tcsi

Telecommunications
Commission
Solomon Islands

Annual Report 2017

TELECOMMUNICATIONS COMMISSION SOLOMON ISLANDS

ANNUAL REPORT 2017

PRESENTED TO THE CLERK OF PARLIAMENT IN ACCORDANCE WITH SECTION 23 OF THE TELECOMMUNICATIONS ACT 2009

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LETTER TO THE CLERK OF NATIONAL PARLIAMENT

04 April 2018

Mr Clezy Rore,
Clerk to the Parliament,
National Parliament of Solomon Islands,
P.O. Box G19,
Honiara,
Solomon Islands.

Dear Clerk to Parliament,

TELECOMMUNICATIONS COMMISSION SOLOMON ISLANDS ANNUAL REPORT 2017

I am pleased to submit to you the Annual Report of the Telecommunications Commission for the financial year ending 31 December 2017, in accordance with the provisions of section 23 of the Telecommunications Act 2009.

The report contains the overview of the telecommunication sector and a summary of the key initiatives of TCSI on the regulatory issues with specific reference to the functions mandated to it under the Act.

The audit of the Commission's Financial Statements for the 2017 financial year are still in progress at the Office of the Auditor General.

Yours faithfully,

Haggai Arumae
For: Telecommunications Commissioner

SECTOR MILESTONES - 2017

First interconnection adjudication in Solomon Islands

In telecommunications, each network operator has absolute control over whether a call from a person on another network actually reaches a customer on its network. It therefore has a network "monopoly". Because of this, as a matter of public interest, every network is obliged to maintain interconnection with all others. But when a call is made from one network to another transmissions costs are incurred. Under the Telecommunications Act, what charges, if any, apply to the interconnection service between networks, for the recovery of these costs, must first be negotiated by the companies, and failing agreement, resolved by the Commission.

In late 2016, Bmobile-Vodafone filed a formal request for the Commission to resolve differences between the Company and Our Telekom over the renewal of their interconnection arrangements. The main thing in contention was the charges for mobile telephone call terminations between the two networks. More calls are made from Bmobile-Vodafone's network to customers on the Our Telekom networks, than in the other direction. So Our Telekom has been absorbing the extra cost to it of bandwidth for all the call traffic it handles. That is because traditionally, it has not charged its customer for receiving a call from Bmobile-Vodafone, even though that customer benefits economically from getting the call.

Our Telekom sought relief from this internal subsidy to its own customers, by lifting the price to Bmobile-Vodafone for termination of a mobile call from zero, which is the price which has applied since 2010. Bmobile -Vodafone on the other hand was not prepared to move the price from zero. The alternative commercial options for Our Telekom include creating a new revenue stream from renting network towers and other facilities to Bmobile-Vodafone, in places where Bmobile-Vodafone does not have coverage at present. Such facilities sharing is allowed under the Act under certain conditions.

Having considered the parties submissions, the Commission issued its draft adjudication decision. This indicated that the Commission would decline to fix a rate above zero, without a detailed interconnection cost model, and while room remained for negotiation on shared facilities and or other commercial matters. At the end of the year, the Commission was informed that the parties has substantially reached agreement on new interconnection terms and that this is to be documented in 2018.

First National ICT Week in Solomon Islands

This was the first year to be especially marked as the year of Information and Communications Technology in Solomon Islands. The main focus of this designation was on the Government's National ICT & Broadcasting Policy which has been under development since 2015, and which was officially launched in September.

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ICT Week involved a series of events and public forums on how ICT affects the daily life's of Solomon Islanders. The event was organised by the Ministry of Communications & Aviation in conjunction with the Telecommunications Commission and the Information Technology Society of Solomon Islands. The main themes were: "PROMOTING ICT LITERACY FOR ALL AND ICT FOR SOCIO-ECONOMIC DEVELOPMENT".

National ICT Policy Launched by Minister Hon. Peter Shannel Agovaka.

First, next generation mobile technology services in Solomon Islands

During 2017 Our Telekom reported under its 2nd phase Business Transformation Scheme, upgrades and expansion of its 3G coverage in Malaita, involving the completion of 6 new 3G sites. In Western Province it installed 3 new 3G sites and Honiara, 2 new 3G sites.

Malaita Province

Our Telekom Increases 3G Presence and Upgrades Mobile Network Infrastructure in Malaita Province

Western Province

Our Telekom Increases 3G Presence on its Mobile Network Infrastructure in Western Province

Source: Our Telekom

Later in the year, the Company also launched its LTE (Long Term Evolution) 4G based services in Honiara. This broadband based service enables an improved customer experience of mobile multimedia Internet services, and features like high definition video streaming, and much faster heavy downloads and uploads.

OUR TELEKOM LAUNCH 4G+LTE IN HONIARA

Source: Our Telekom

First international undersea cable link to Solomon Islands gets closer

Solomon Islands has always been dependent for its telecommunications connections to the rest of the world, on wireless technology. And for the last few decades, on geostationary satellite connectivity in particular.

Satellite services, including the new technology satellite fleets in the planning stages, are also going to be an ongoing key component for the transmission of communications domestically within the Solomon Islands archipelago. However, communications costs in the country remain expensive in comparison with the countries in the region that are serviced by undersea cables.

Since the late 1990s, Solomon Islands has toyed with the idea of a high capacity undersea cable to connect internationally, and since the advent of the internet, ideally to a location which is an internet node. The closest one is Australia.

The problematic Minister of Finance & Treasury proposal developed after 2015 for a Government owned and operated undersea cable from Solomon Islands to Sydney, using a pre-selected cable supplier from China, was finally abandoned towards the end of 2017. This was the result of the Australian regulatory authorities declining to grant landing rights for such a cable on its territory.

Following the Solomon Islands government ministerial reshuffle, the Australian government announced a new proposal for a cable from Australia to Solomon Islands and Papua New Guinea, to be mainly funded by Australian grant funds, and to be procured and built under Australian supervisory rules and procurement standards.

THE REGULATORY REGIME

The Telecommunications Act 2009 put in place a major piece of economic management reform. The most significant change under the Act was the opening up of telecommunications to private sector competition, and the end of political and public service involvement in the industry's operations.

Instead, the Act established the Telecommunications Commission as an independent expert statutory authority to undertake the economic and technical management of the telecommunications sector. The Commission is the first body of its kind to be established in Solomon Islands.

The Act stipulates that the Commission is not in the service of the Crown and the Commissioner, who must be recruited internationally, and his staffs are not public servants. The Commission is funded independently of parliamentary budget appropriations, through services licence fees paid to the Commission by the operators. In the exercise of its statutory powers and functions the Commission is not subject to the direction and control of government Ministers.

Since the Act came into force, the Government's only ongoing involvement in the market has been as the county's largest consumer of the telecommunications services supplied by local competing operators. In all other decisions around communications infrastructure investment and services, the Government has had no formal legal role.

The benefit of curtailing Government involvement in the telecommunications business in Solomon Islands is readily apparent from the rapid growth in the market over the last seven years. This progress has been noted around the world.

The Telecommunications Act aims to enhance the long-term well-being, inclusiveness, and fairness of Solomon Islands society by improving the variety, availability, affordability, and quality of telecommunications services which Solomon Islanders can enjoy. This is primarily to be achieved through the introduction and maintenance of competition between private sector commercial enterprises.

The Commission is responsible for ensuring the effectiveness of this market driven approach, while also protecting the interests of consumers and encouraging sustainable investment in the sector. The Commission deals with complex issues around land use and land disputes, licensing, competition and administrative law, regulatory economics, accounting and technology.

