



No. 9 2013 - 2014

ANNUAL ELECTRONIC COMMUNICATIONS SECTOR REVIEW

Accessing Broadband with 4G

Highlights

- Sector investment tops \$110 million
- Fixed broadband penetration moves up to 17 per cent
- 4G mobile broadband launched in ECTEL Member States
- Local voice call volumes recorded at 1.1 billion minutes

ECTEL MEMBER STATES

Commonwealth of Dominica
Grenada
The Federation of St. Christopher (St. Kitts) and Nevis
Saint Lucia
St. Vincent and the Grenadines

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Preface

The Eastern Caribbean Telecommunications Authority (ECTEL) produces this review of the electronic communications sector¹ annually. The report provides information on the performance and economic contribution of the sector, as well as information on deployment and use of electronic communications infrastructure in the ECTEL Member States.

The report presents a review of the electronic communications sector for the period April 2013 to March 2014, and tracks the performance of the sector using a number of economic and statistical indicators which include sector revenue, investment and service penetration. The main focus of the report is to present important economic and market statistics on the electronic communications sector for use by policy makers and other interested parties. The information contained in the report is based on data available as at February 28, 2015, and also includes revisions to data presented in previous reports where additional data was received.

The statistical indicators in the report are based on the International Telecommunications Union's core indicators on Information and Communications Technology (ICT) infrastructure and access. The data used to calculate the indicators was collected through the use of questionnaires to the main electronic communications service providers and from other publicly available data.

ECTEL would like to thank all the service providers, the Eastern Caribbean Central Bank (ECCB) and other institutions that provided the data required to produce this report. ECTEL would also like to express its gratitude to the National Telecommunications Regulatory Commissions (NTRCs) for coordinating the collection of the data.

¹ Electronic communications sector refers to broadcast and telecommunications.

Electronic Communications in the ECTEL Member States – Key Indicators and Sector Findings

Key Indicators

Table i: Key telecommunications service indicators in the ECTEL Member States

Indicator	2010	2011	2012	2013	2014
Revenue (EC\$M)	776	733	735	698	696
Investment (EC\$M)	101	80	83	90	118
Employment	1,379	1,356	1,369	1,202	938
Fixed voice service penetration	25.3%	24.3%	24.3%	22.8%	22.7%
Mobile service ² penetration	125.6%	128.3%	131.3%	127.6%	107.4%
Broadband penetration	13.7%	14.4%	15.2%	16%	17.2%
Local voice minutes (millions)	1,376	1,284	1,331	1,319	1,118
International voice minutes (millions)	137	141	132	103	89

Source: ECTEL/operators

Main Sector findings

The key findings of the review of the electronic communications sector across the ECTEL Member States for the period ended March 2014 are:

- Sector investment topped \$110 million and sector revenue remained flat:** For the first time in four years, capital expenditure by service providers exceeded \$100 million, being recorded at \$118 million as at March 2014. The 32 per cent jump in investment was driven by infrastructure upgrades for the launch of 4G/HSPA+ mobile broadband services in the Member States. This increased investment was made in an environment of stagnated revenue growth.
- Fixed broadband penetration increased 110 basis points to a high of 17.2 per cent:** Subscriptions to fixed broadband services advanced a further 7 per cent, to more than 87,400 and resulted in a penetration rate of 17.2 per cent.
- 4G/HSPA+ mobile broadband service launched in St Kitts and Nevis and Saint Lucia:** During the review period, Digicel and LIME launched mobile broadband service in St. Kitts and Nevis and LIME launched island-wide service in Saint Lucia. The availability of mobile broadband is expected to increase the accessibility of broadband services to consumers in the Member States. By the end of 2014 the service was available in all ECTEL Member States.
- Overall local calling traffic from both fixed and mobile declined:** Local calling minutes from both fixed and mobile networks declined 15 per cent to 1.1 billion minutes. Fixed call volumes fell 18 per cent, and thirteen per cent less local traffic originated from mobile networks.

² Mobile services include voice, messaging and internet services.

Table of Contents

PREFACE	I
ELECTRONIC COMMUNICATIONS IN THE ECTEL MEMBER STATES – KEY INDICATORS AND SECTOR FINDINGS	II
1 THE ELECTRONIC COMMUNICATIONS SECTOR – ECTEL MEMBER STATES.....	1
OVERVIEW	1
VOICE SERVICES	3
INTERNET AND BROADBAND SERVICES.....	4
2 THE ELECTRONIC COMMUNICATIONS SECTOR DOMINICA	6
OVERVIEW	6
FIXED VOICE SERVICES.....	9
MOBILE VOICE SERVICES	9
INTERNET AND BROADBAND	10
3 THE ELECTRONIC COMMUNICATIONS SECTOR GRENADA.....	11
OVERVIEW	11
FIXED VOICE SERVICES.....	14
MOBILE VOICE SERVICES	14
INTERNET AND BROADBAND SERVICES.....	15
SUBSCRIBER TELEVISION	15
4 THE ELECTRONIC COMMUNICATIONS SECTOR	16
St. Kitts and Nevis	16
OVERVIEW	16
FIXED VOICE SERVICES.....	19
MOBILE VOICE SERVICES	19
INTERNET AND BROADBAND SERVICES.....	20
SUBSCRIBER TELEVISION	20
5 THE ELECTRONIC COMMUNICATIONS SECTOR	21
SAINT LUCIA	21
OVERVIEW	21
FIXED VOICE SERVICES.....	24
MOBILE VOICE SERVICES	24
INTERNET AND BROADBAND SERVICES.....	25
6 THE ELECTRONIC COMMUNICATIONS SECTOR	26
St. Vincent and the Grenadines.....	26

OVERVIEW 26

FIXED VOICE SERVICES..... 29

MOBILE VOICE SERVICES 29

INTERNET AND BROADBAND SERVICES..... 30

SUBSCRIBER TELEVISION AND BROADBAND SERVICES 30

7 NOTES AND STATISTICAL TABLES 31

 7.1 Notes on Statistical Tables and Data..... 31

 7.2 Statistical Tables..... 33

8 INDIVIDUAL LICENSEES IN THE ECTEL MEMBER STATES 36

1 THE ELECTRONIC COMMUNICATIONS SECTOR – ECTEL MEMBER STATES



OVERVIEW

In its 2013 Annual Economic and Financial Review, the Eastern Caribbean Central Bank (ECCB) reported that from available data there was a pick up in economic activity in the Eastern Caribbean Currency Union (ECCU) as real GDP growth was estimated to have increased 0.7 per cent, which was an improvement over the 0.2 per cent experienced in 2012. This uptake in activity was a result of a number of factors including increased foreign direct investment inflows, and growth in private and public sector investments. In addition, a number of key sectors - construction, hotel and restaurant and agriculture, livestock and forestry, recorded increases in value added. In the ECTEL Member States, Grenada, St. Kitts and Nevis and St. Vincent and the Grenadines recorded positive economic growth, while activity in Dominica was flat and Saint Lucia's economy contracted.

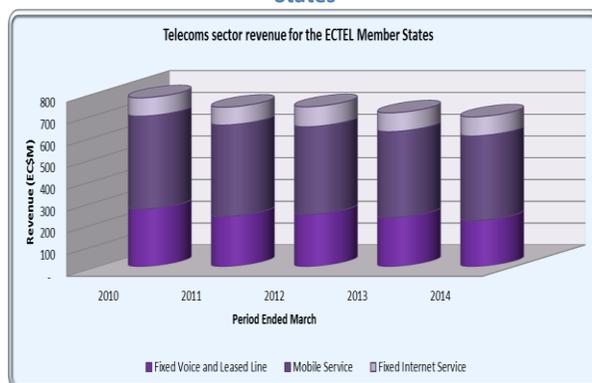
The performance of the telecommunications sector appears to have mimicked the overall economy. The sector benefitted from a significant (16 per cent) increase in investment as service providers launched or prepared to launch 4G/HSPA+ mobile broadband service. However, sector revenue was relatively flat and total local calling volumes were down 15 per cent to 1.12 billion minutes.

Operator Reported Revenue

Revenue earned by telecoms operators across the ECTEL Member States fell flat and was reported at \$696 million (Figure 1.1). Fixed voice services recorded a 4 per cent fall in revenue and accounted for 30 per cent of overall sector revenue. Fixed broadband services, which has been the engine of growth in the past three years, generated a modest 2 per cent increase in revenue and contributed 13 per cent to total sector revenue.

Mobile services have been the bellwether of the telecommunications sector. For the review period, mobile services contributed 57 per cent to sector revenue having added 1.1 per cent to its prior year's share of sector revenue.

Figure 1.1: Telecoms sector revenue in the ECTEL Member States



Source: ECTEL/operators

Investment

Investments by telecoms operators in the ECTEL Member States increased for the fourth straight year. Spending in the review period reached just over \$118 million, 32 per cent more than in the previous period. Sector investment was recorded at over \$100 million for the first time in four years. The overall investment rate moved up 400 basis points to 17 per cent (Figure 1.2).

The jump in investment growth was the direct result of the launch of island-wide 4G/HSPA+ mobile broadband networks in a number of the ECTEL Member States. During the period, 4G networks were launched in St. Kitts and Nevis and Saint Lucia and the preparations for its launch in the other

Member States were well on the way. In addition, operators also reported upgrades to fixed broadband infrastructure and submarine cable systems.

Figure 1.2: Telecoms sector investment in the ECTEL Member States



Source: ECTEL/operators

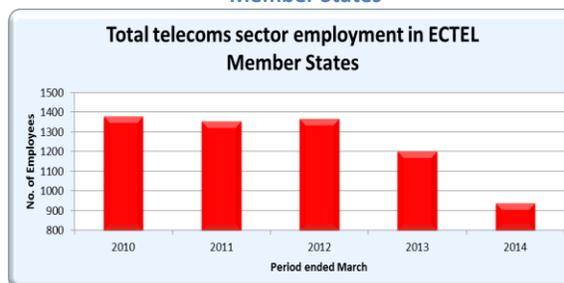
Direct Employment

For the first time since market liberalisation, the number of full-time employees of licensed telecoms operators fell to less than 1,000 (Figure 1.3). At March 2014, service providers employed an estimated 940 persons. This was 22 per cent fewer than in the previous period.

The significant fall in the number of full-time workers employed by service providers was largely due to one major regional operator outsourcing its field service operations to a third party. There were also job losses due to cost cutting measures and increased adoption of efficient technological business solutions. A majority of the persons let go by licensed operations

still work in the sector, providing services to licensed operators.

Figure 1.3: Telecoms sector employment in the ECTEL Member States



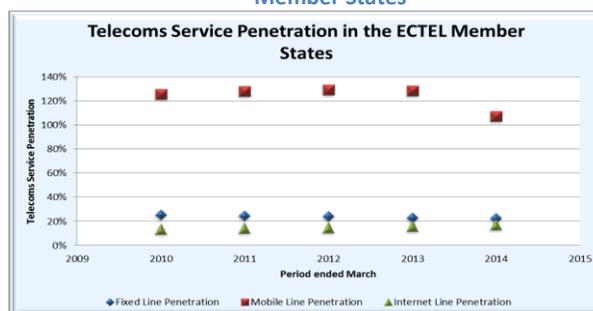
Source: ECTEL/operators

Telecoms Service Penetration

During the review period:

- Fixed broadband penetration jumped 110 basis points to 17.2 per cent (Figure 1.4).
- There was 15 per cent less mobile subscriptions than in the previous period. This was a direct result of a change in accounting methodology for prepaid mobile subscriptions by one operator. Mobile penetration was 1.09 subscriptions per inhabitant.
- The number of fixed lines in service was down by 100 and fixed line penetration fell 10 basis points to 22.7 per cent.

Figure 1.4: Telecoms service penetration in the ECTEL Member States



Source: ECTEL/operators

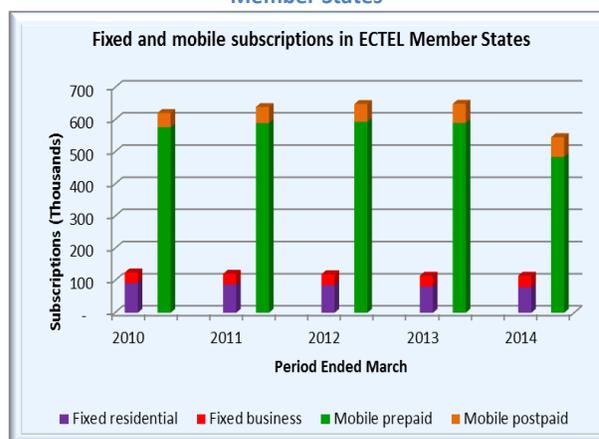
VOICE SERVICES

Subscriptions

The number of landlines in service continued to decrease but at a slower rate. At March 2014, there were 115,100 landlines in service across the ECTEL Member States (Figure 1.5). This was a 0.1 per cent drop in overall landlines, as the 4 per cent growth in business lines nearly offset the 2 per cent fall in residential lines. Business lines increased its share of total lines one percentage point to 31 per cent.

