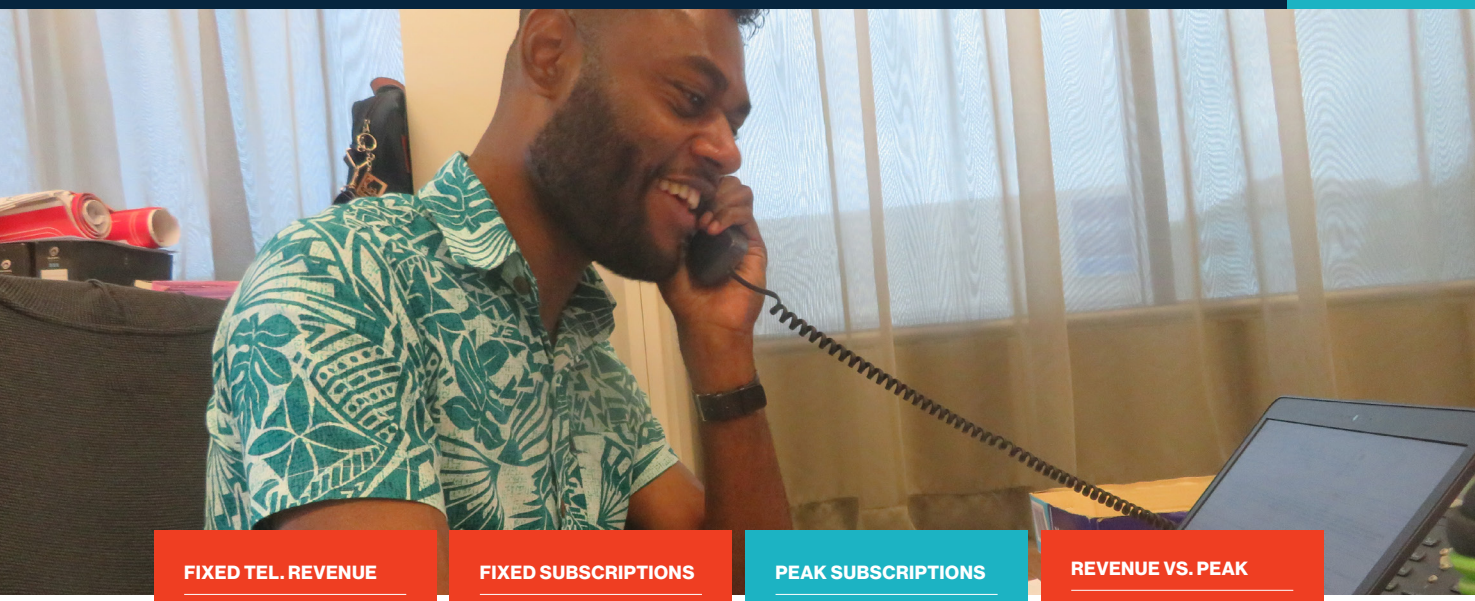
Fixed Internet Revenue (2014-2025)



Fixed Subscriptions by Technology (2019–2025)

TECHNOLOGY	2022	2023	2024	2025	YoY CHANGE
Fibre-to-Home (FTH)	1,614	1,794	1,865	1,565	▼ -16.1%
Fixed Wireless	1,298	1,367	1,291	1,133	▼ -12.2%
Satellite	360	440	435	360	▼ -17.2%
Retail Leased Lines	175	293	165	272	▲ +64.8%
DSL	79	58	33	11	▼ -66.7%
TOTAL FIXED INTERNET	**3,526**	**3,952**	**3,789**	**3,341**	**▼ -11.8%**