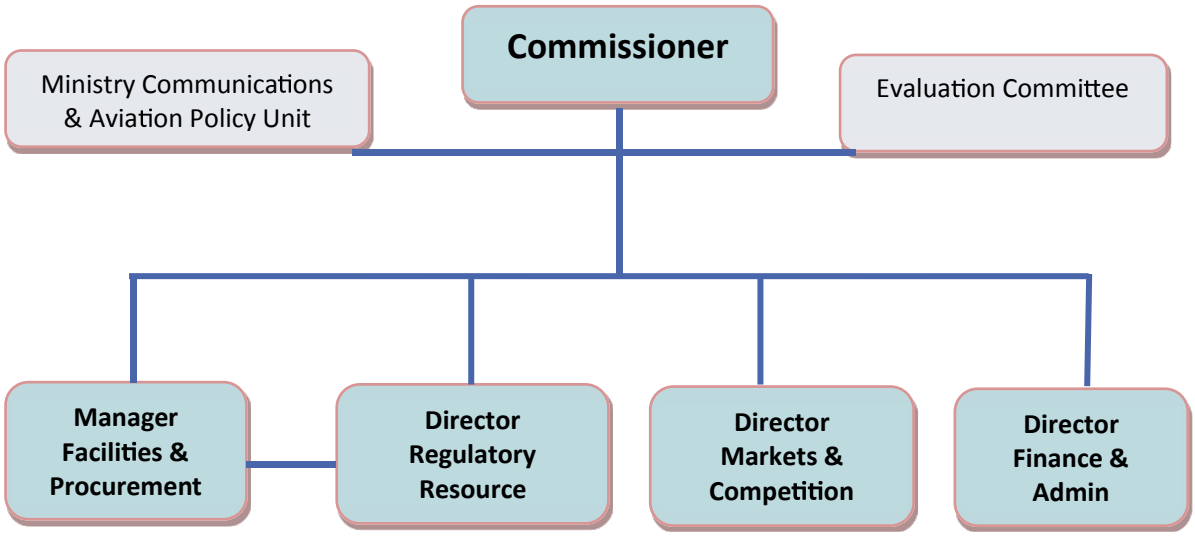
The Commission enables competition by facilitating market entry through its general authorisation (class license) for network and service provision. Its particular activities include:

- Ensuring operator compliance with particular licensing and statutory obligations.
- Monitoring competitive conduct in urban and provincial centres.
- Facilitating the development of the telecommunications, especially in rural areas.
- Supporting the interests of telecom users within the Solomon Islands.

- Ensuring the efficient management and use of the radio frequency spectrum and telephony numbers.
- Operator and consumer dispute resolution.
- Surveillance of the established telecommunications operators, focusing on pricing and quality of service competition, as well as consumer considerations such as billing practices, false and misleading advertising claims, protection of customer personal information, and customer complaints.

The Commissioner, in consultation with the statutory Evaluation Committee, is responsible for the strategic and operational management of the organisation. The Commission's successful execution of its specific duties is however the product of its local professional staff and their spirit of working as one team.

TCSI consist of four divisions, comprising cross-functional teams which need to operate in a multi-disciplinary environment. This structure is illustrated below:



During 2017, Mr. Bernard Hill remained as the Telecommunications Commissioner, and the Commission employed four local professional staff to carry out the Commission's statutory functions under the Telecommunications Act 2009.

The Evaluation Committee constituted under section 7 of the Telecommunications Act 2009, maintains financial administrative oversight of the Commission. The Committee reviews the Commission's budgets and activities plans annually.

The members of the Committee hold office ex officio are:
Mr. Frank Paulsen-Chair, (Chair of the Law Reform Commission)
Mr. Denton Rarawa- member, (Governor of the Central Bank of Solomon Islands)
Mr. Jay Bartlett-member, (Chair of the Solomon Islands chamber of Commerce & Industry)

ACTIVITIES OF THE COMMISSION

(The activities requiring specific report further to Section 23 of the Telecommunications Act 2009).

DETERMINATIONS, ORDERS AND DIRECTIONS MADE

In 2017, the Commission issued two formal statutory instruments. The first was a draft adjudication decision addressing the interconnection dispute between the country's two mobile telecommunications service providers, Bmobile-Vodafone, and Our Telekom. The main issue in contention was the charges for telephone call terminations between the mobile networks, and in respect of Our Telekom's landline network (Reference: TCSI 2016/011).

The second was the Supplementary Licence Fees Regulations (TCSI regulation No.1 of 2017) published in Gazette Notice 115. The regulations provide for a supplementary fee payable by licensed service providers, of 0.52% of their annual gross revenue in the 2016 financial reporting year; and is payable quarterly in equal instalments, within twenty eight days after the end of each successive financial quarter, commencing with the quarter ending on 31 December 2017, and concluding with the quarter ending on 31 March 2020.

STEPS TAKEN IN CONNECTION WITH UNIVERSAL ACCESS

The Commission considered that during 2017, the effective competition between the network operators was continuing to result in a satisfactory rate of network deployment and development, the details of which appear elsewhere in this report.

In the context of the interconnection dispute between the two mobile network operators, the Commission has also noted its support for the parties to negotiate facilities sharing arrangements. In particular it believes new network installations in those rural areas not presently serviced will become more viable if both companies share the capital cost.

However implementing a supply-side Universal Access Scheme at this point would probably distort the market substantially, thus disadvantaging Solomon Islands consumers in the long run. The Commission is nevertheless continuing to monitor the prospects for alternative demand-side subsidy measures, to assist remote communities' affor able access to internet access services and devices in the future.

APPLICATIONS, DISPUTES AND COMPLAINTS FILED

No formal complaints, application or notices of dispute were filed with the Commission during 2017. The interconnection dispute filed in 2016 between the two mobile services operators was ongoing. Settlement of the dispute on commercial terms is expected in 2018.

The Commission did not receive any formal written complaints by users and consumers. The Commission was however from time to time made aware informally of concerns about the quality of service of internet access, and land occupier objections around the siting, installation and operation of network base station towers. The Commission was active in helping to settle most of these situations.

INVESTIGATIONS UNDERTAKEN

As part of its consideration of the interconnections arrangements between Our Telekom and Bmobile-Vodafone, the Commission undertook an investigation into the persistent quality of service issues related to network congestion and intermittent noise on calls between the two networks.

Although both operators produced technical reports on the physical interconnect issues, neither company addressed the source of the problems satisfactorily from the Commission's point of view. The Commission's conclusion is that the parties must install a direct optical fibre link to replace the switched circuit technology. This proposal has been accepted in principle by the parties and is being addressed in their ongoing commercial negotiations on the domestic interconnect.

PROCUREMENT AND OUTSOURCING ACTIVITIES

The only material procurement activity during 2017, was the Commission's engagement of the website specialist firm Novus Limited, to undertake the redevelopment of its current website, which will go on live in January 2018.

MATERIAL LITIGATION

There was no material litigation during the year.

STATUTORY OBJECTIVES PROGRESS AND ACTIVITY PLAN FOR 2018

Satisfactory progress was made during the year in pursuit of the principal statutory objective of improving the *"…availability, affordability, quality of service and kinds of telecommunications services in Solomon Islands."*

Services in Solomon Islands are predominantly mobile services and the overall progress on availability is demonstrated by the increase in the number of mobile subscriptions nationally from some 416,572 at the beginning of 2017 to some 465,331 by year's end. The more particular indications of progress are:

Availability

Some 94% of the population now have access to the mobile services networks of either Our Telekom or Bmobile Vodafone. During the year Our Telekom expanded and upgrade its provincial 2G coverage to 3G in Malaita and Western Province. In addition the Company added upgraded base stations (towers) at some 6 new 3G sites in Malaita Province, 3 new 3G sites in Western Province, and 1 new 3G site in Guadalcanal with 2 new 3G sites in Honiara.

Quality of service

The QoS standards established over the last few years were generally maintained during 2017, although interruption of service, was necessary for Our Telekom in particular, as it introduced its technology upgrades and network expansion. The Commission notes, that the increasing sophistication of this new technology, and the change to internet based delivery of services means that the companies are for the time being dependent on

support services from offshore, and that this can lead to delays which can frustrate customers at times.