There was a significant change in the market for mobile services during the review period, as a major mobile operator indicated a change in the methodology used to determine active prepaid mobile subscriptions. As a result of this change prepaid subscriptions fell 15 per cent to an estimated 551,500. With no change in the accounting for postpaid subscriptions, growth of 4 per cent was recorded.

Figure 1.5: Fixed and mobile subscriptions in the ECTEL Member States



Source: ECTEL/operators

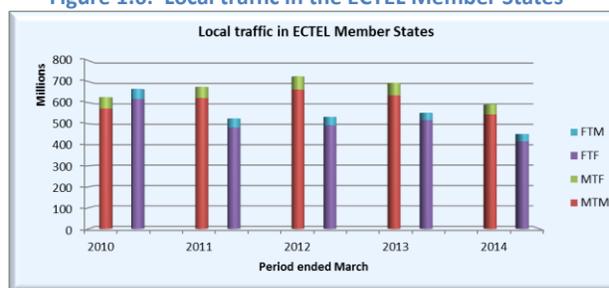
Network Traffic

Both fixed and mobile networks experienced contractions in traffic volumes:

- Traffic from mobile and fixed networks was down 15 per cent to 1.12 billion minutes (Figure 1.6).
- On-net mobile calling minutes, which accounted for 49 per cent of local traffic, experienced a 14 per cent reduction.
- Monthly fixed calling was recorded at 330 minutes per subscription, 18 per cent less than in the previous period.
- Fixed to mobile calling, which has been on the decline in the past few periods edged up 2 per cent, to just over 35 million minutes.

- The number of SMS sent by consumers was estimated at just over 200 million messages.

Figure 1.6: Local traffic in the ECTEL Member States



Source: ECTEL/operators

International Outgoing Traffic

There was a further decline in the number of outgoing international calling minutes from the ECTEL Member States during the review period.

Consumers used an estimated 89 million calling minutes from both fixed and mobile networks. This was 13 per cent less minutes than was used in the previous period.

A majority of the calling minutes, 63 per cent, originated from mobile networks (Figure 1.7).

Figure 1.7: Outgoing international traffic from ECTEL Member States



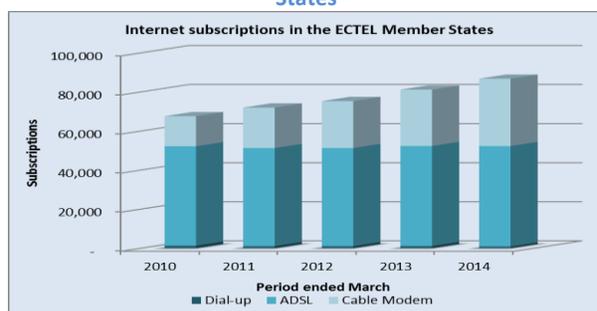
Source: ECTEL/operators

INTERNET AND BROADBAND SERVICES

Fixed Broadband Service

There were 87,400 fixed broadband subscriptions in the ECTEL Member States at the end of March 2014. This represented a 7 per cent increase over the previous period (Figure 1.8). The growth rate for fixed broadband subscriptions has been relatively constant over the past three years. ADSL and cable modem remain the prevailing broadband technologies; however, during the reporting period providers indicated that fibre to the building (FttH) was also available in some Member States.

Figure 1.8: Internet subscriptions in the ECTEL Member States



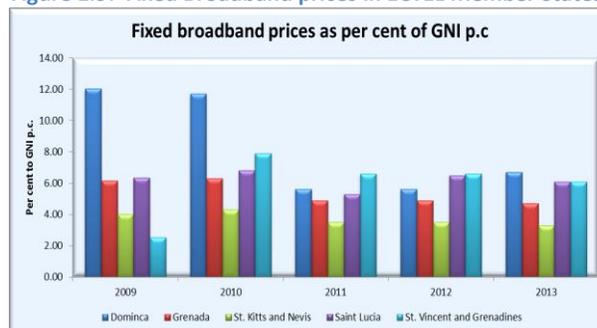
Source: ECTEL/operators

Affordability of Fixed Broadband Service

The broadband sub-basket of the ITU's ICT Price Basket revealed that fixed broadband service remained most affordable in St. Kitts and Nevis and Grenada. In both Member States, the cost of fixed broadband as a per cent of GNI p.c. was less than 5 per cent – the Broadband Commission's target for affordability.

The value of the broadband sub-basket held firm in Saint Lucia and St. Vincent and the Grenadines at 6.10, but Dominica recorded a value of 6.70, up from 5.60 in the previous year. The affordability of fixed broadband remains a challenge in these Member States. (Figure 1.9).

Figure 1.9: Fixed Broadband prices in ECTEL Member States



Source: ITU

Mobile Internet Service

During the review period, 4G/HSPA+ mobile broadband service was available to customers in St. Kitts and Nevis and Saint Lucia while mobile internet service was only available via GPRS and EDGE in the other Member States. Mobile internet service in the Member States is largely available via mobile handsets.

At March 2014 there were an estimated 163,000 mobile internet packages associated with mobile

service subscriptions. This represents roughly 30 per cent of mobile subscriptions. In Member States where 4G service was launched, providers announced that the service is available island-wide. This meant that any customer with a 4G enabled handset could potentially access 4G mobile broadband service.

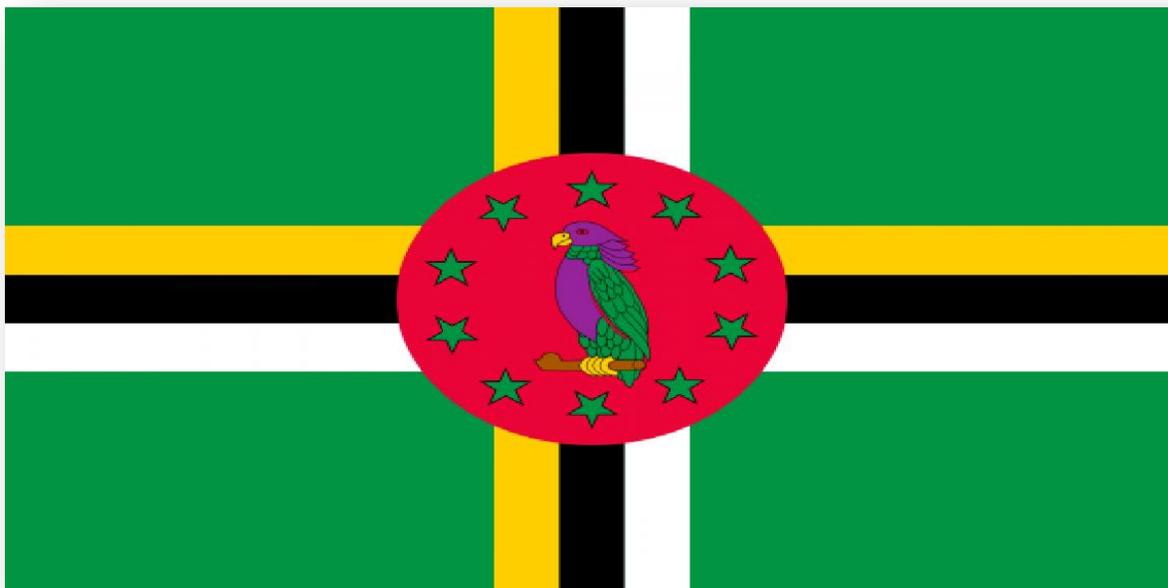
SUBSCRIBER TELEVISION

Subscriber Television

For the period under review, subscriber TV operators reported revenue of just over \$81 million, a 4 per cent increase over that reported at March 2013. In line with this increase in revenue, the number of subscriptions to pay TV services rose 3 per cent to a reported 102,300. This was roughly 20,000 more than the number of fixed broadband subscriptions across the ECTEL Member States.

Subscriber TV operators offer both digital and analogue cable TV service; only one operator has indicated that its service was 100 per cent digital. During the review period, pay TV via IPTV, was not available in the ECTEL Member States.

2 THE ELECTRONIC COMMUNICATIONS SECTOR DOMINICA



OVERVIEW

The ECCB's preliminary estimates indicated that the economy of Dominica contracted by a further 0.6 per cent in 2013, following a contraction of 0.4 per cent in 2012. The developments across the sectors were mixed and although activity in the wholesale and retail trade sector, agriculture, livestock and forestry, as well as manufacturing increased, there were contractions in sectors such as construction and transport, storage and communications. The transport, storage and communications sector recorded a 1.6 per cent decline, with Communications adding 5.66 per cent to gross valued added, down from 6.09 in 2012.

Activity in the electronic communications sector was not immune to what was happening in the wider economy. The drop in activity means that overall sector revenue fell 1 per cent for the period. Investment in the sector was estimated to have declined by 11 per cent as operators focussed on network maintenance. Employment in the sector was also down by 28 per cent. The ICT price basket index for 2013 increased by 0.6 points to 3.9.

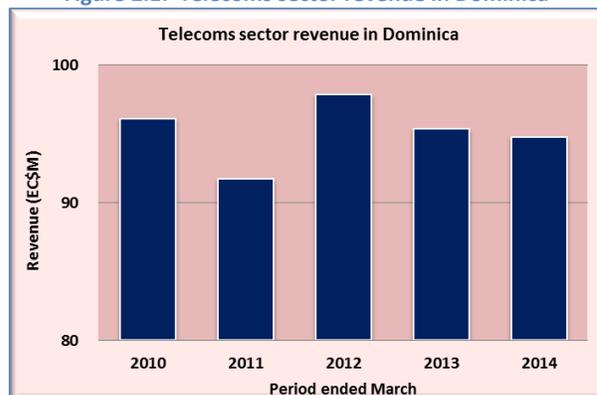
Operator Reported Revenue

The telecoms operators in Dominica generated \$95 million in total revenue for the period ended March 2014, a 1 per cent reduction over the previous period. This came about because of a 9 per cent reduction in revenues of fixed voice services which was nearly completely offset by an 11 per cent rise in revenue from internet services and a 3 per cent increase in revenues from mobile services.

The contribution of mobile services to total sector revenues remained above 50 per cent; up 2 percentage points to 54 per cent at the end of the period. Revenue contribution from fixed voice was down 3 percentage points to 34 per cent

while that of fixed internet moved up by 1 percentage point to 12 per cent.

Figure 2.1: Telecoms sector revenue in Dominica



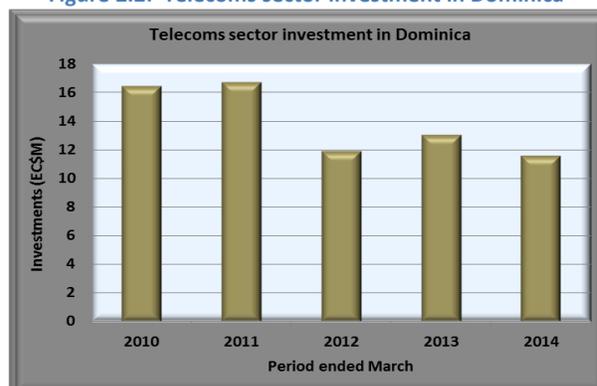
Source: ECTEL/operators

Investment

Investment in the telecoms sector totalled \$11.6 million for the period ended March 2014. This was an 11 per cent reduction compared to the previous period, and represented an estimated investment rate of 12 per cent compared to the 14 per cent investment rate the previous period.

During the period under review, the providers continued to focus on the maintenance, upgrade and expansion of their existing telecoms networks.

Figure 2.2: Telecoms sector investment in Dominica

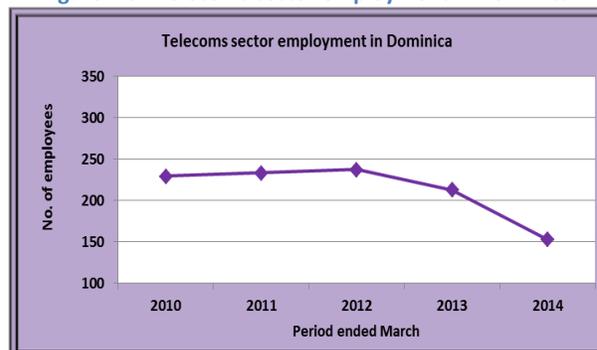


Source: ECTEL/operators

Direct Employment

The total number of persons in full-time employment in the telecommunications sector in Dominica declined by 28 per cent to 153 persons at the end of March 2014. This decline follows the 10 per cent reduction experienced during the previous period. The main reason for the faster rate of contraction in sector employment during the review period was because one provider outsourced its field services to a third party.