08 FIXED TELEPHONY SERVICES



FIXED TEL. REVENUE

VT 92.2M

▼ -6.8% YoY

FIXED SUBSCRIPTIONS

2,521

▼ -17.0% YoY

PEAK SUBSCRIPTIONS

5,590

2014 now—54.9%

REVENUE VS. PEAK

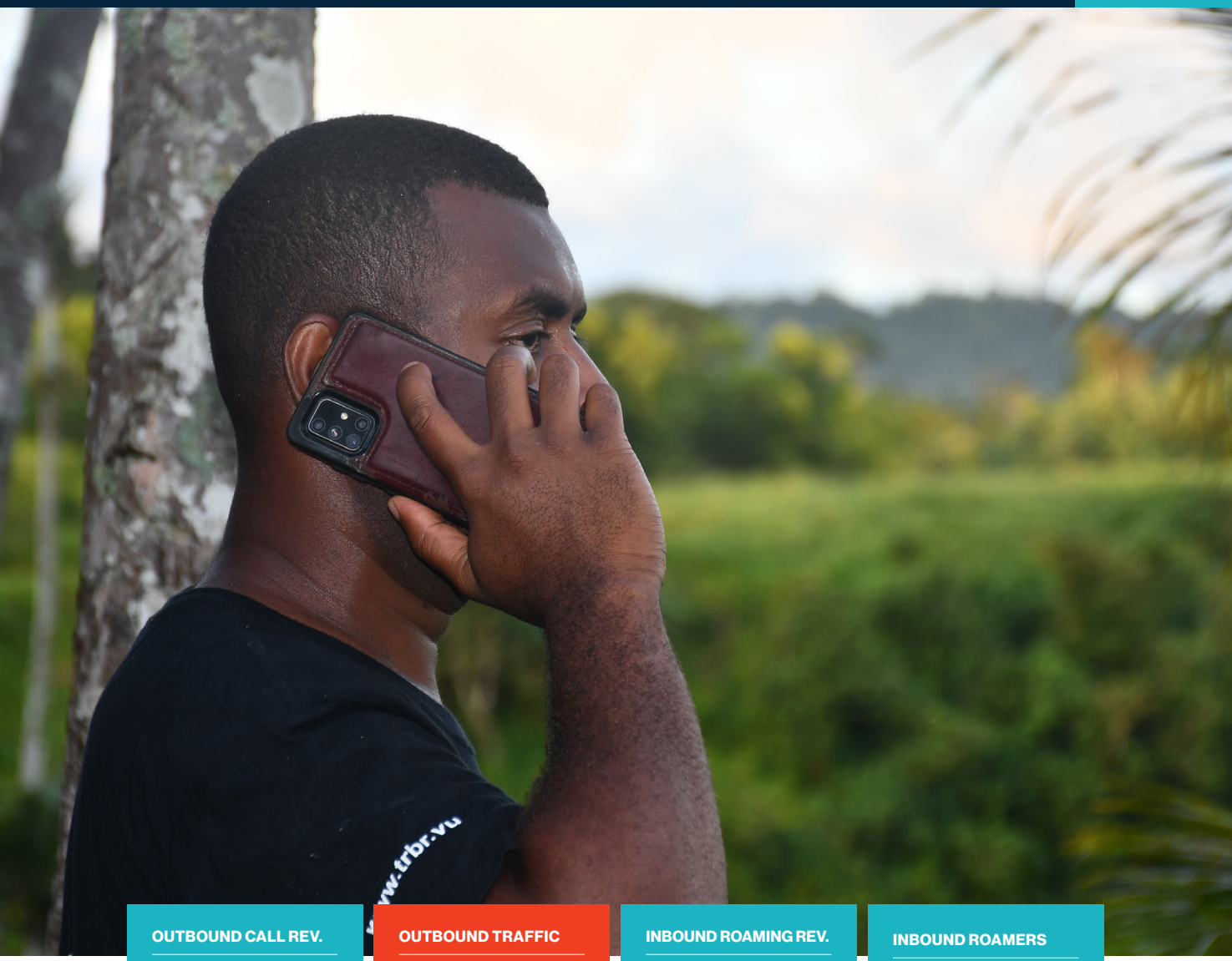
-69.8%

vs VT 305.3M in 2014

Fixed Telephony – Historical Trend (2014–2025)