Kinds of Service

Towards the end of the year, Our Telekom launched its Long Term Evolution (LTE) or 4G broadband service that saw an increase in its traffic in the broadband market in Honiara.

2018 Plan of Activities

The Commission's plan of activities for 2018 will be to:

- Consider the application to be made on behalf of the Government owned entity to undertake the operation of the Australian sponsored undersea cable to Solomon Islands, including the introduction of appropriate licensing conditions.
- Finalize the outcome of the adjudication of the interconnection dispute between the mobile network operators.
- Continue the national signal testing and GIS coverage mapping programme.
- Support the next phase of the National ICT policy implementation by the Ministry of Communications & Aviation, including provincial outreach initiatives.
- Maintain surveillance of the competition and fair trading aspects of the telecommunications services and product markets.
- Update the national radio-spectrum band plan.
- Review the administrative processes and fees for equipment type approvals and radio licences.

SUMMARY OF INCOME AND EXPENDITURE

Under the Telecommunications Act, the Commission is to be funded primarily by annual telecommunications services licence fees and special levies. The annual fee is currently set at the statutory maximum of 2% of a licensee's gross revenue.

During 2017, the Commission also issued supplementary licence fee regulations to make up a funding deficit forecast to arise from additional costs in the Commission's exercise of its statutory functions and powers, including costs associated with the interconnection adjudication and public consultation on the undersea cable project. Accordingly further licensing revenue of some $2,000,000 will be available to the Commission over the next two years.

The Commission's statutory budget is for three years and is submitted annually to the Evaluation Committee approval. Material variances in respect of the 2017 year were associated with;

- Commission remuneration changes due to staff contract amendments in late 2016
- Increased communications costs
- Printing of the national ICT policy, and TCSI information pamphlets
- Vehicle maintenance and repairs
- Attendances and costs for management of the Legislative regime and routine regulatory operations & training.

LIST OF LICENCES IN FORCE AND EXEMPTION ORDERS

There were no exemption orders applied for or granted in 2017.

The number of active licensees providing services were:

Type of Services	Type of Licence	No. of Licensees
Fixed telephony	Individual	1
Fixed Internet (ADSL + DSL)	Individual/Class	3
Mobile (Voice) 2G	Individual/Class	2
Mobile (Voice + Data) 3-3.9G	Individual/Class	2
Leased lines	Individual/Class	3
TV	TV/Broadcasting	2

The licences in force and active were held by Our Telekom, Bmobile-Vodafone, and Satsol Ltd. In addition some twenty four (24) class licences were held by local companies, but who were not providing services.

LIST OF INTERCONNECTION AND ACCESS AGREEMENTS FILED

No new agreements were filed in the course of 2017.

SUMMARY OF RADIO FREQUENCIES ALLOCATED

The radio spectrum licences issued during 2017 were;

Type of Radio Spectrum Licence	Licensees	Licences
Amateur	5	5
Aeronautical	1	6
Maritime	68	109
Land mobile	6	6
VSAT Satellite	8	8
Handheld	None	None
Fixed Station	3	3
Broadcasting (Sound)	5	5
Television	5	5

The population of the National Spectrum Management Data Base of assigned frequencies using the ITU SMS4DC software is progressing and the data base is anticipated to be fully operational before the end of 2018.

SUMMARY OF REGULATED PRICES

There were no regulated prices for telecommunication services during 2017.

EQUIPMENT AND TYPE APPROVALS

Towards the end of the year, the Commission began a revision of its requirements for the approval of telecommunications equipment used in Solomon Islands. The rules, standards and conditions which will apply include:

- Technical Documentation of the Equipment
- Type Approval Certificate (FCC, ANSI, ETSI, ITU)
- Letter of Authorization (If applicant is an authorized agent or supplier)
- Electromagnetic Compatibility (EMC) Report
- Safety Reports
- User Manuals

In 2017, the Commission approved some 19 applications for the deployment of communications equipment ranging from wireless car keys, smart-phones, watches with Bluetooth capabilities and remote control devices.

INTERNET COUNTRY CODE TOP LEVEL DOMAIN (CCTLD.SB) MANAGEMENT

Our Telekom remained in its role as the delegated administrator of the country code top level domain “sb”. The Company and the Commission continue to monitor international best practice, for the purposes of developing specific management policies suited to Solomon Islands.

The transition from IPV4 to IPV6 Internet Protocol Versions Address scheme will ensure efficiency and availability of added value services possible through the increase of internet protocol addresses. The Commission and Our Telekom will coordinate the transition from IPV4 to IPV6 regarding the allocation of the new IPV6 internet protocol address range for Solomon Islands by the Internet Assigned Numbers Authority (IANA).

THE MARKET FOR TELECOMMUNICATIONS SERVICES IN 2017

During 2017 the Solomon Islands telecommunications market returned to growth, in terms of consumer demand and additional investment in infrastructure and services capacity. Since deregulation of the local market took effect in late 2010, total investment in the sector has grown to SBD$2 billion. Faster 3G network services were rolled out in Malaita and Western Province, and 4G/LTE mobile data services were introduced in Honiara.

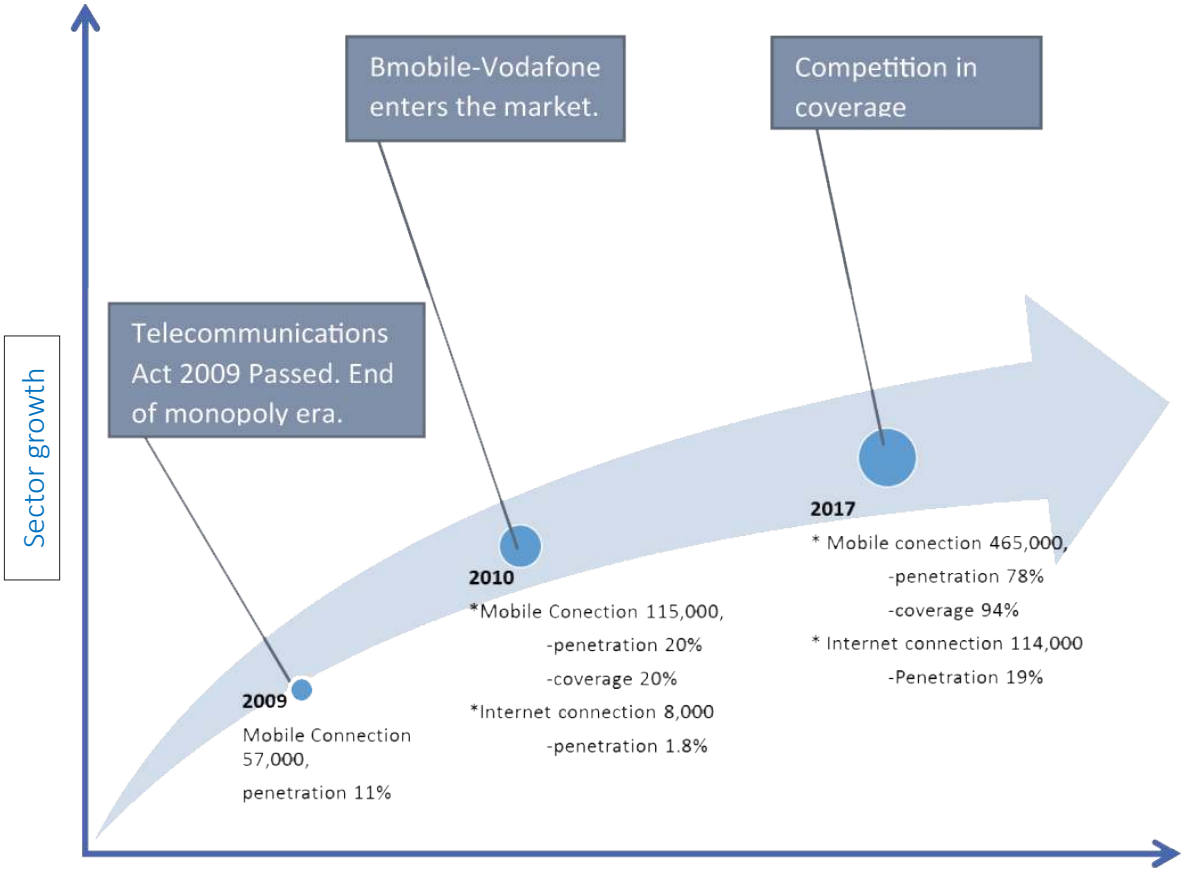
This investment was accompanied by a 3% increase in overall revenues for the sector, from SBD$357.1 million to SBD$368.8 million. Mobile Broadband subscriptions also continued to grow, reaching 114,023 by the end of 2017, with the increase mainly attributable to the launch of the 3G upgrades and the introduction of 4G/LTE. Nevertheless, ARPU (average revenue per user) for the mobile sector fell from some SBD$954 to SBD$809, reflecting the impact of competition, particularly as a result of mobile telephony being included in bundled offers with data and other services. The tangible benefits for consumers included falling costs and a wider range of services.