Figure 2.3: Telecoms sector employment in Dominica

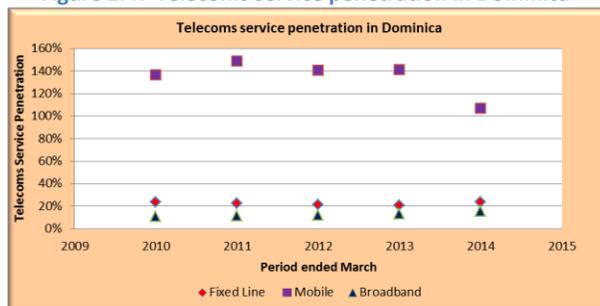


Source: ECTEL/operators

Telecoms Service Penetration

At the end of March 2014, the penetration rate of fixed line service increased three percentage points to 24 per cent, while fixed internet service penetration increased by 30 basis points to 15.6 per cent. However, there was a decline in the mobile penetration rate of 41 percentage points to 107 per cent. This was a direct result of a change in the methodology used to account for prepaid mobile subscription by a major mobile operator.

Figure 2.4: Telecoms service penetration in Dominica



Source: ECTEL/operators

ICT Development Index (IDI) and ICT Price Basket

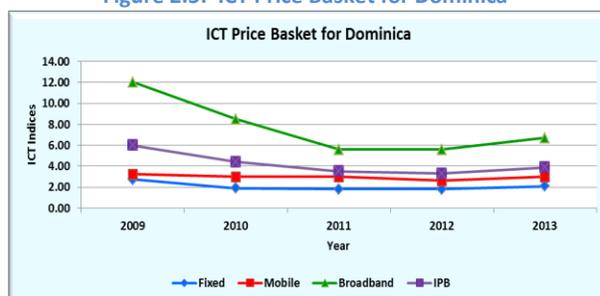
Based on the ITU’s ICT Price Basket, the prices of all the key ICT services in Dominica declined over the period 2008 to 2013, indicating a general increase in the affordability of these services. However, in 2013, the ICT Price Basket increased to 3.90 from 3.30 in 2012, indicating that ICT services were generally less affordable than they were in 2012.

Of particular concern, is the fixed broadband sub-basket, which was 6.7 per cent of GNI per capita in 2013 up from 5.60 in 2012 which was already above the Broadband Commission for Development’s target for affordability of 5.0 per cent.

In the ITU’s 2013 annual ICT Development Index (IDI), which

serves to monitor ICT development, Dominica’s IDI value of 4.72 was less than the global (4.77) and regional (4.86) averages, but greater than developing country’s (3.84) average.

Figure 2.5: ICT Price Basket for Dominica

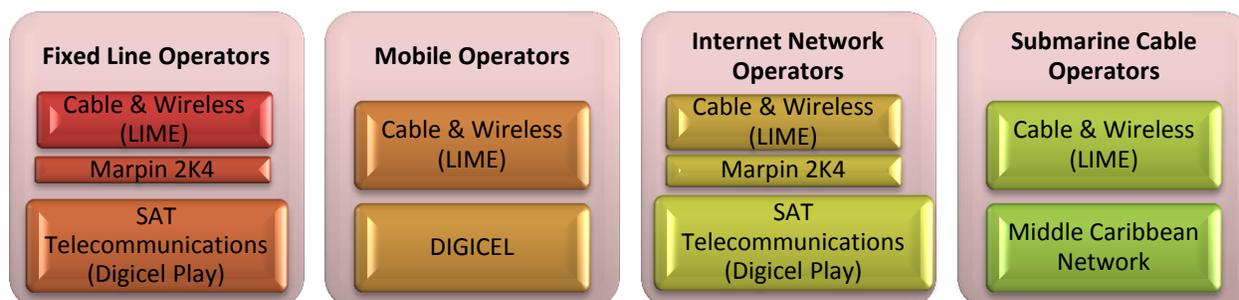


Source: ITU

Active Services Providers

At the end of March 2014, through market consolidation, there were only three active telecommunications service providers on Dominica as compared to six active providers the period before. LIME continued to provide fixed line, mobile, internet and submarine cable services; Marpin 2k4 continued to offer fixed line, internet and cable TV services; Digicel now offers all four services with the acquisition of SAT Telecommunications and Middle Caribbean Network.

Figure 2.6: Telecoms Operators in Dominica



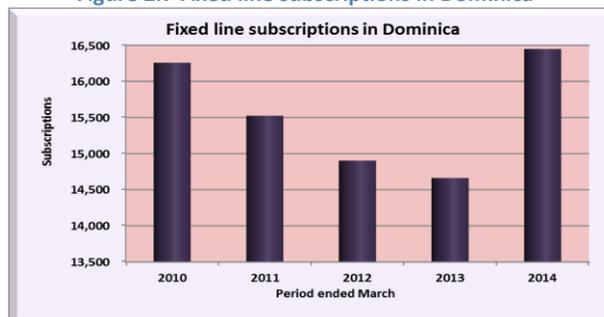
Source: ECTEL/NTRC

FIXED VOICE SERVICES

Subscriptions

Fixed line operators in Dominica reported an estimated 16,450 fixed line subscriptions at the end of March 2014; an increase of 12 per cent compared to the previous period. This increase was a reverse of what was observed over the last 10 years of declining fixed voice subscriptions. The overall increase was due to a 12 per cent increase in both residential and business lines subscriptions. The proportion of total fixed lines serving residential customers was approximately 65 per cent.

Figure 2.7 Fixed line subscriptions in Dominica



Source: ECTEL/operators

Fixed Traffic Volumes

Dominica saw an 11 per cent decline in the number of fixed network originated minutes to 21 million, during the review period. This was driven by local fixed-to-fixed calling minutes which declined by 14 per cent. In contrast, local fixed to mobile calling saw a 5 per cent increase. Fixed to mobile calling represented 21 per cent of all local fixed traffic volumes, up from 18 per cent in the previous period.

from the trend of a slow decline over the five previous years, but was in line with the increase in fixed lines in service. Even so, fixed network originated international minutes was just 25 per cent of all outgoing international minutes.

Table 2.1: Fixed traffic volume in Dominica

Fixed traffic volume in Dominica
(million minutes)

	Fixed to Fixed	Fixed to Mobile	Fixed to International
2010	25	5	3.6
2011	21	4	3.1
2012	19	4	2.8
2013	19	4	2.8
2014	16	4	4.2

Source: ECTEL/operators

MOBILE VOICE SERVICES

Subscriptions

At the end of March 2014, the total number of mobile subscriptions declined sharply, recording approximately 74,000 subscriptions, a steep 28 per cent drop over the previous period. This was led primarily by a 30 per cent drop in prepaid mobile subscriptions, brought about largely by the change in methodology for accounting for active prepaid SIMs by a major service provider. There was a 10 per cent increase in postpaid subscriptions; prepaid subscriptions still accounted for 91 per cent of total mobile subscriptions on Dominica.

Figure 2.8: Mobile subscriptions in Dominica



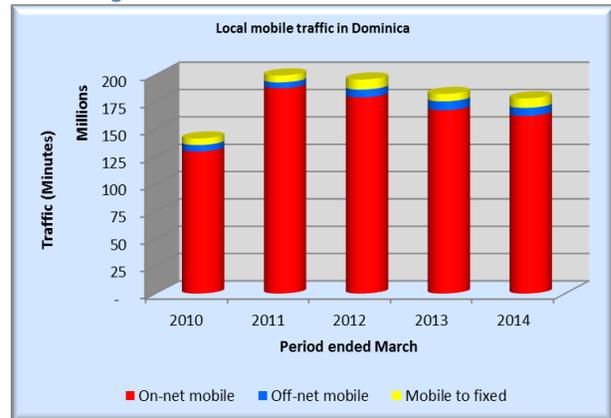
Source: ECTEL/operators

Mobile Traffic Volumes

For the period ended March 2014, local mobile traffic on the island of Dominica declined by 2 per cent to roughly 178 million minutes. Although mobile to fixed minutes increased by 27 per cent, the declines in both local on-net minutes and off-net minutes of 3 per cent and 9 per cent respectively, ensured a drop in local mobile traffic volumes. During the period, mobile-to-mobile calling accounted for 95 per cent of all local mobile traffic.

Outgoing international minutes that originated from mobile networks in Dominica grew for a second year running, albeit by a slower rate of 11 per cent to 12.6 million minutes, compared to the 27 per cent increase recorded in the previous period.

Figure 2.9: Local mobile traffic in Dominica



Source: ECTEL/operators

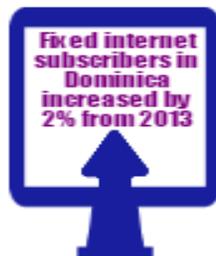
INTERNET AND BROADBAND

Fixed and Mobile Broadband Services

Fixed Broadband Services

For the period ended March 2014, fixed broadband subscriptions in Dominica expanded a further 2 per cent to more than 10,700. This was much slower than the 11 per cent reported in the previous period. Fixed broadband service is largely delivered using ADSL and cable modem technologies, but for the first time operators reported offering broadband service via fibre-to-the-building (FttB).

Figure 2.10: Fixed internet service in Dominica



Source: ECTEL/operators

Mobile Broadband Services

There was a 3 per cent increase in the number of mobile voice customers that purchased mobile data packages as a bolt-on service. For the review period, more than 21,000 mobile data packages were bought which meant that roughly 29 per cent of mobile subscriptions included a data package.

Figure 2.11: Mobile internet service in Dominica



Source: ECTEL/operators

SUBSCRIBER TELEVISION

Subscriber Television

In Dominica, subscriber TV is provided by two operators-Marpin 2K4 and Digicel. At the end of March 2014, revenue from the provision of subscriber TV service was relatively flat even as operators reported a 6 per cent increase in subscriptions.

Table 2.2: Subscriber TV basic packages in Dominica

Operator	Monthly Rate	Total channels	Local Channels
Marpin 2K4	\$50	52	2
Digicel Play	\$20	11	3

Source: ECTEL/operators

3 THE ELECTRONIC COMMUNICATIONS SECTOR GRENADA



OVERVIEW

The ECCB estimated that, in 2013, economic activity on Grenada increased and real GDP growth expanded by 3.1 per cent, following the 0.6 per cent decline in 2012. This turnaround was driven mainly by growth in construction and supported by growth in agriculture, fishing, mining and quarrying, transport, storage and communications, and education. Gross value added by communications was recorded at 5.73 per cent in 2013, up from 5.55 per cent in 2012.

The performance of the telecommunications sector was generally just as buoyant as in 2013. Revenue generated by telecoms operators was 7.0 per cent more than in the previous period, although the sector lost 32 per cent of its full-time employees. Sector investment was 33 per cent more than in the previous period and was recorded at 23.6 million. Upward pressure on mobile cellular service however, resulted in the overall ICT price basket index rising 0.3 points.

Operator Reported Revenue

Telecoms operators on the island of Grenada generated \$154 million during the period ended March 2014, a 7 per cent increase over the previous period. This came as a result of across-the-board growth in revenue from all major telecoms services. Fixed internet service recorded the highest increase at 12 per cent, followed by a 7 per cent rise in revenue from mobile services and a 5 per cent jump in fixed voice revenue.

Mobile services share was just over half of sector revenues at 54 per cent; unchanged from the previous period. Revenue contributions from fixed voice and from fixed broadband services also remained unchanged at 35 per cent and 11 per cent respectively.

Figure 3.1: Telecoms sector revenue in Grenada



Source: ECTEL/operators

Investment

Investment by telecoms providers climbed 33 per cent to a five-year high of \$23 million for the period ended March 2014. This significant investment boost came on the heels of a 9 per cent rise in the previous period. During the review period, providers invested in the maintenance, upgrade and expansions of their existing telecoms networks. However, the main focus of the increase in investment was the build-out of network infrastructure to support the launch of 4G/HSPA+ mobile broadband service by mobile operators.