YEAR	SUBSCRIPTIONS	YoY CHANGE	REVENUE (VT)	YoY CHANGE
2014	5,590	-	305,257,484	-
2016	4,267	▼ -11.1%	308,300,137	▲ +0.0%
2018	4,154	▼ -7.9%	256,530,069	▼ -16.8%
2020	3,472	▼ -16.4%	198,581,206	▼ -22.6%
2022	3,437	▼ -5.8%	227,397,798	▲ +14.5%
2023	3,163	▼ -8.0%	120,892,352	▼ -46.9%
2024	3,036	▼ -4.0%	98,955,768	▼ -18.1%
2025	**2,521**	**▼ -17.0%**	**92,200,904**	**▼ -6.8%**

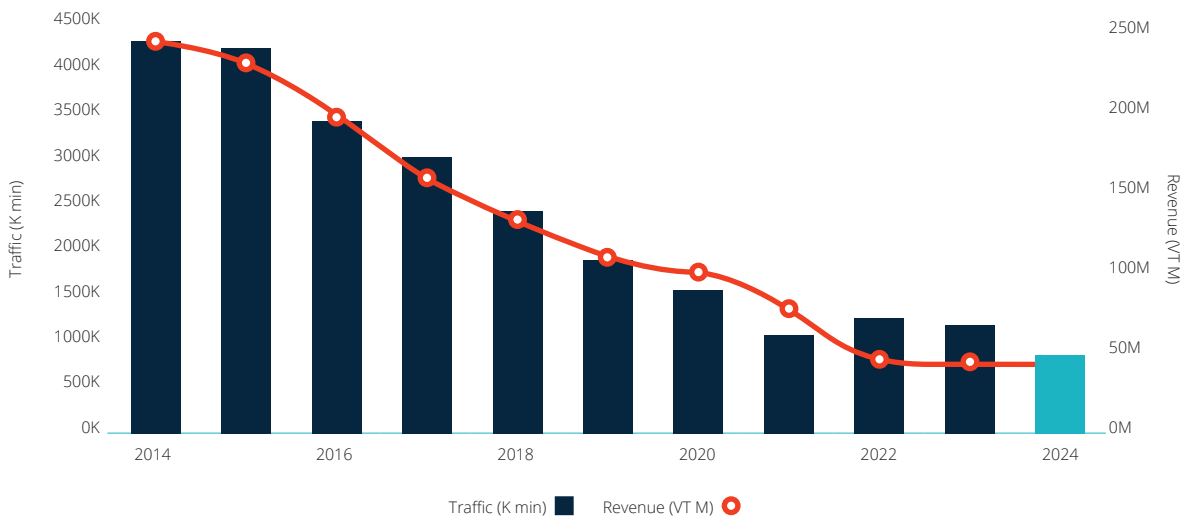
09
INTERNATIONAL CALLS, ROAMING & BANDWIDTH



OUTBOUND CALL REV.	OUTBOUND TRAFFIC	INBOUND ROAMING REV.	INBOUND ROAMERS
VT 42.0M	**890,694 min**	**VT 56.0M**	**27,533**
▲ +0.2% YoY	▼ -23.6% YoY	▲ +220.9% YoY	≈ Stable vs 2024

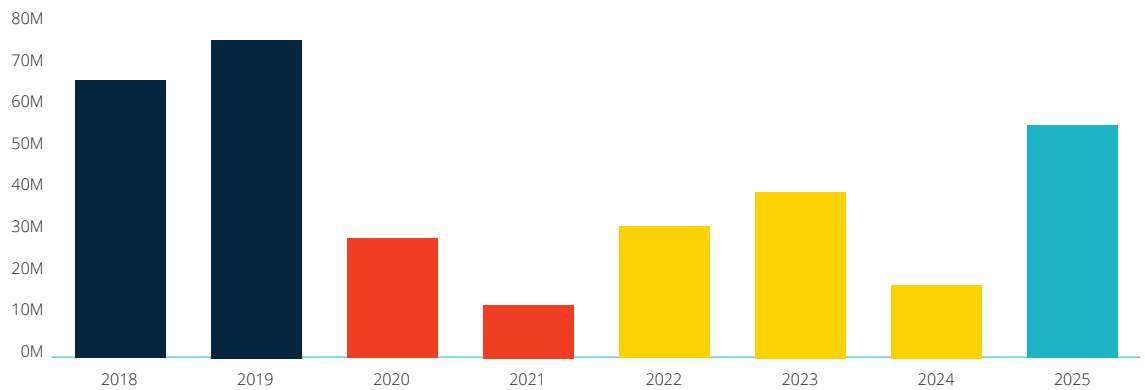
International Outbound Call Traffic (2014-2025)