The increase in mobile subscriptions of some 12%, contrasts with last year's result of only 2%. The renewed growth appears to be the result of subscribers re-connecting to the improved data services in the denser populated areas of Malaita, Western Province and Honiara. The increase can also be attributed to the upgrades and addition to current network infrastructures and coverage. New subscribers were also attracted by the significant competing offers in voice and data services.

For the first time, the number of call minutes used by mobile subscribers surpassed the number used by fixed line subscriptions.

Based on CBSI's preliminary estimates for 2017, the national economy grew by some 3.7%. On a sectoral basis, telecommunications is estimated to have grown by 2.5% in 2017, slightly lower than the 2.9% growth recorded in 2016. In terms of contribution to the overall growth of 3.7%, telecommunication sector accounted for 0.1%. The growth estimates were based on the phone and internet usage indicators. In terms of percentage share, telecommunication sector makes up some 3% of total GDP in 2017.

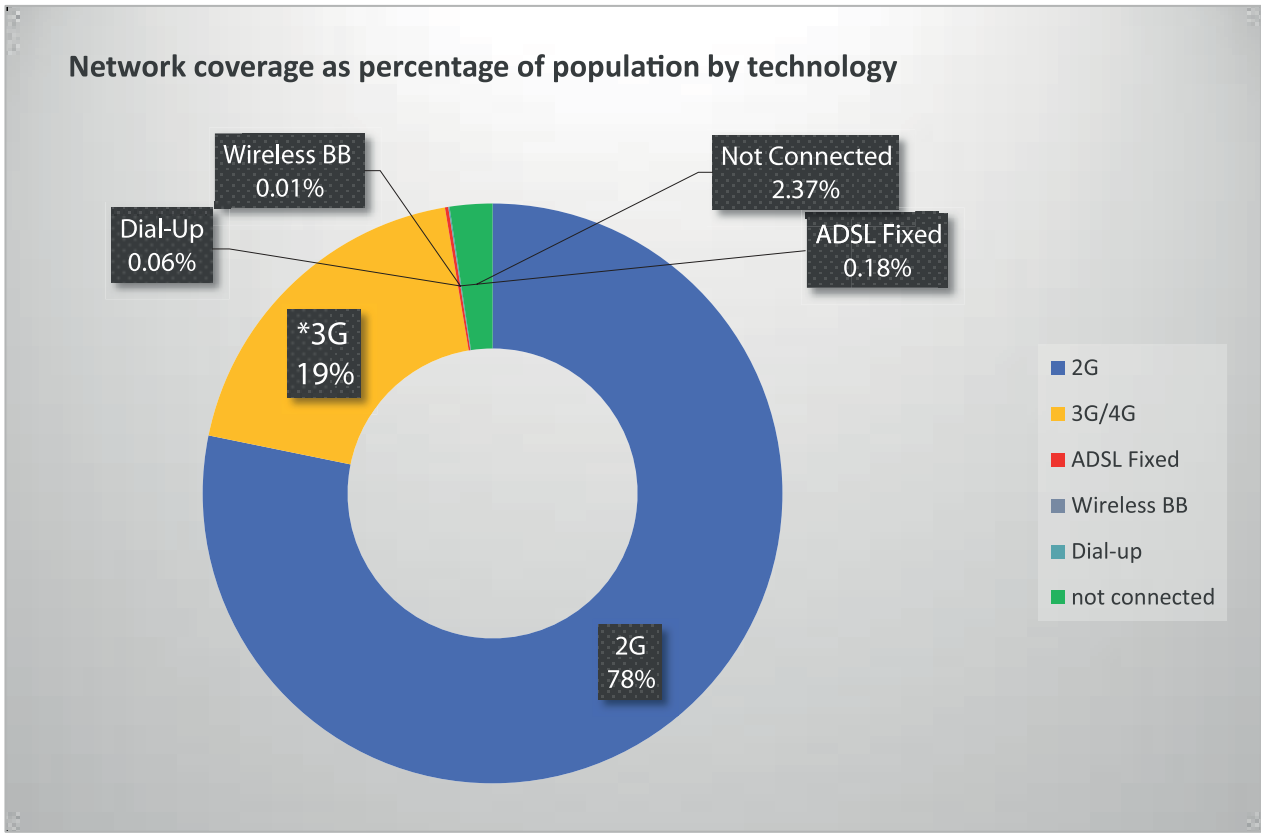
The graph of overall telecommunications market performance since 2010;



Cumulative growth of 297% for 2017 contrasts with some 285% in 2016. The number of connections since 2010 has increased sevenfold, with a penetration rate of 78% in 2017 compared with 70% in 2016. The overall coverage nationwide, calculated on population number and density is 94% for 2017, which compares with 93% in 2016. The revenue generated from telecommunications services, based on the licence fees paid, was SBD$376 million compared with SBD$397 million in 2016. Since 2010 the revenue generated by all licenced service provides now exceeds SBD$2.5 billion. For the future, the most noteworthy trend is the number of internet connections, which were just 8,000 in 2010 but now number some 114,000 nationally.

Network Coverage by Population

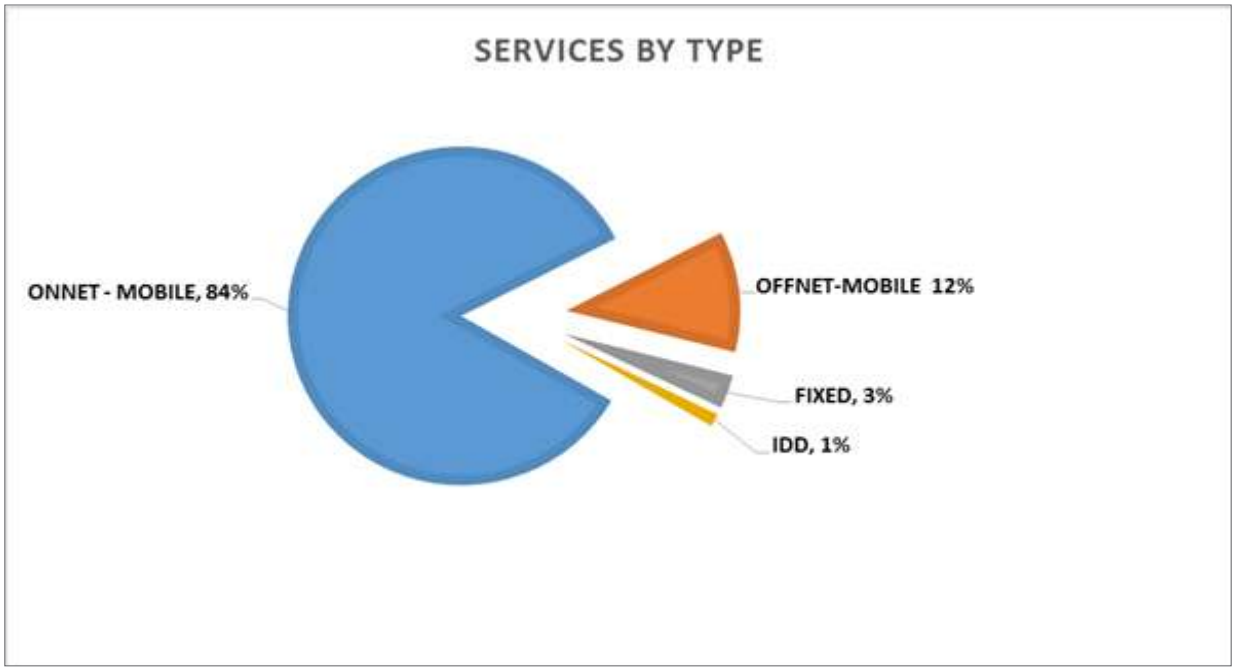
The overall break down of service coverage by technology is presented in the table below. The majority of the population, some78%, still has access to 2G voice telephony only. However, with the upgrades completed in the provinces, 3G coverage now extends to some 19% of the population, compared with 13% in the year before. The 2.37% of the population still not connected for any service, are in locations in the remote highlands, and other rural areas where mobile signals cannot reach for technical reasons, or where mobile base stations or relays would need to be specially deployed to link up with the mobile network assets already in place where the traffic volumes justify installation.