Figure 3.2: Telecoms sector investment in Grenada

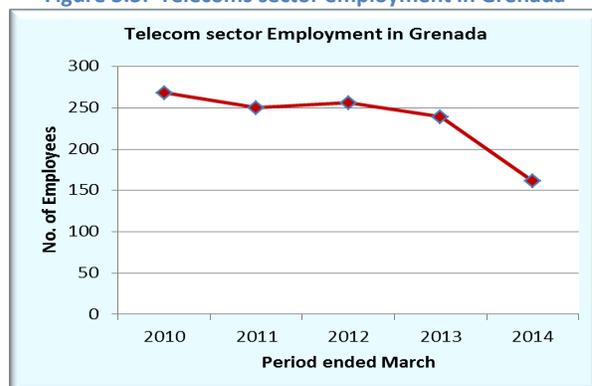


Source: ECTEL/operators

Direct Employment

There was a further decline in the number of full-time employees in the telecoms sector in Grenada. At March 2014, there were 160 persons employed full time within the sector, a 33 per cent reduction in the previous period. The significant decline in persons directly employed by licensed operators follows a more modest 7 per cent fall in the previous period, and was due in large part to one operator outsourcing its field work to a third party. There were also job losses associated with cost cutting measures implemented by service providers.

Figure 3.3: Telecoms sector employment in Grenada



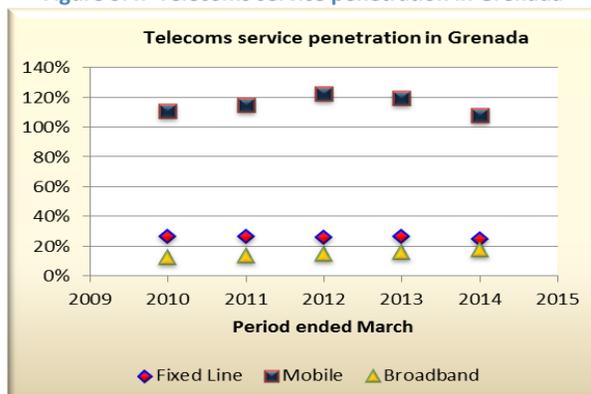
Source: ECTEL/operators

Telecoms Service Penetration

During the period under review in Grenada:

- Fixed Internet penetration gained 1 percentage point and moved up to 18 per cent;
- Fixed line penetration decreased by 2 percentage points to 25 per cent. It had relatively remained flat for the previous 5 years.
- The mobile penetration rate decreased by 18 percentage points and was recorded at 1.06 subscriptions per person in Grenada. This was the direct result of a change in methodology used to account for prepaid subscriptions by a major mobile operator.

Figure 3.4: Telecoms service penetration in Grenada



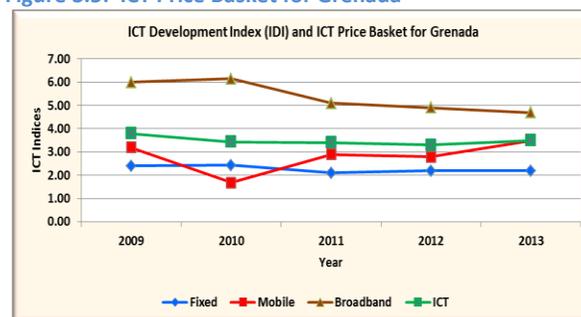
Source: ECTEL/operators

ICT Development Index (IDI) and ICT Price Basket

The ITU’s ICT Price Basket for Grenada increased from 3.20 in 2012 to 3.50 in 2013, indicating a general lessening in affordability of the services. The one bright spot was fixed broadband services. The broadband sub-basket was recorded at 4.7 per cent of average monthly GNI, below the ITU target of 5.0 per cent.

The 2013 ICT Development Index (IDI) for Grenada was 4.96, which ranks Grenada 13th in the Americas, 76th globally and 3rd among the ECTEL Member States. Grenada has an IDI value greater than the global (4.77), regional (4.86) and developing country (3.84) averages.

Figure 3.5: ICT Price Basket for Grenada

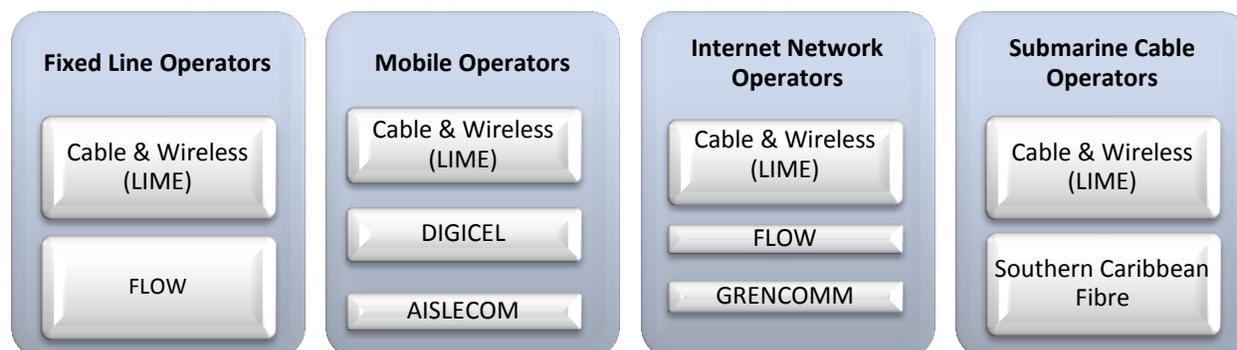


Source: ITU

Active Services Providers

For the period under review, there was one change to the number of active operators in the telecoms sector in Grenada. Digicel acquired Southern Caribbean Fiber (a member of Global Caribbean Network), reducing the total number of active service providers by one to five.

Figure 3.6: Telecoms operators in Grenada



Source: ECTEL/NTRC

FIXED VOICE SERVICES

Subscriptions

The number of fixed lines in service was recorded at 27,300 at the end of March 2014. This was a 4 per cent reduction, compared to the previous period. The fall in total fixed lines was led by a 10 per cent contraction in lines serving residential customers. As has been observed in the past three years, there was growth in the number of lines serving business customers. Even so the 19 per cent rise in business lines was insufficient to prevent the overall contraction in total fixed lines. In Grenada, 24 per cent of fixed lines serve business customers.

Figure 3.7: Fixed line subscriptions in Grenada



Source: ECTEL/operators

Fixed Traffic Volumes

Consumers used approximately 128 million fixed network originated minutes on the island of Grenada during the review period. This was a very significant, 44 per cent - reduction in local fixed calling volumes, when compared to the 8 per cent decline recorded in the previous period.

Local fixed to fixed calling minutes, which accounted for 93 per cent of local minutes, contracted by 46 per cent. In contrast, fixed to mobile calling minutes saw an increase of 7 per cent over the previous period.

After a 36 per cent jump in the previous period, international outgoing traffic from fixed lines increased

a further 1 per cent during the review period to 14 million minutes. In Grenada, fixed originated traffic accounted for a majority, 62 per cent of outgoing international calling minutes.

Table 3.1: Fixed traffic volume in Grenada

Fixed Traffic Volume in Grenada (million minutes)					
	2010	2011	2012	2013	2014
Fixed to Fixed	306	213	235	219	119
Fixed to Mobile	7	8	8	8	9
Fixed to International	5	7	10	14	14

Source: ECTEL/operators

MOBILE VOICE SERVICES

Subscriptions

The number of mobile subscriptions in Grenada was recorded at 117,100, a 9 per cent reduction over the previous period. This substantial decrease in subscriptions was the direct result of a change in the methodology used by a major mobile operator to account for active prepaid subscriptions. Despite this reduction, prepaid mobile subscription still accounted for 90 per cent of all subscriptions.

On the other hand, postpaid subscription grew 5 per cent during the review period. This rate was much faster than the 2 per cent recorded in the previous period. Flat rate pricing offers from providers may be

one factor having a positive impact on the growth in post-paid subscriptions.

Figure 3.8: Mobile subscriptions in Grenada



Source: ECTEL/operators

Mobile Traffic Volumes

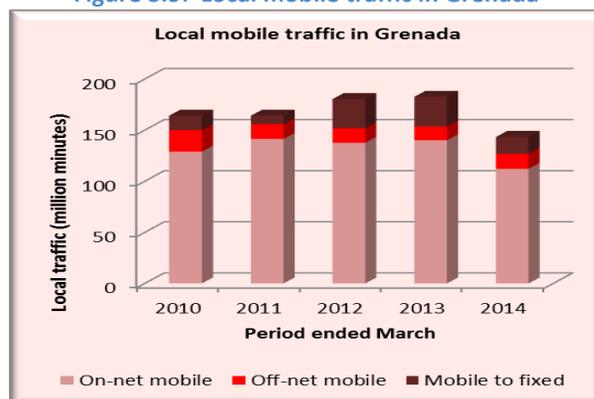
During the review period ended March 2014, local mobile traffic on the island of Grenada declined by 22 per cent to roughly 143 million minutes. This was the first drop in local mobile traffic in five years.

The fall in local mobile calling minutes was led by a 20 per cent decrease in on-net minutes and a 44 per cent drop in mobile to fixed calling minutes. The 10 per cent uptake in off-net mobile calling minutes was insufficient to stem to the overall fall in local calling minutes.

Local calling minutes from mobile networks increased its share of total local traffic by 8 percentage points to 53 per cent during the period; for the first time accounting for the majority of local calling minutes. In contrast, mobile originated outgoing international calling

minutes accounted for just 38 per cent outgoing minutes from Grenada.

Figure 3.9: Local mobile traffic in Grenada



Source: ECTEL/operators

INTERNET AND BROADBAND SERVICES

Fixed Internet Services

Fixed Broadband Services

Fixed broadband connections in Grenada increased by 5 per cent to just over 19,400 by the end of March 2014. This was a much slower growth rate than the 15 per cent experienced in the previous period.

Customers in Grenada can access broadband packages with speeds from 2Mbps to 100Mbps.

Figure 2.10: Fixed internet service in Grenada



Source: ECTEL/operators

Mobile Broadband Services

More than 33,000 mobile data packages were associated with mobile voice subscriptions during the period under review. This represents a 62 per cent increase over the previous period. This increase was largely driven by more than 100 per cent increase in the uptake of prepaid mobile data packages. Total number of purchased data packages represented 28 per cent of mobile subscriptions.

Figure 2.10: Mobile internet service in Grenada



Source: ECTEL/operators

SUBSCRIBER TELEVISION

Subscriber Television

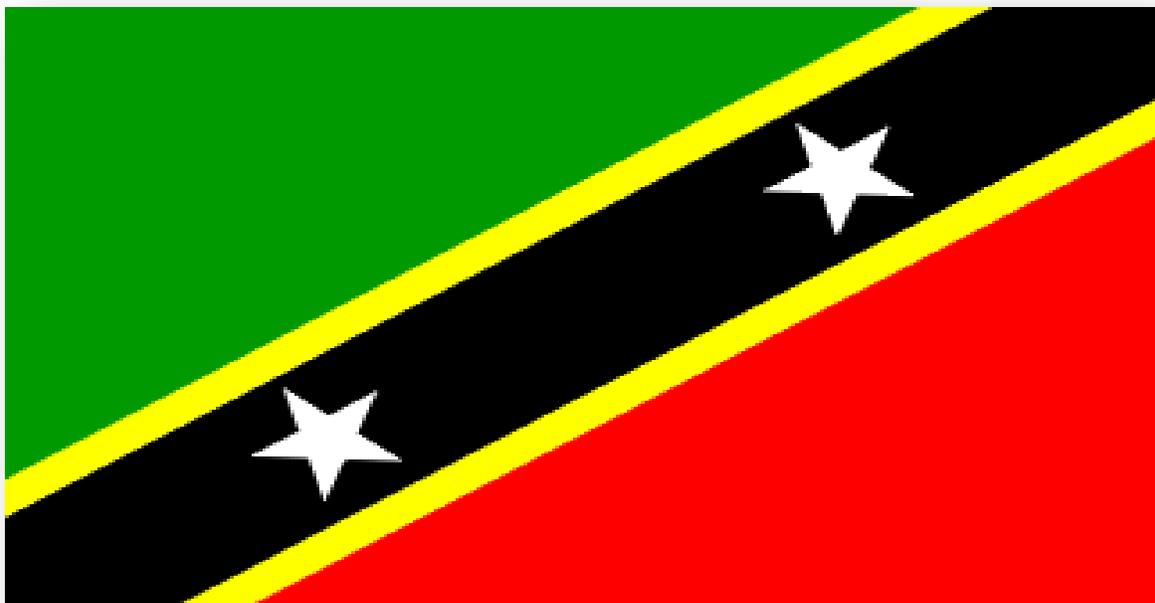
FLOW is the sole provider of subscriber TV service in Grenada and has indicated that at least 75 per cent of its subscriptions are for digital cable TV. During the review period the market was active and recorded a 6 per cent increase in subscriptions.

