



Cook Islands NEWS
AS SOLID AS THE ISLANDS WE STAND FOR

Govt to open up telecoms market

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CHEAPER internet and phone services are likely within the next 18 months as the government opens up the Cook Islands to more telecommunications companies.

The government is in the final stages of drafting legislation to allow competitors access to Cook Islands customers.

Currently Bluesky is the only mobile phone and internet provider. Telecommunications minister Mark Brown told the Cook Islands News he expected the removal of barriers to other companies would lower the cost of communications.

“One of the things that will drive prices down is the introduction of competition.

“But we also have to be mindful we don’t create a situation where it is dog eat dog and competitors only come in and take out the most lucrative parts of the telecommunications industry or market here and leave the more expensive parts lagging.”

Which, he said, essentially meant they would have to provide the same services in the outer islands as they would on Rarotonga.

“There would need to be universal service provisions built in.” Brown said the new draft law was at an advanced stage. “It’s now going through stakeholder discussions, but we aim to have that legislation ready before the cable.”

The cable is a pair of fibre cables that will link the Cook Islands to New Zealand-Hawaii Moana Cable through its hub in Samoa. That is expected to be ready by 2018. The arrival of the fibre cable would also help reduce costs and at the moment we are connected to the internet via satellite.

“And satellite connectivity is very expensive,” Brown said.

“Which is why investment in the cable is something we are enthusiastic about.

"There is a high capital cost in the cable itself, but with support for the project from New Zealand, with our own funds, plus borrowing through the Asian Development Bank the cost of the cable becomes more affordable.

"And, of course, partnering up with other countries that are now looking to be part of this network drops capital cost for us. "We would expect some of costs to go down but, at the end of the day, it will depend upon how the cable is utilised. If it's just going to rely on telecommunications for revenue streams then it will obviously be tough.

"So then we broaden the scope of who can use this cable. Looking at things like people who want to provide entertainment services, not telecommunication, data centres, call centres, all sorts of opportunities that arise from making bandwidth available. "We want to provide as good a service as possible at the best possible price."

Brown said the small size of the market would not mean there were 50 new companies establishing themselves here.

"The size of the market just doesn't justify it. But there are internet service providers (ISPs) - in Australia, the United States and Asia that can set up small ISPs. At the moment they can't come here. With a cable they can. "You can get much smaller players coming in. And we would expect costs to come down."

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