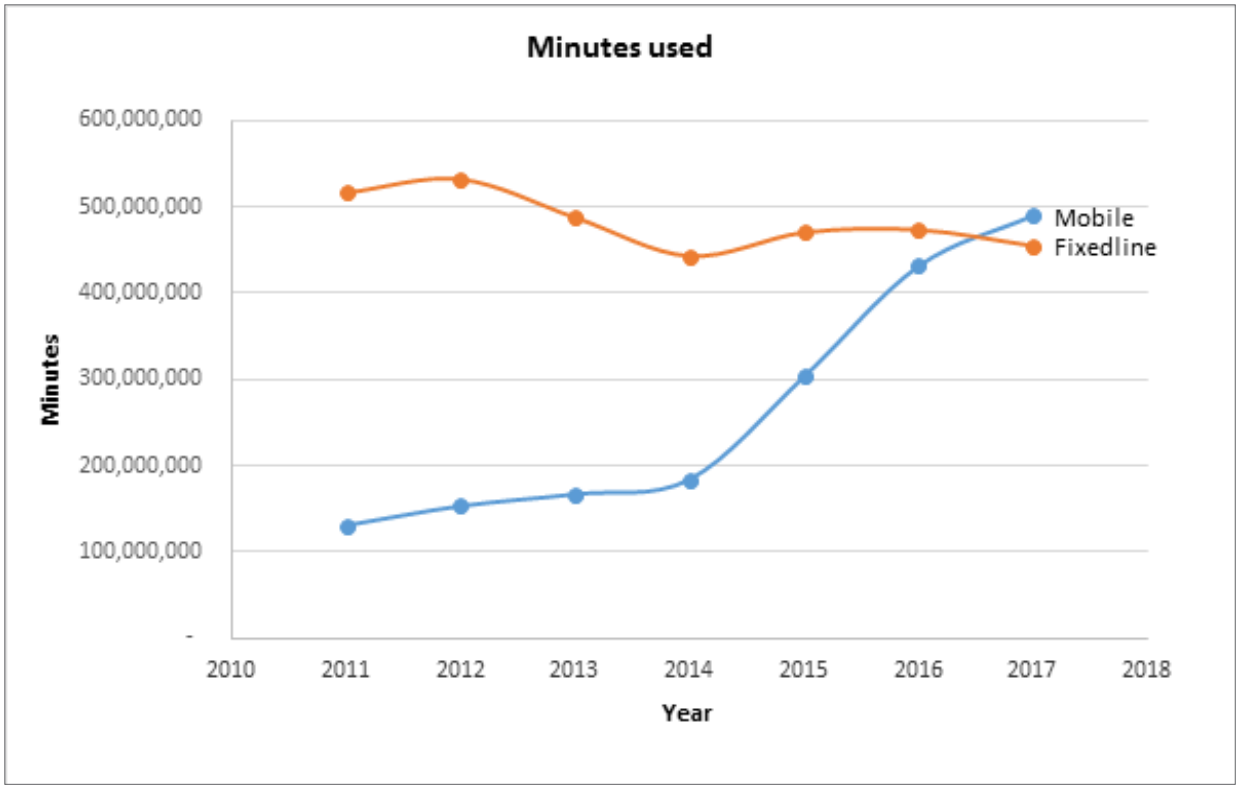
*Includes 4G coverage of some 12% of Honiara. Access to 4G services requires a smartphone with 4G switching capability.

Call Minutes

The total number of call minutes used by mobile services has grown steadily since 2011. For 2017 alone, the number of minutes used by subscribers within the same mobile network (on-net) accounted for some 84% of the total (417 million minutes). This outcome reflects the various special bundling services for voice and data packages with reduced tariff rates. Subscribers calling other mobile networks (off net) accounted for some 12% of the total minutes and calls between the Our Telekom landline network and both mobile networks stood at 3% for the year. International direct dialling amounted to 1% for all international inbound and outbound traffic for the whole year. The graph below shows the service type use of minute in 2017.

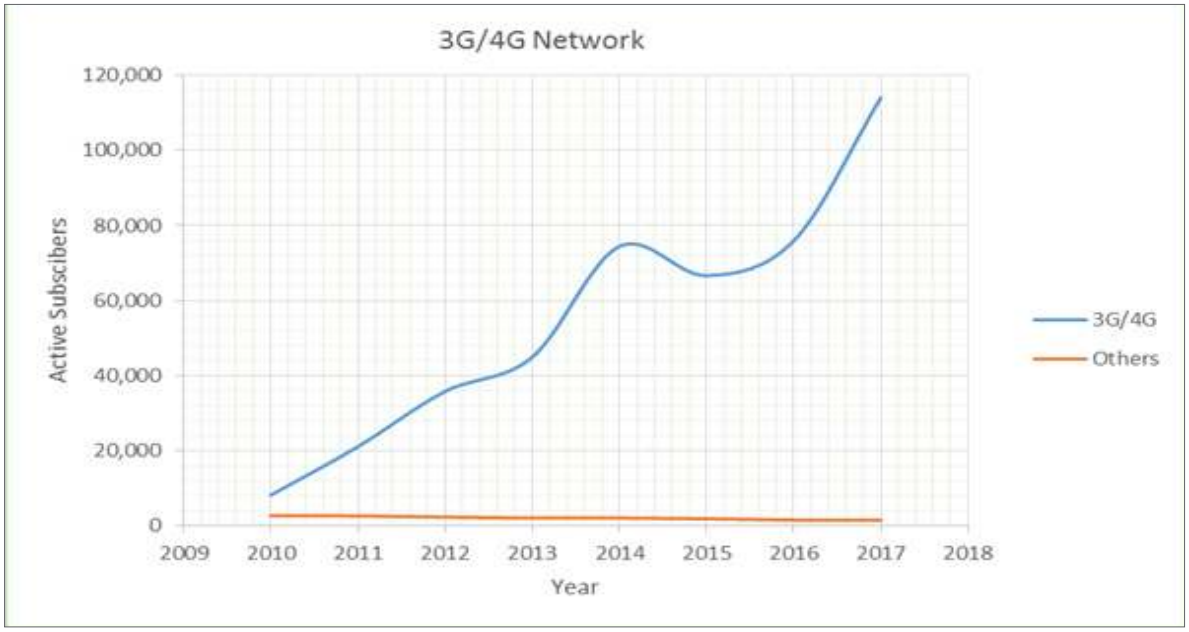


For the first time, in 2017, the total number of call minutes used by mobile subscribers, was greater than the minutes used by fixed line subscriptions. Fixed line minutes accounted for 48% of the overall total minutes used. The graph below illustrates that more consumers used mobile handsets than landlines to make calls or use data.