Table 3.2: Subscriber TV basic packages in Grenada

Operator	Monthly Rate	Total Channels	Local Channels
Analogue	\$43.47	40	6
Digital	\$69.99	44	5

Source: ECTEL/operators

4 THE ELECTRONIC COMMUNICATIONS SECTOR ST. KITTS AND NEVIS



OVERVIEW

The ECCB estimated that economic activity on St. Kitts and Nevis expanded by 3.8 per cent in 2013, following the 0.9 per cent decline in 2012. This turnaround was largely due to increases in construction, tourism and the wholesale and retail trade sectors. Although there was a negative performance in the communications sub component, value added by the transport, storage and communications sector increased by 3.0 per cent. Gross value added by the communications sub component fell to 6.69 per cent in 2013 from 6.96 per cent in 2012.

The overall size of the telecommunications sector in St. Kitts and Nevis increased by 1 per cent, led by increases in revenues from mobile and fixed internet services. Sector investments dropped drastically as licensed operators decreased their capital expenditure outlay by 66 per cent. Direct employment also decreased by 14 per cent as there were 128 full-time employees in the sector. The overall ICT price basket remains the lowest in the ECTEL Member States and fell further by 0.2 points.

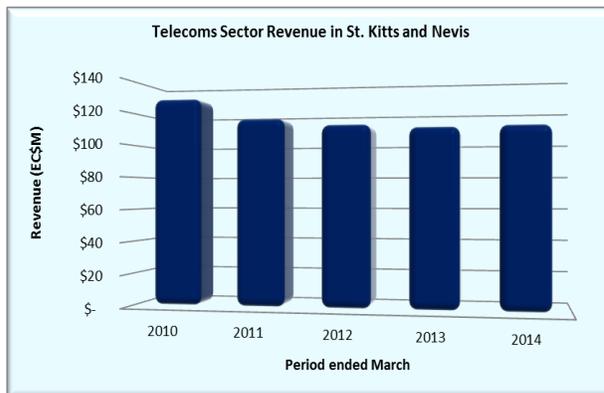
Operator Reported Revenue

The telecommunications sector in St. Kitts and Nevis saw revenues increase by 1 per cent to \$110.5 million, compared to \$110 million at the end of March 2013. This small increase was due to modest increases in revenues from mobile services and fixed internet services of 2 per cent and 5 per cent respectively. Revenue from fixed voice and data services was down 4 per cent to \$31 million.

The contribution of mobile services and fixed internet services to sector revenue, both saw a small 1 percentage point increase over the previous year, to 56 per cent and 16 per cent respectively. However, fixed voice data services share of revenue continued to decrease, falling a further 1 percentage point, following the 3 percentage points decline the previous

period. Its contribution to sector revenue fell to 28 per cent.

Figure 4.1: Telecoms sector revenue in St. Kitts and Nevis



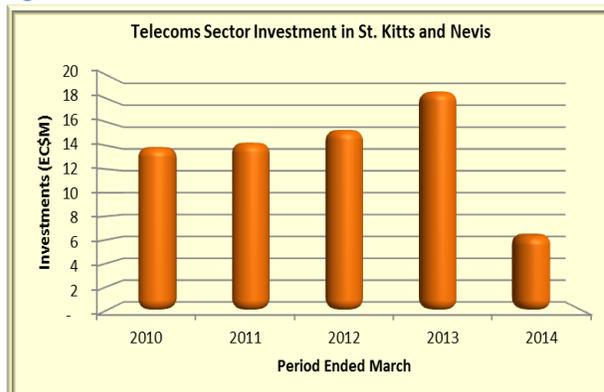
Source: ECTEL/operators

Investment

Investment in the sector took a significant hit during the review period. The 66 per cent decrease in investment to \$6.4 million from \$19 million, occurred as much of the replacement work of the mobile infrastructure was completed.

Growth of investment in the telecommunications sector on the Federation of St. Kitts and Nevis averaged 10 per cent over the period 2010 to 2013. This was mainly due to significant upgrades being done by the mobile operators on their network infrastructure. During that time, LIME deployed an island wide 4G/HSPA+ network in St. Kitts and Nevis in October 2012, followed by Digicel in February 2013.

Figure 4.2: Telecoms sector investment in St. Kitts and Nevis

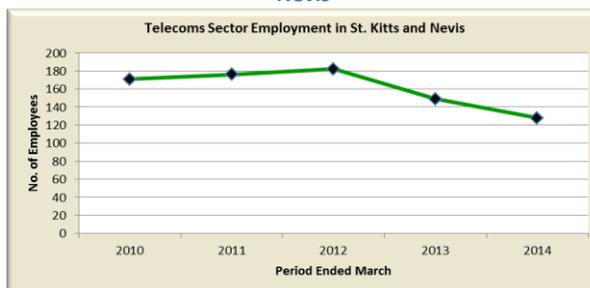


Source: ECTEL/operators

Direct Employment

Total full-time employees in the telecommunications sector on the Federation of St. Kitts and Nevis declined a further 14 per cent to 128 during the review period. The reduction in the number of persons directly employed by licensed telecoms operators was mainly a result of one major operator outsourcing its fieldwork to a third party. Cost cutting measures on the part of operators also contributed to the decline.

Figure 4.3: Telecoms sector employment in St. Kitts and Nevis



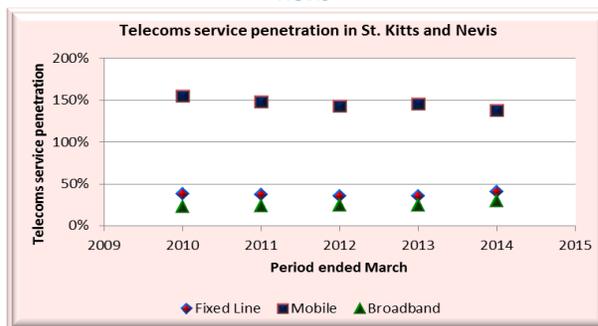
Source: ECTEL/operators

Telecoms Service Penetration

For the period under review:

- Fixed broadband penetration increased by 120 basis points to 29.6 per cent. This is the highest service penetration in the ECTEL Member States.
- Mobile penetration rate declined by 27 percentage points to 138 per cent. This substantial decrease in mobile penetration rate was the result of a change in methodology for accounting for prepaid subscription by a major mobile operator.
- Fixed voice penetration remained relatively flat after three consecutive years of decline and was recorded at 41 per cent.

Figure 4.4: Telecoms service penetration in St. Kitts and Nevis



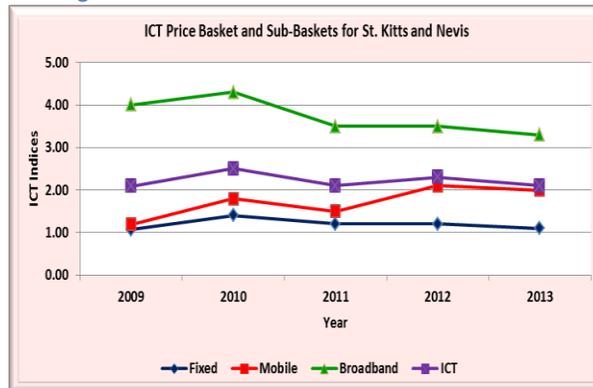
Source: ECTEL/operators

ICT Development Index (IDI) and ICT Price Basket

For 2013, the ITU’s ICT Price basket for St. Kitts and Nevis saw a 9 per cent decline, indicating the increased affordability of ICT services. In particular, the broadband sub-basket was recorded at 3.30 per cent of GNI per capita, down from 3.50 per cent, and is below the target set by the ITU.

The ITU’s annual ICT Development Index (IDI), serves to monitor ICT development in its Member States. For 2013, the IDI for St. Kitts and Nevis was 6.01, which ranked St. Kitts and Nevis 5th in the Americas, 54th globally, and 1st among the ECTEL Member States. St. Kitts and Nevis has an IDI value greater than the global (4.77), regional (4.86) and developing country (3.84) averages.

Figure 4.5: ICT Price Basket for St. Kitts and Nevis

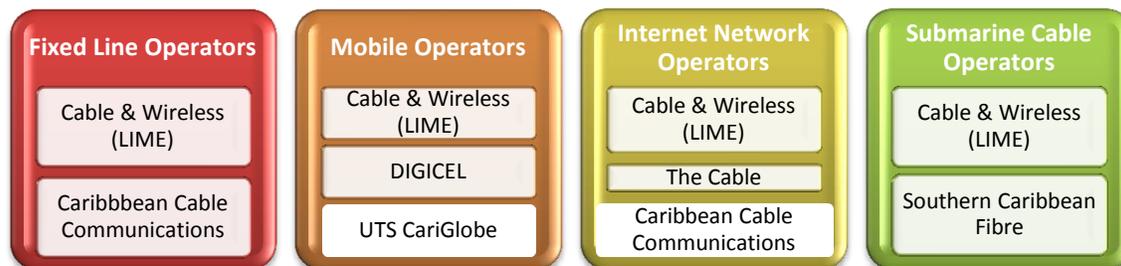


Source: ITU

Active Services Providers

During the period under review, the number of active operators on St Kitts and Nevis was reduced from six to four as Digicel acquired Caribbean Cable Communications and Southern Caribbean Fibre.

Figure 4.6: Telecoms operators in St. Kitts and Nevis



Source: ECTEL/operators

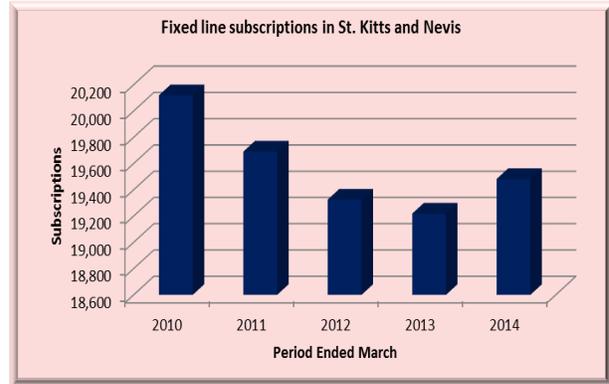
FIXED VOICE SERVICES

Subscriptions

For the period ended March 2014, the number of fixed line subscriptions was recorded at 19,400, and represents a 1 per cent increase from the previous year.

This small increase reverses the last four years of slow but steady decline in the number of fixed lines in service. The continued growth of fixed broadband service may contribute to the relatively stable number of fixed line subscriptions.

Figure 4.7 Fixed line subscriptions in St. Kitts and Nevis



Source: ECTEL/operators

Fixed Traffic Volumes

Consumers used approximately 139 million local fixed calling minutes on the islands of St. Kitts and Nevis, during the review period. This represents an 8 per cent increase over the previous period, driven by growth in on-net calling minutes.

It is estimated that 9.7 out of every 10 local fixed calling minutes remained on-net. During the review period, there were 3 per cent less fixed to mobile calling minutes, than in the previous period.

International outgoing minutes from the fixed network decreased 6 per cent during the review period to 8 million minutes. This was slower than the significant 49

per cent fall in the previous period and accounted for 47 per cent of all outgoing minutes.

Table 4.1: Fixed traffic volume on St. Kitts and Nevis

	2010	2011	2012	2013	2014
Fixed to Fixed	54	41	46	126	136
Fixed to Mobile	5	3	4	4	4
Fixed to International	19	13	17	8	8

Source: ECTEL/operators

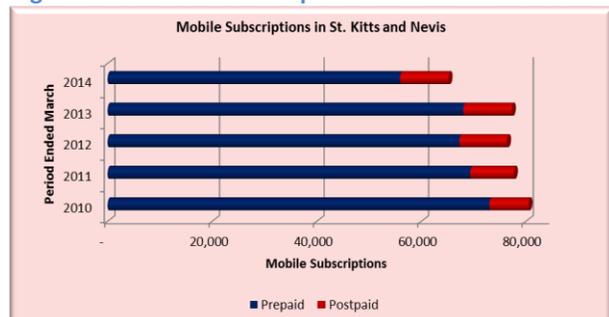
MOBILE VOICE SERVICES

Subscriptions

Total number of subscriptions to mobile voice service dropped sharply by 16 per cent to roughly 65,000; following the 1 per cent increase in the previous period. This precipitous drop was largely driven by a methodological change in the accounting for prepaid mobile subscription by a major service provider.