TOTAL OUTBOUND MINUTES - THOUSANDS



Inbound International Roaming Revenue

VT MILLIONS - CORRELATED WITH TOURISM



International Outbound Call Traffic (2014–2025)

YEAR	TRAFFIC (MINUTES)	REVENUE (VT)	YoY CHANGE
2014	4,320,780	238,616,813	-
2016	3,453,917	192,524,952	▼ -18.7%
2018	2,471,974	130,509,409	▼ -28.4%
2020	1,586,301	98,732,071	▼ -35.8%
2022	1,276,982	46,325,430	▼ -19.5%
2023	1,224,713	45,171,245	▼ -4.1%
2024	1,165,156	41,942,038	▼ -4.9%
2025	**890,694**	**42,038,617**	**▼ -23.6%**

International Inbound Roaming (2017–2025)

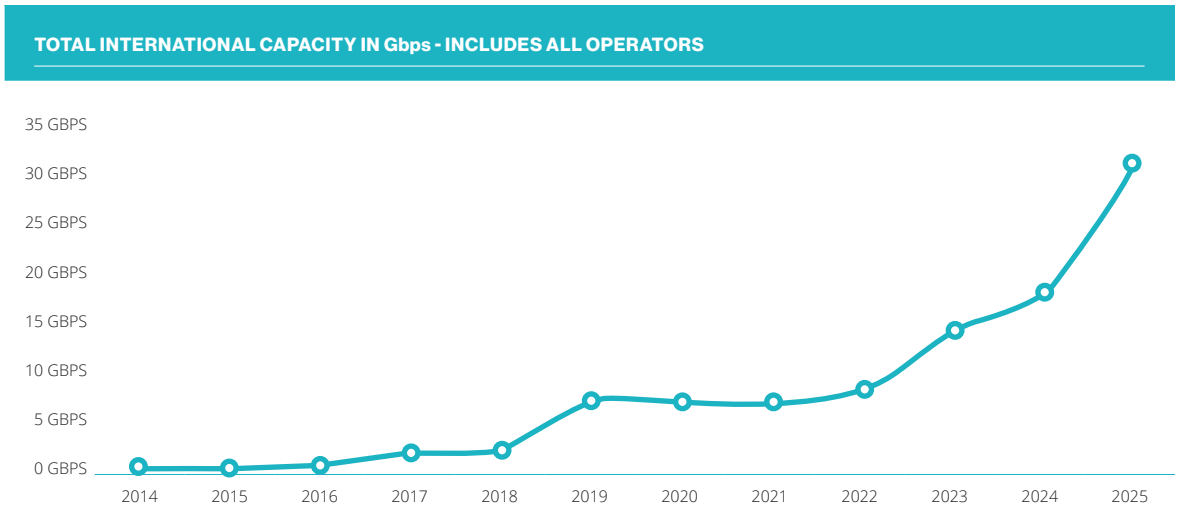
YEAR	TRAFFIC (MINUTES)	REVENUE (VT)	ROAMERS
2017	1,875,258	21,290,177	—
2018	2,193,937	67,082,868	—
2019	2,113,482	76,465,836	—
2020	806,075	29,007,243	—
2021	347,759	12,935,107	—
2022	834,182	31,466,426	9,282
2023	1,752,747	39,661,836	26,986
2024	1,438,071	17,452,538	27,717
2025	**1,875,412**	**55,988,928**	**27,533**

International inbound roaming revenue increase over 100% in 2025 (VT 56.0M) the highest level since 2019 (VT 76.5M) mostly driven by 27,533 inbound roamers. This confirms a strong recovery in Vanuatu's tourism sector following COVID-19 and 2024 earthquake, with visitor spend on mobile data services contributing meaningfully to sector revenue. Outbound call revenue stabilized at VT 42.0M (+0.2%) despite a 23.6% traffic decline, as per-minute yields improved in reflecting OTT substitution of low-value personal calls while business critical voice traffic persists. Outbound roaming (Vanuatu residents abroad) continued to decline, consistent with mobile data substitution for international calls.