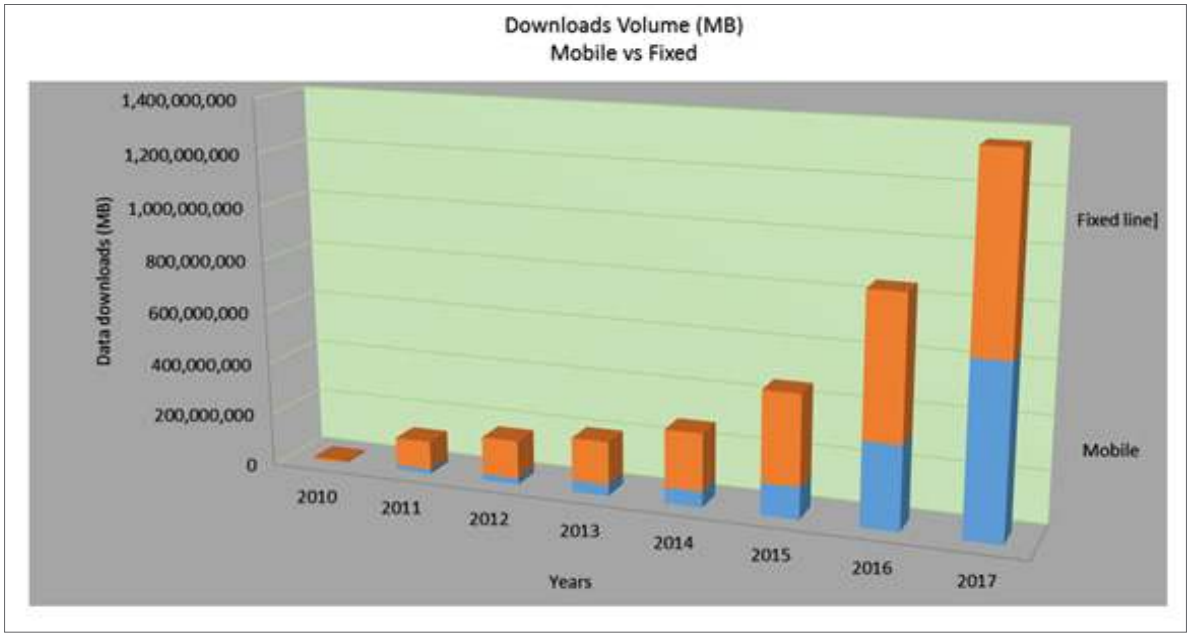
Broadband internet use

The trend towards the use of mobile broadband internet access continued in 2017. The number of active mobile connections accounted for 25% of total connections, compared with 19% in 2016. The quickening pace of the consumer move to mobile is clearly tracking the improvements in 3G and 4G network access. On the other hand it would appear that residential fixed line and dialup services, are fading from the market.



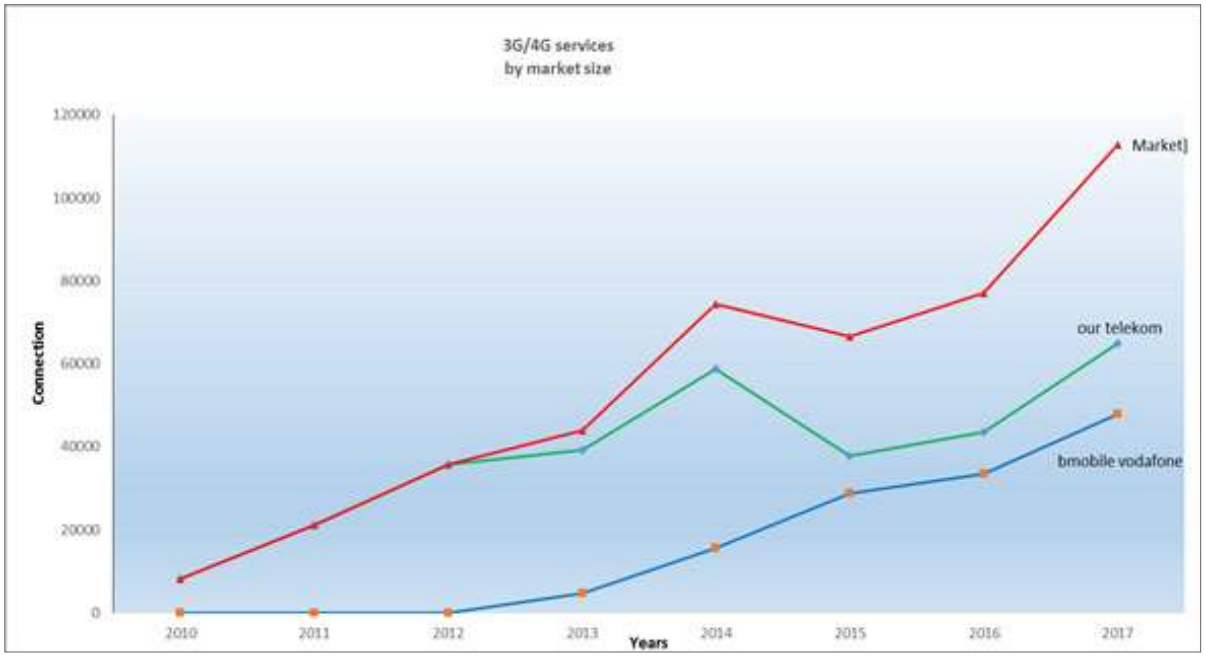
Internet Down Load Volume (MB)

From the graph below, we can be assured that for 2017, more downloads from internet were accounted via fixed-line (ADSL). For 2017, total downloads were 1,361 terabits of data of which mobile accounted for 48% and ADSL for 52%. With the introduction of 4G/LTE in Honiara by our telekom has resulted on download speed that is attributed to the increasing trend against ADSL use.



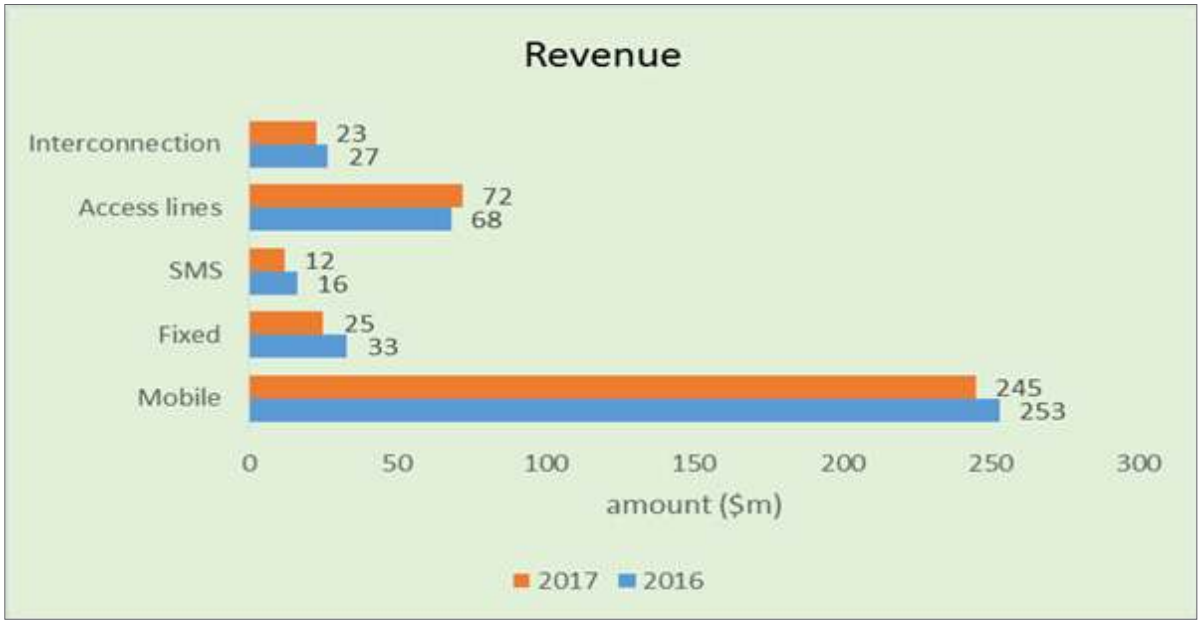
Services by market size

Although growth in the national economy was not stellar in 2017, the telecommunications sector continued to be buoyant and progressive. The two mobile network operators were actively competitive and up to date with world trends in technology and services. Our Telekom continued to be the market leader with its larger subscriber base and range of consumer and commercial services.