Postpaid subscriptions, which were not impacted by, this change decreased marginally during the period and accounted for 14 per cent of total mobile subscriptions.

Figure 4.8: Mobile subscriptions in St. Kitts and Nevis



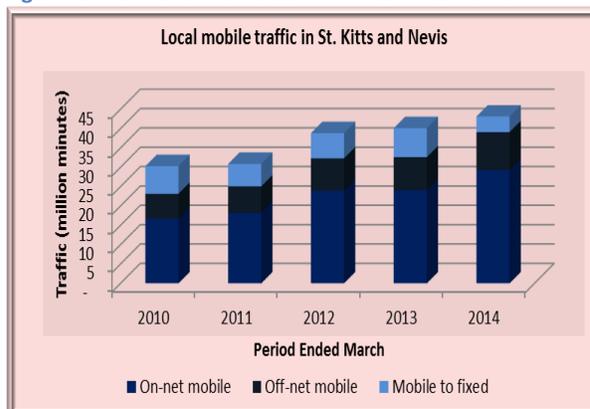
Source: ECTEL/operators

Mobile Traffic Volumes

There was a 2 per cent increase in the number of local mobile originated local calling minutes in St. Kitts and Nevis, during the review period. Consumers used roughly 44 million mobile minutes of which 64 per cent was on-net minutes. This rise in total local mobile calling volumes was driven by off-net calling. Mobile to fixed calling led the way with a 30 per cent increase in traffic, followed by a 9 per cent rise in off-net mobile to mobile calling minutes.

There were 11 per cent fewer outgoing international minutes from mobile phones than in the previous period. However, this decline was significantly less than the 44 per cent fall recorded in the period prior. At 11 million minutes, this was 57 per cent of all outgoing international minutes.

Figure 4.9: Local mobile traffic in St. Kitts and Nevis



Source: ECTEL/operators

INTERNET AND BROADBAND SERVICES

Fixed and Mobile Internet Services

Fixed broadband subscriptions in St. Kitts and Nevis grew by 5 per cent to an estimated 14,000 subscriptions for the period ended March 2014. This was more than double the 2 per cent growth rate recorded in the prior period. This was pushed by increased subscriptions to both ADSL and cable modem services.

Figure 4.10: Fixed Internet service in St. Kitts and Nevis

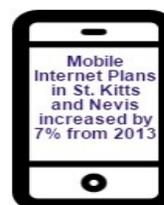


Source: ECTEL/operators

Mobile Internet Service

The number of mobile internet service plans increased by 7 per cent and were estimated at 25,000 or 38 per cent of mobile subscriptions. This was an increase of 8 percentage points over the previous period. Of the persons accessing this service, 77 per cent were customers with a prepaid subscription.

Figure 4.11: Mobile Internet service in St. Kitts and Nevis



Source: ECTEL/operator

SUBSCRIBER TELEVISION

Subscriber Television

There were two subscriber TV operators on St. Kitts and Nevis, both offering cable TV services. The Cable offers service on St. Kitts and Caribbean Cable Communications offers service on Nevis.

The rates for basic cable TV services are outlined in table 4.2.

Table 4.2: Basic cable TV packages in St. Kitts and Nevis

Operator	Monthly Rate	Total Channels	Local Channels
The Cable	\$37	17	2
Caribbean Cable Communications	\$50	12	2

Source: ECTEL/operators

5 THE ELECTRONIC COMMUNICATIONS SECTOR SAINT LUCIA



OVERVIEW

The Eastern Caribbean Central Bank estimated that Saint Lucia's economy declined by a further 2.3 per cent in 2013 following a contraction of 1.3 per cent in 2012. This was due to negative results in a number of major economic sectors including the construction, wholesale and retail trade, transport, storage and communication sectors. Gross value added by the communications sub component fell to 5.68 per cent in 2013 from 6.18 per cent in 2012.

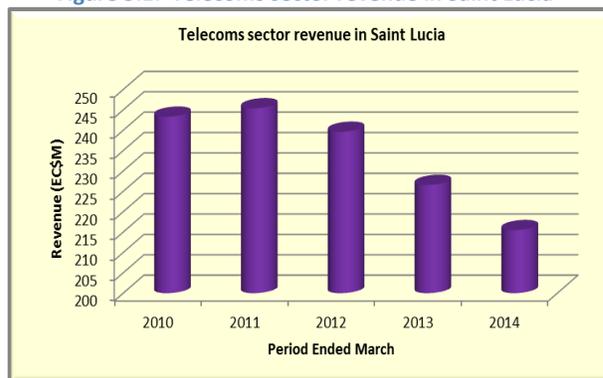
The telecommunications sector was not immune to the overall negative performance. Total sector revenue fell 3 per cent, led by contractions in the revenues earned from fixed line services, mobile voice services, and fixed internet services. Employment of full-time employees fell by 15 per cent as most of one major operator's field service works were outsourced. However, sector investment increased significantly by 55 per cent as network operators upgraded their networks to facilitate 4G deployments. Downward pressure on broadband and fixed telephony services resulted in the overall ICT price basket index falling 0.1 point.

Operator Reported Revenue

Total revenue from the telecommunications sector in Saint Lucia declined 3 per cent to \$215 million, at the end of March 2014. This decline was attributed to the contraction in revenues from all market segments. Fixed voice services, mobile voice services and fixed internet service fell 1 per cent, 3 per cent and 20 per cent respectively. The significant fall in revenue from fixed internet is likely due to increased promotions offered by operators.

Fixed broadband share of total revenue was down 3 percentage points to 12 per cent. The share of revenue from mobile services increased by 2 percentage points to 59 per cent and represents by far the largest share of total revenue.

Figure 5.1: Telecoms sector revenue in Saint Lucia



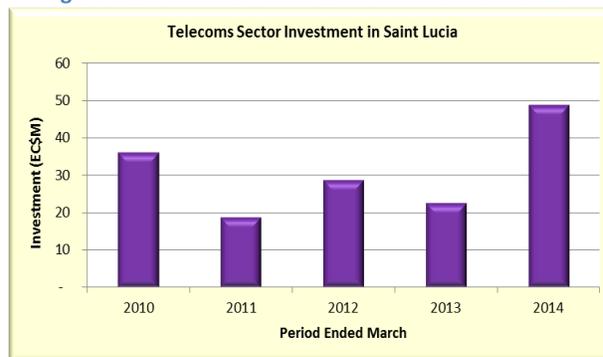
Source: ECTEL/operators

Investment

After a significant drop in the previous period, the end of March 2014 saw investment increasing an estimated \$49 million. This represented a 116 per cent jump in the capital expenditure of the telecommunications service providers in Saint Lucia.

Investments included upgrades of mobile networks to facilitate and launch the provision of 4G mobile broadband services, which was first available in Saint Lucia from LIME in July 2013. Digicel launched its 4G mobile broadband service in May of 2014. During the review period, the investment rate was 16 per cent up from 10 per cent previously.

Figure 5.2: Telecoms sector investment in Saint Lucia



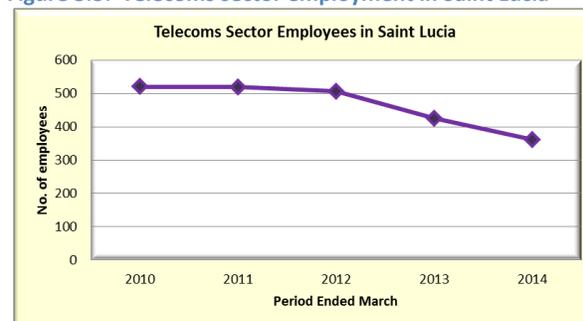
Source: ECTEL/operators

Direct Employment

The trend of decline in the number of persons directly employed by service providers in Saint Lucia was again evident in the period under review. Total employees fell 15 per cent to just over 360 persons.

A major operator's outsourcing of its fieldwork to a third party and cost cutting measures were the main contributors to the significant decline in the number of direct sector employees.

Figure 5.3: Telecoms sector employment in Saint Lucia



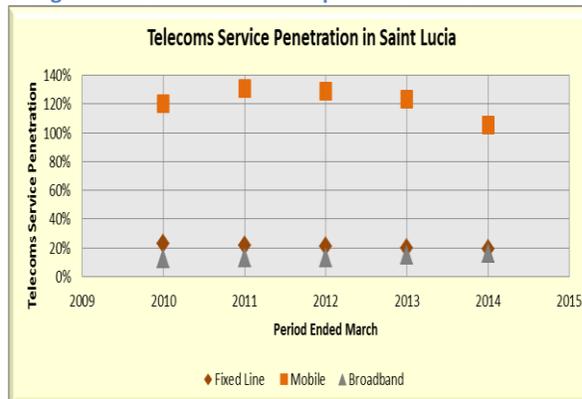
Source: ECTEL/operators

Telecoms Service Penetration

During the period under review there was significant decline in the mobile penetration rate as one operator indicated that there was a change in the methodology for accounting for active mobile subscriptions. At March 2014:

- Fixed broadband penetration gained 170 basis points and was registered at 16.0 per cent
- With the change in accounting for prepaid subscriptions, mobile penetration was recorded at 106 per cent.
- Fixed voice penetration declined 50 basis points in this period and was registered at 19.0 per cent (Figure 5.4).

Figure 5.4: Telecoms service penetration in Saint Lucia



Source: ECTEL/operators

ICT Development Index (IDI) and ICT Price Basket

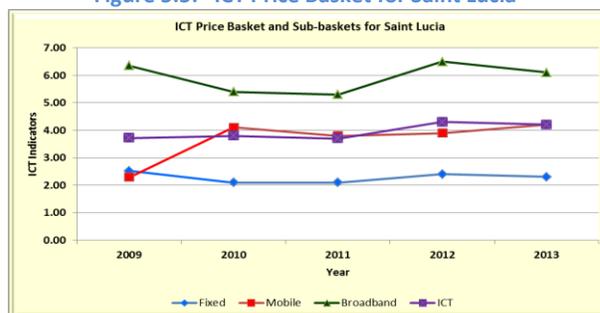
The ITU’s ICT Price Basket for Saint Lucia indicated that during 2013 the fixed broadband sub-basket fell 6 per cent to 6.1 per cent of monthly GNI per capita, still above the ITU’s affordability target of 5 per cent of average monthly income.

Over the same period, the mobile cellular sub-basket increased by 8 per cent, while the fixed telephony sub-basket declined by 4 per cent. As a result, the overall ICT Price Basket for Saint Lucia declined by 2 per cent, indicating some improvement in affordability of ICT services.

The 2013 ITU ICT Development index (IDI) for Saint Lucia was 4.81, which ranked Saint Lucia 15th in the Americas, 79th globally and 4th among the ECTEL

Member States. Saint Lucia maintained its global ranking but fell 2 places within the Americas. While there were improvements in the ICT use sub-index, Saint Lucia lost ground in the area of ICT access.

Figure 5.5: ICT Price Basket for Saint Lucia

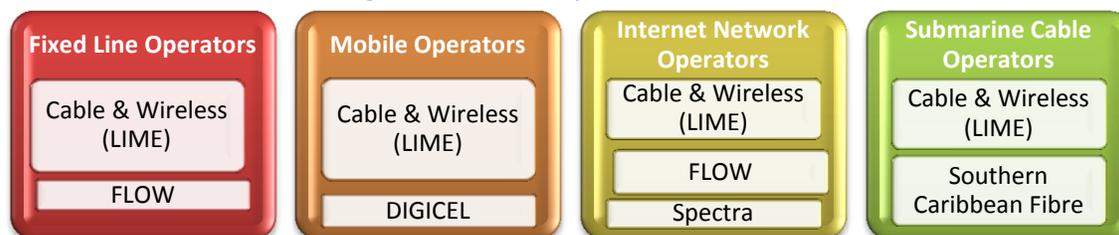


Source: ITU

Active Services Providers

During the period under review, there were two changes to active telecoms operators in Saint Lucia. Columbus Communications acquired Kelcom International Ltd (Karib Cable) and Digicel acquired Southern Caribbean Fiber. These changes did not however affect the number of active operators in Saint Lucia during the review period.

Figure 5.6: Telecoms operators in Saint Lucia



Source: ECTEL/operators

FIXED VOICE SERVICES

Subscriptions

At the end of March 2014 there were 2 per cent fewer fixed line subscriptions in Saint Lucia (Figure 5.7). The number of residential and business fixed lines totaled 33,000. There has been a slow but steady decline in the number of fixed lines, likely due to consumers taking advantage of alternative calling services.