International Bandwidth Capacity (2014–2025)

TOTAL CAPACITY 2025	AVG. PRICE/MBPS	VODAFONE CAPACITY	DIGICEL CAPACITY
31.5 Gbps	**USD 39.88**	**20 Gbps**	**10 Gbps**
▲ +78.5% YoY	Weighted average	▲ +100% YoY	▲ +42.9% YoY

International Bandwidth Capacity Growth (2014-2025)



The major capacity expansion in 2025 from 18,500 Mbps to 31,500 Mbps (+70.3%) is the single largest year-on-year bandwidth increase in Vanuatu's history, Driven primarily by Vodafone doubling its capacity from 10,000 Mbps to 20,000 Mbps. This aligns with the activation of new submarine cable infrastructure connecting Vanuatu to the broader Asia-Pacific network. A further expansion to 33.5 Gbps is planned for Q1 2026 with DCDT/OGCIO scaling to 3 Gbps.

The price per Mbps has fallen dramatically from USD 3,000 in 2014 to USD 39.88 in 2025 a 98.7% reduction over 11 years enabling operators to pass cost savings to consumers and fuel the exponential data traffic growth documented in Section 06. This pricing trajectory is consistent with regional submarine cable cost curves and further reductions are anticipated as additional capacity is activated.



OPERATOR	2024 CAPACITY	2025 CAPACITY	YoY CHANGE
Vodafone (TVL)	10,000 Mbps	20,000 Mbps	▲ +100.0%
Digicel	7,000 Mbps	10,000 Mbps	▲ +42.9%
DCDT / OGCIO	1,000 Mbps	1,000 Mbps	→ Flat
Wantok	500 Mbps	500 Mbps	→ Flat
TOTAL	**18,500 MBPS**	**31,500 MBPS**	**▲ +78.5%**

10 DIGITAL ECONOMY OUTLOOK & POLICY RECOMMENDATIONS



INTERNET USERS (EST.)	MALE INTERNET USERS	FEMALE INTERNET USERS	TELECOM AS % GDP
~157,000	**~85,600**	**~71,400**	**~5.7%**
45.7% of population	49% of males online	42% of females online - gender gap	Based on VT 7.12B

Estimates: ITU internet use rate applied to 2025 population (343,320); male/female gap based on the 2020 National Population and Housing Census.

With about 45.7% of the population using the internet, Vanuatu still trails the global average (~74%) and regional peers such as Fiji (~79%), Tonga (~59%) and Samoa (~58%). Yet the 102.9% mobile penetration milestone and +21.6% data traffic growth in 2025 confirm that foundational conditions for rapid digital economy expansion are firmly in place. Vanuatu's telecom sector contributed an estimated 5.7% of GDP in 2025 above the LDC average of 3.8% and consistent with lower middle income Pacific Island economies with realistic potential to reach 7 to 9% of GDP by 2030 through accelerated e-government digitization, mobile money financial inclusion, and tourism sector digital tools.

Five-Year Sector Forecast (2026–2030)

METRIC	2025 (BASE)	2027 (FORECAST)	2030 (TARGET)
Total Sector Revenue	VT 7.12B	~VT 8.0–8.5B	~VT 9.5–10.5B
Mobile Data Revenue	VT 3.50B	~VT 4.2–4.5B	~VT 5.5–6.0B
Internet Penetration	45.7%	~48-52%	~55-60%
Mobile Penetration	103%	~107–110%	~115–120%
Intl. Bandwidth Capacity	31.5 Gbps	~40–50 Gbps	~80–100 Gbps
DATA TRAFFIC	**27.3B MB**	**~60-70B MB**	**~175-300B MB**

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.

11 CONCLUSION



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 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 strengtherning disaster preparedness across the sector.

To drive future progress, investment in modern infrastructure, including submarine cable and terrestrial optical fiber 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.