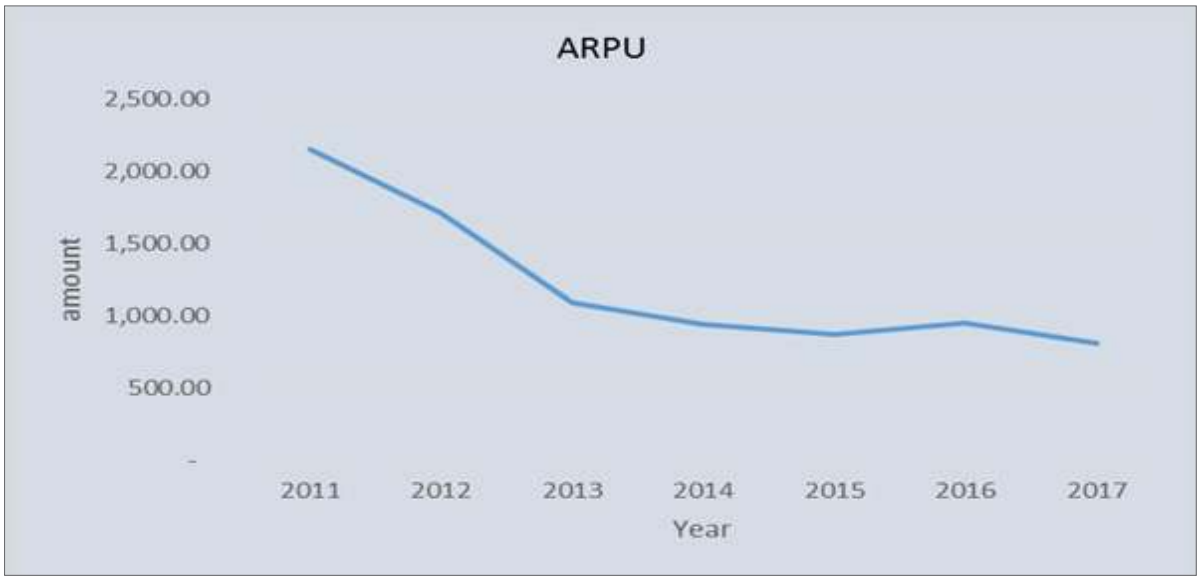
Revenue

For year 2017, the revenue contribution in total was $376m a slight decrease of 5% compared to $397m reported in 2016. From the revenue graph below, the slight reduction was felt in all revenue sources except for access line rentals.



Average Revenue Per User (ARPU)

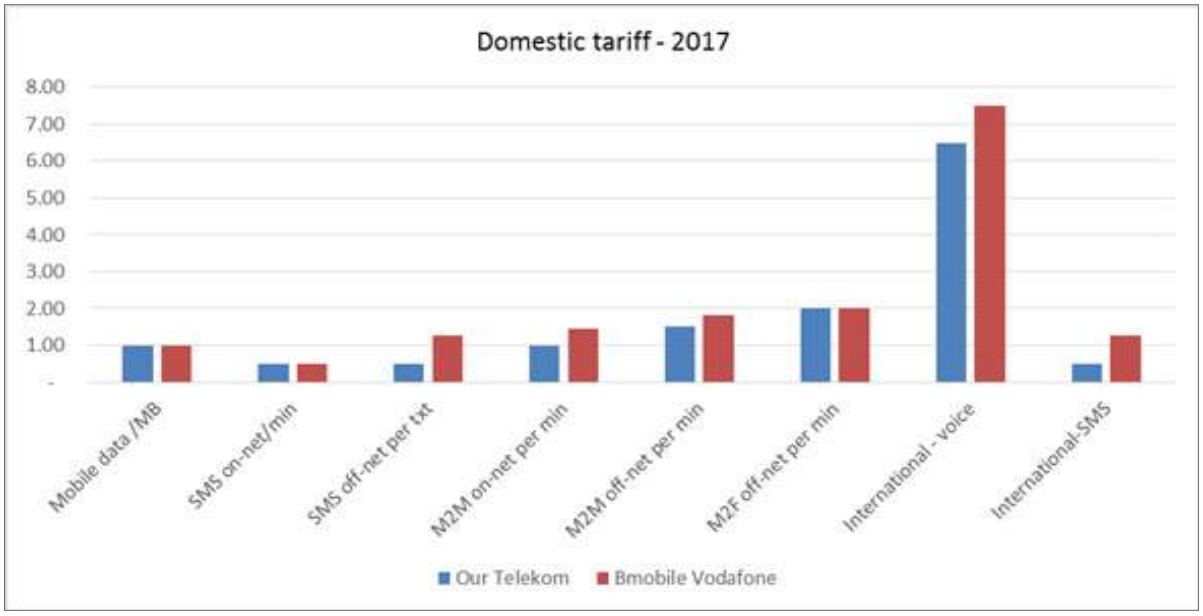
ARPU for 2017 was $808 that was calculated based on total subscribers to total sales revenue generated by all sources of revenues contributed on average by users. The reduction trend in the graph indicated that most of the value added services such as data plan proposals for mobile internet services and various promotional products, contributed less to overall revenue generated for the sector, because of competitive product bundling and discounting.



Market Price

Tariff rate

Although the statutory regime requires service providers to publish price tariffs for their services, the published tariffs are not the market prices. In the very competitive environment in Honiara in particular, the tariffs are simply the basis on which the operators put together attractive service offerings, so that customers can negotiate packages at prices which suits them. The graph below shows the tariffed services for mobile network services filed by the two operators in 2017.



Market Pricing

The Commission closely monitors the market price for all telecommunications services. Market prices are tax inclusive. The table below shows the sort of market pricing by the mobile service operators which was typical throughout 2017.

Both involve bundling of services. One is the prepaid mobile services "Red Hot plan" of Our Telekom. The other is the "Moa Pack plan" for Bmobile-Vodafone.

Plan offered (prepaid mobile)	Our Telekom	Bmobile Vodafone
Tariff - Voice	0.99c/min	$1.45/min
Tariff - SMS	0.50c/sms	0.50c/sms
Tariff - Data	0.50c/mb	$1.25/mb
Special Bundles – I week	**Red hot**	**Moa Pack**
Voice	80min	300 min + free calls (on-net)
Text or SMS	970sms	300 sms + free sms (on-net)
Data	765Mb	250Mb
Plans; (daily, weekly, monthly)	Yes	Yes

International Connectivity

During 2017 the cost of international connectivity remained expensive, although there were improvements for some international call destinations, SMS special arrangements and roaming. The international voice price is still at the higher end compared with other Pacific Island nations which already have the advantage of high-volume high-capacity undersea cable connectivity.