During the review period the overall decrease in subscriptions resulted from contractions in both residential and business subscriptions, which fell 2 per cent and 3 per cent respectively. Residential subscriptions accounted for 68 per cent of all fixed line subscription.

Figure 5.7: Fixed line subscriptions in Saint Lucia



Source: ECTEL/operators

Fixed Traffic Volumes

Total local traffic generated from fixed line subscriptions contracted 4 per cent during the review period. An estimated 137 million minutes originated from fixed networks (Table 5.1). As with subscriptions, there has also been a steady decline in overall local fixed calling minutes.

Fixed to fixed minutes dominated local calling, as 9.2 of every 10 minutes remained on fixed networks, however this was down 4 per cent over the previous period. Fixed to mobile calling, which was in limited use, contracted by 4 per cent to 12 million minutes.

There was a dramatic decline (55 per cent) in the number of outgoing international calling minutes that originated from fixed networks. This may indicate that the pace at which consumers are substituting other forms of communications is increasing.

Table 5.1: Fixed traffic volume in Saint Lucia (million minutes)

	Fixed to Fixed	Fixed to Mobile	Fixed to International
2010	156	17	13
2011	141	16	16
2012	133	14	8
2013	131	12	7
2014	125	12	3

Source: ECTEL/operators

MOBILE VOICE SERVICES

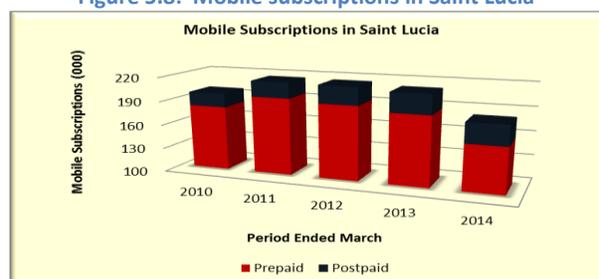
Subscriptions

During the review period, one mobile operator indicated that there was a methodological change in the accounting for active prepaid subscriptions. Largely due to this change, the total number of active mobile subscriptions was recorded at approximately 188,000; 11 per cent fewer than in the previous period.

In contrast, the growth in postpaid mobile subscriptions continued on an upward trajectory and grew 2 per cent. This was slower than the 8 per cent growth recorded in the previous period. It is likely that

the increased availability of mobile data service and smart phone uptake has a positive impact on the number of postpaid subscriptions (Figure 5.8).

Figure 5.8: Mobile subscriptions in Saint Lucia



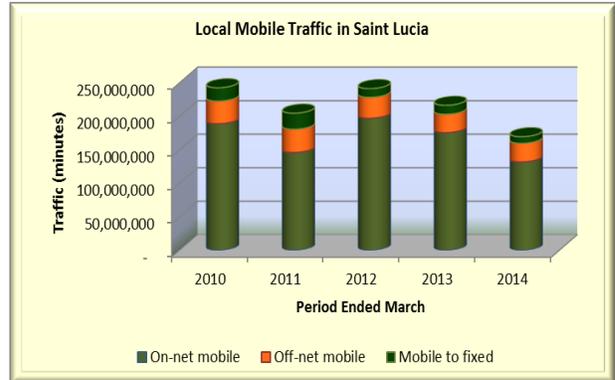
Source: ECTEL/operators

Mobile Traffic Volumes

Local mobile call volumes on Saint Lucia declined a significant 22 per cent to roughly 170 million minutes. This was a higher rate of decline than the 10 per cent recorded in the prior period. On-net mobile calling, which accounted for 78 per cent of local mobile traffic, fell 25 per cent, while mobile to fixed calling saw a drop of 26 per cent. Mobile off-net calling saw a modest 1 per cent increase. Average monthly usage was 77 minutes per subscription.

Mobile networks accounted for 84 per cent of the 18 million outgoing international minutes from Saint Lucia. Even so, there was a 15 per cent reduction in mobile originated international call volumes.

Figure 5.9: Local mobile traffic in Saint Lucia



Source: ECTEL/operators

INTERNET AND BROADBAND SERVICES

Fixed and Mobile Internet Service

Fixed Internet Services

The number of residential and business broadband connections in Saint Lucia was estimated to have increased 14 per cent for the period ended March 2014. This increase resulted in a 200 basis point increase in broadband penetration, to 16 per cent.

The most basic broadband package offers speeds of 2Mbps and customers can select packages up to 100Mbps. It is estimated that a majority of broadband subscriptions are for speeds between 2Mbps/4Mbps.

Figure 5.10: Fixed internet service in Saint Lucia



Source: ECTEL/operators

Mobile Internet Services

During the review period the first island wide 4G network was launched in Saint Lucia. This meant that some mobile customers were now able to access data at broadband speeds. It was estimated that 29 per cent of mobile voice subscriptions had an associated mobile data package. The number of dedicated mobile data connections was not available at the time of writing this report.

Figure 5.11: Mobile internet service in Saint Lucia



Source: ECTEL/operators

Subscriber Television

There were three subscriber TV operators in Saint Lucia during the review period. Spectra offered a wireless cable TV, while LIME and FLOW offered wired cable TV.

It is estimated that during the review period, there was an 18 per cent increase in cable TV subscriptions.

Table 5.2: Basic cable TV packages in Saint Lucia

Operator	Monthly Rate	Total Channels	Local Channels
LIME	\$69.50	110	11
Karib Cable	\$80.49	101	9

Source: ECTEL/operators

6 THE ELECTRONIC COMMUNICATIONS SECTOR ST. VINCENT AND THE GRENADINES



OVERVIEW

The Eastern Caribbean Central Bank (ECCB) estimated that St. Vincent and the Grenadines' GDP growth further strengthened in 2013 to 2.4 per cent, following the 1.1 per cent growth it experienced in 2012. Improvements in key sectors such as construction, wholesale and retail trade and transport, storage and communication propelled this growth. Gross value added by the communications sub component fell only marginally to 3.83 per cent in 2013 from 3.87 per cent in 2012.

The performance of the telecommunications sector remained subdued. Revenue generated by telecoms operators was down 4 per cent in the previous period, and the sector lost 24 per cent of its full-time employees. However, there was good news as sector investment was 57 per cent more than in the previous period and was recorded at 27 million. Downward pressure on mobile cellular, fixed telephony and broadband service resulted in the overall ICT price basket index falling 0.4 points.

Operator Reported Revenue

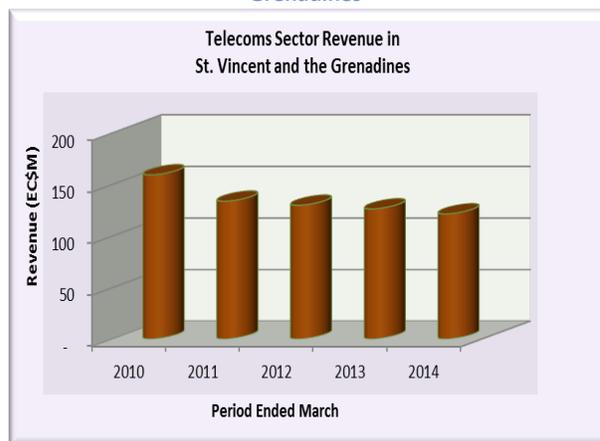
Total operator revenue generated from the telecommunications sector on St. Vincent and the Grenadines declined 4 per cent to just over \$121 million at the end of March 2014. This reduction comes on the heels of a cumulative 21.7 per cent reduction during the three previous years.

During the review period, revenue from fixed-internet service rose 2 per cent but there was a decline in revenue from fixed voice services of 13 per cent. Revenue from mobile voice services remained relatively flat during the period.

Fixed broadband share of total revenue was up 70 basis points to 12 per cent. The share of revenue from mobile voice services increased 2 percentage points to 62 per cent, and still remains by far the largest share of total revenue. The share of revenue from fixed lines

declined by 3 percentage points, now representing 26 per cent of total revenue.

Figure 6.1: Telecoms sector revenue in St. Vincent and the Grenadines



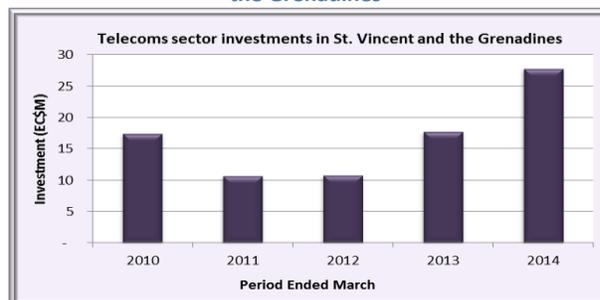
Source: ECTEL/operators

Investment

Total investment in the telecommunications sector on St. Vincent and the Grenadines rose 57 per cent to an estimated \$27 million at the end of March 2014. This increase followed the 65 per cent increase in 2013.

During the review period, telecoms service providers continued to upgrade and maintain their mobile and broadband infrastructure. On April 1, 2014 LIME launched its 4G mobile data service in St. Vincent and the Grenadines.

Figure 6.2: Telecoms sector investment in St. Vincent and the Grenadines



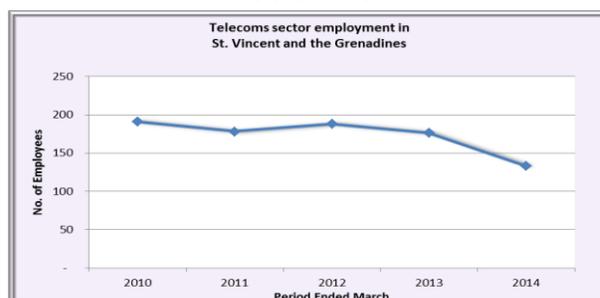
Source: ECTEL/operator

Direct Employment

The number of full-time persons employed by telecoms operators in St. Vincent and the Grenadines stood at 133 persons, a 24 per cent decline over the previous year. This declining trend continued from the previous year.

However, in the reporting period, one major supplier outsourcing its fieldwork services to a third party fueled the steep decline in direct employees. There were also job losses due to cost cutting measures.

Figure 6.3: Telecoms sector employment in St. Vincent and the Grenadines



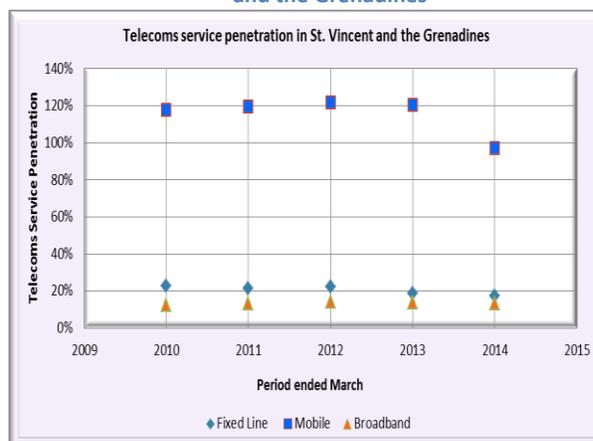
Source: ECTEL/operators

Telecoms Service Penetration

During the period under review there was significant decline in the mobile penetration rate, as one operator indicated that there was a change in the methodology for accounting for active mobile subscriptions. At March 2014:

- Fixed broadband penetration gained 80 basis points and was registered at 13.6 per cent
- Mobile voice service penetration was recorded at 97 per cent, 16 percentage points lower than the previous period.
- Fixed voice penetration also declined in this period and was registered at 17.2 per cent, a 20 basis points reduction from the previous period.

Figure 6.4: Telecoms service penetration in St. Vincent and the Grenadines



Source: ECTEL/operators

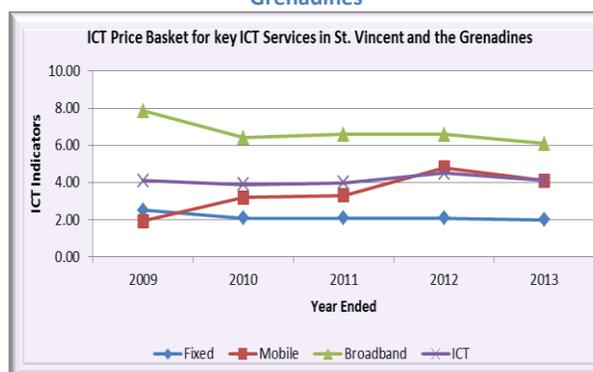
ICT Development Index (IDI) and ICT Price Basket

According to the ITU’s ICT Price Basket, prices of all the key ICT services declined over the period 2008 to 2013, indicating a general increase in affordability of the services.