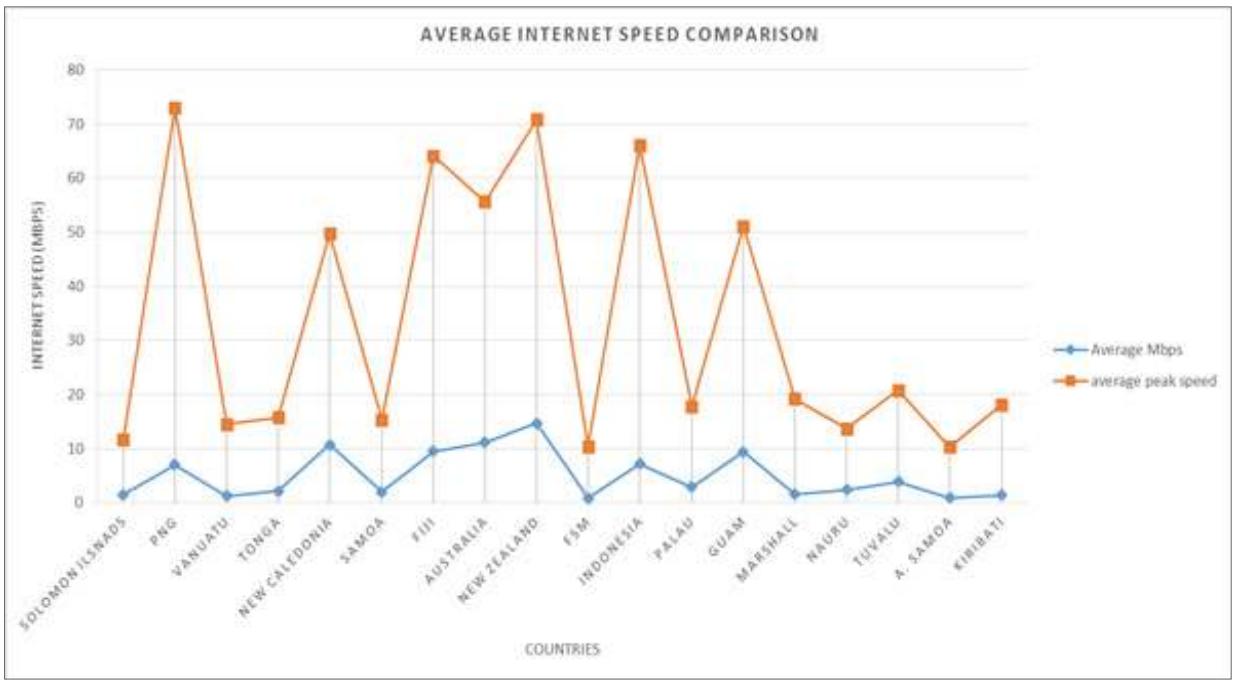
International bandwidth

International bandwidth, is the measure of the maximum quantity of data transmission (Rate), from country to a country or to the rest of the world, and is the sum of the capacity of all international data links from a country toward other. It is measured either in megabits per second (mbps) or gigabits per second (gbps) and refers to internet traffic at large, not just voice calls. International traffic can be transmitted by satellite, undersea cable or land optical fibre. There are four parties involved in delivery of the internet access; users, internet service providers (ISPs), internet access providers (IAPs) and international backbone providers (IBPs).

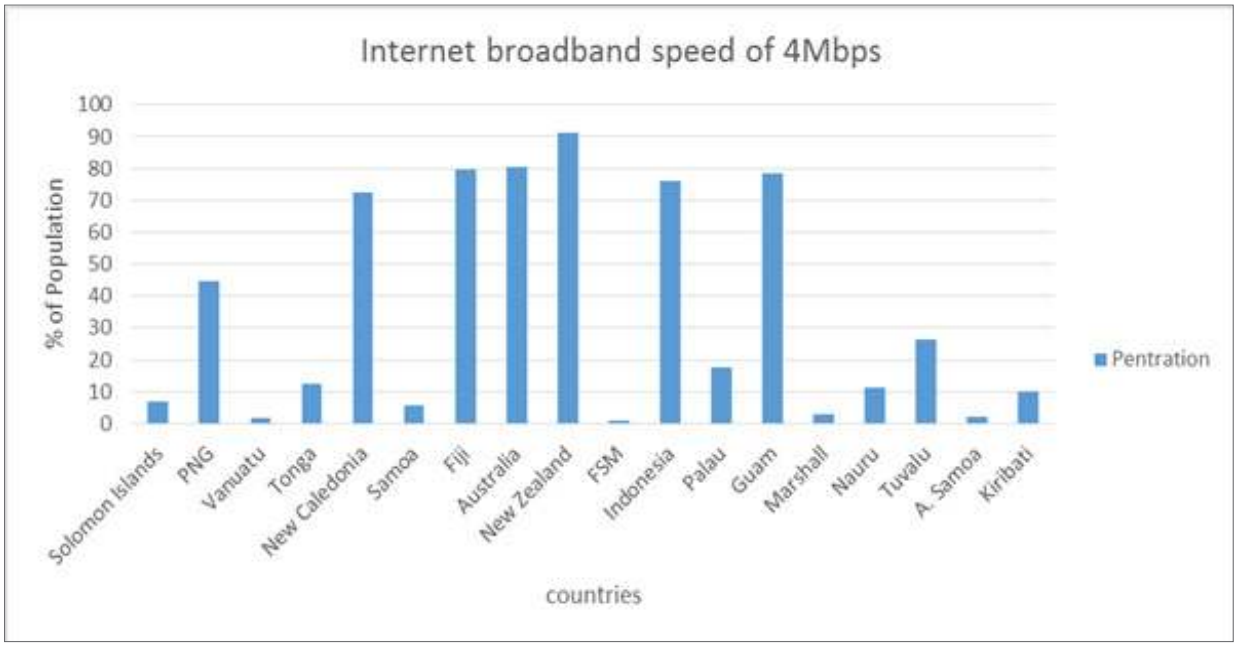
As at the end of 2017, Solomon Islands 'international connectivity was entirely dependent on delivery by satellite, and there were 3 ISPs, 3 IAPs, and 4 IBPs involved in providing this connectivity. The major IBP was O3b through Speed Cast. The average international bandwidth provided by the licenced ISP operators were approximately 900Mbps, aggregated.

Average Internet speed

The graph below shows how the average speed of internet for the normal and peak sessions in the region during the year of review. The speed is measured in Megabits per second (Mbps). Data were sourced from; *ITU, GSMA Intelligence and Akamai.com*.



The graph shows the broadband penetration above 4Mbps for the region.



STATEMENT OF CASH RECEIPTS AND PAYMENTS 2017

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	(SBD)	(SBD)
RECEIPTS		
Services licence fees	7,224,773	7,519,455
Radio spectrum application fees	104,500	98,800
Other income	401,653	251,550
Total receipts	**7,730,926**	**7,869,805**
PAYMENTS		
Operational expenses		
Commission remuneration	4,784,355	5,246,335
International membership subscriptions	344,753	62,351
Office premises rent	693,480	586,740
Telecommunications	400,902	522,298
Utilities-electricity,gas & water costs	271,303	396,871
Stationery, printing and publications	194,198	102,353
Transport maintenance & operation	219,525	230,969
Bank & tax charges	3,791	6,414
General repair & maintenance		7,444
Insurance	79,465	79,465
Regulatory functions & training	329,230	178,720
Workshops & participation	361,078	483,073
Services contracts	181,935	216,060
Accounting Services	568,600	139,400
Office supplies	39,657	99,204
Miscellaneous	55,766	91,352
	8,528,037	**8,449,052**
Capital Expenses		
ICT equipment		66,671
ICT maintenance	15,805	8,495
Office equipment	4,227	43,358
Furniture & fittings		
Spectrum Equipment & Software		
	20,032	**118,524**
Total payments	**8,548,069**	**8,567,576**
Net increase/(decrease) in cash and cash equivalent	(817,143)	(697,771)
Cash at beginning of the period	1,470,144	2,167,915
Unrealised exchange rate difference on foreign currency conversions	-	-
Cash at end of the period	653,001	1,470,144

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