The price of fixed broadband fell 53 per cent over the period 2008 - 2013, to 6.1 per cent of monthly GNI per capita. However, it is still above the ITU’s target of 5.0 per cent of average monthly income by the year 2015.

For 2013, the ITU ICT Development Index (IDI) for St. Vincent and the Grenadines was 5.17, which ranked St. Vincent and the Grenadines 12th in the Americas, 72nd globally and 2nd among the ECTEL Member States. In 2012, St. Vincent and the Grenadines was ranked 69th globally.

Figure 6.5: ICT Price Basket for St Vincent and the Grenadines



Source: ITU

Active Services Providers

At the end of March 2014, there were two changes to the active service providers in St. Vincent and the Grenadines as Columbus Communications acquired Kelcom International and Digicel acquired Southern Caribbean Fiber. However, the total number of telecommunications service providers on the islands remained unchanged, with two service providers each offering major telecoms service.

Figure 6.6: Telecoms Operators in St. Vincent and the Grenadines



Source: ECTEL/operators

FIXED VOICE SERVICES

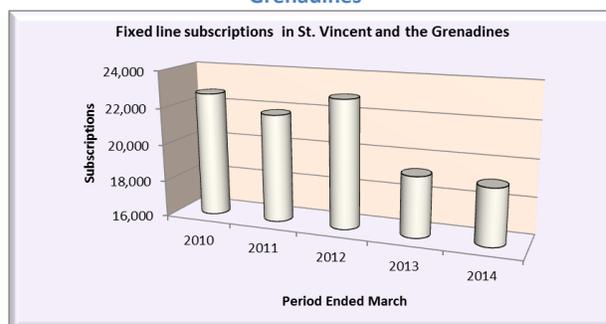
Subscriptions

As at March 2014, there were just over 19,000 fixed lines providing voice service on St. Vincent and the Grenadines; 1 per cent less than the previous period.

This modest reduction in total fixed lines in service, resulted from a 1 per cent reduction in the number of lines serving both residential and business customers.

Roughly 73 per cent of all fixed lines in service serve residential customers

Figure 6.7: Fixed line subscriptions in St. Vincent and the Grenadines



Source: ECTEL/operators

Fixed Traffic Volumes

During the review period, local fixed voice call volumes recorded a decline of 7 per cent to an estimated 31 million minutes, compared to the 33 million minutes for the period ending March 2013.

The overall reduction was due to a 9 per cent reduction in fixed to fixed traffic volumes, which accounted for 86 per cent of the local fixed traffic. Fixed to mobile calling minutes increased by 5 per cent to 6.2 million minutes during the period under review.

International outgoing traffic from fixed lines declined by 48 per cent during the review period to under 4.3 million minutes.

Table 6.1: Fixed traffic volume in St. Vincent and the Grenadines

	Fixed to Fixed	Fixed to Mobile	Fixed to International
2010	78	12	5
2011	66	11	4
2012	63	10	9
2013	27	6	8
2014	25	6	4

Source: ECTEL/operators

MOBILE VOICE SERVICES

Subscriptions

During the review period, total mobile subscriptions declined by 14 per cent to roughly 107,000 subscriptions.

There was a 16 per cent decline in prepaid subscriptions. This significant reduction was due in large part to a change in how one provider accounts for active prepaid mobile subscriptions.

In contrast, growth in postpaid subscriptions continued, recording a 6 per cent increase over the previous period increasing its market share by 150 basis points to 7.7 per cent.

Figure 6.8: Mobile subscriptions in St. Vincent and the Grenadines



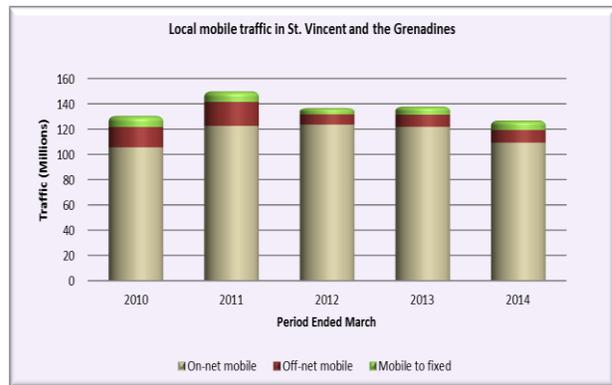
Source: ECTEL/operators

Mobile Traffic Volumes

Mobile originated local traffic was down 8 per cent to 127 million minutes at the end of March 2014. This decline was mainly due to the 10 per cent decline in on-net traffic, which accounted for 86 per cent of all mobile traffic. However, there were increases in both cross network traffic of 6 per cent and from mobile to fixed lines of 18 per cent. Local mobile traffic per subscriber was recorded at 99 minutes per month.

International outgoing minutes from mobile networks fell 3 per cent to 8.5 million minutes but increased its market share by 14 percentage points to 66 per cent.

Figure 6.9: Local mobile traffic in St. Vincent and the Grenadines



Source: ECTEL/operators
 Source: ECTEL/operators

INTERNET AND BROADBAND SERVICES

Fixed and Mobile Internet Services

Fixed Internet Services

During the review period, the number of fixed broadband connections increased 6 per cent to just fewer than 15,000 subscriptions at the end of March 2014, following a 3 per cent decline during the previous period. This was due to the uptake of both ADSL and cable modem broadband services.

Figure 6.10: Fixed internet service in St. Vincent and the Grenadines



Source: ECTEL/operators

Mobile Internet Services

During the review period, mobile customers purchased over 29,000 mobile data packages: a significant increase of 68 per cent over the previous period. This was a direct result of an 82% rise in the number of prepaid mobile data packages purchased by customers.

Figure 6.11: Mobile internet service in St. Vincent and the Grenadines



Source: ECTEL/operators

SUBSCRIBER TELEVISION AND BROADBAND SERVICES

Subscriber Television

Columbus Communications (FLOW) remained the sole provider of subscriber cable TV on St. Vincent and the Grenadines, offering a 100 per cent digital cable TV service. During the review period, the operator reported a 5 per cent increase in the total number of subscriptions to the service.

Table 6.2: Basic cable TV package in St. Vincent and the Grenadines

Operator	Monthly Rate	Total Channels	Local Channels
Karib Cable	\$74.75	80	14

Source: ECTEL/operators

7 Notes and Statistical Tables

7.1 Notes on Statistical Tables and Data

1. All figures have been rounded to the nearest million, thousand, and whole number or to the second decimal place.
 - -- denotes 'nil'
 - 0.0 denotes 'negligible'
 - n.a. denotes 'not available'
 - ** denotes 'not applicable'

All dollar amounts are in Eastern Caribbean dollars (EC\$). Where it was necessary to convert from another currency to Eastern Caribbean dollars the following exchange rates were used:

US\$1 = EC\$2.70

The telecommunications statistics in this report are subject to revision from time to time to ensure accuracy. Some data in this report was restated from previous Sector Reviews to reflect updated information.

2. Telecommunications revenues are the revenues received from providing telecommunications services.
3. Fixed line penetration is obtained by dividing the number of fixed line subscribers by the population and multiplying by 100.
4. Mobile penetration is obtained by dividing the number of cellular subscribers by the population and multiplying by 100.
5. Internet penetration is obtained by dividing the number of Internet subscribers by the population and multiplying by 100.
6. Outgoing international traffic is the total telephone traffic measured in minutes that originated from a fixed or mobile phone in the specified state with a destination outside the state.
7. Residential fixed line access charge is the recurring fixed charge for subscribing to a fixed line service.

8. Telecommunications investment is the expenditure associated with acquiring ownership of plant and property used for telecommunications services and includes land and buildings.
9. Employment refers to the total number of staff employed by a telecommunications provider. This does not include sub-contract staff.
10. The data for populations are the mid-year estimates from the Eastern Caribbean Central Bank (ECCB).
11. Gross Domestic Product (GDP), Gross National Income (GNI) and other economic indicators are from the National Accounts and Economic and Financial Review reports produced by the Eastern Caribbean Central Bank.
12. Rates for services were obtained from company websites and are peak rates except where stated otherwise.

7.2 Statistical Tables

Selected telecommunications indicators – All ECTEL Member States

	2010	2011	2012	2013	2014
Provider Revenues (EC\$M)	\$776	\$733	\$735	\$698	\$696
Investment (EC\$M)	\$101	\$80	\$83	\$90	\$118
Employment	1,379	1,356	1,369	1,202	938
Fixed line Penetration	25.3%	24.3%	24.3%	22.8%	22.7%
Mobile Penetration	125.6%	128.3%	131.3%	127.6%	107.4%
Broadband Penetration	13.7%	14.4%	15.2%	16%	17.2%
Local fixed traffic (million minutes)	666	527	537	557	456
Local mobile traffic (million minutes)	710	757	794	762	662
International incoming traffic (million minutes)	227	216	191	203	176
International outgoing traffic (million minutes)	137	141	132	102	89

Source: ECTEL/operators

Selected telecommunications indicators - Dominica

	2010	2011	2012	2013	2014
Provider Revenues (EC\$M)	\$96	\$92	\$98	\$95	\$95
Investment (EC\$M)	\$16	\$17	\$12	\$13	\$12
Employment	229	233	237	213	153
Fixed line Penetration	22%	21%	21%	21%	24%
Mobile Penetration	149%	140%	141%	148%	107%
Broadband Penetration	11.4%	12.2%	13.3%	15.3%	15.6%
Local fixed traffic (million minutes)	30	26	23	23	21
Local mobile traffic (million minutes)	142	199	196	182	178
International incoming traffic (million minutes)	33	27	23	33	25
International outgoing traffic (million minutes)	21	24	12	14	17

Source: ECTEL/operators

Selected telecommunications indicators - Grenada

	2010	2011	2012	2013	2014
Provider Revenues (EC\$M)	\$148	\$146	\$156	\$144	\$154
Investment (EC\$M)	\$18	\$20	\$16	\$18	\$24
Employment	268	250	256	239	163
Fixed line Penetration	27%	27%	26%	27%	25%
Mobile Penetration	111%	115%	123%	120%	108%
Broadband Penetration	13.1%	14.2%	15.1%	17.2%	17.9%
Local fixed traffic (million minutes)	313	222	244	228	128
Local mobile traffic (million minutes)	164	164	180	183	143
International incoming traffic (million minutes)	52	77	76	77	65
International outgoing traffic (million minutes)	33	26	27	26	23

Source: ECTEL/operators

Selected telecommunications indicators – St. Kitts and Nevis

	2010	2011	2012	2013	2014
Provider Revenues (EC\$M)	\$129	\$116	\$112	\$110	\$111
Investment (EC\$M)	\$14	\$14	\$15	\$19	\$6
Employment	171	176	182	149	128
Fixed line Penetration	39%	37%	42%	41%	41%
Mobile Penetration	155%	148%	165%	165%	138%
Broadband Penetration	23.5%	24.1%	28.1%	28.1%	29.6%
Local fixed traffic (million minutes)	60	45	50	130	139
Local mobile traffic (million minutes)	31	39	40	43	43
International incoming traffic (million minutes)	43	18	18	18	16
International outgoing traffic (million minutes)	33	34	39	21	19

Source: ECTEL/operators

Selected telecommunications indicators – Saint Lucia

	2010	2011	2012	2013	2014
Provider Revenue (EC\$M)	\$243	\$245	\$240	\$222	\$215
Investment (EC\$M)	\$36	\$19	\$29	\$23	\$48
Employment	520	519	506	425	361
Fixed line Penetration	23%	22%	21%	19%	19%
Mobile Penetration	120%	131%	129%	123%	106%
Broadband Penetration	12.6%	13.1%	13.3%	14.3%	16%
Local fixed traffic (million minutes)	173	158	147	143	137
Local mobile traffic (million minutes)	243	205	241	217	170
International incoming traffic (million minutes)	51	51	43	36	30
International outgoing traffic (million minutes)	34	36	25	25	18

Source: ECTEL/operators

Selected telecommunications indicators – St. Vincent and the Grenadines

	2010	2011	2012	2013	2014
Revenues (EC\$M)	\$159	\$134	\$130	\$126	\$121
Investment (EC\$M)	\$17	\$11	\$11	\$18	\$28
Employment	191	178	188	176	133
Fixed line Penetration	23%	22%	22%	18%	17%
Mobile Penetration	118%	119%	122%	113%	97%
Broadband Penetration	12.5%	13.6%	14.2%	12.8%	13.6%
Local fixed traffic (million minutes)	91	77	73	33	31
Local mobile traffic (million minutes)	130	150	137	138	127
International incoming traffic (million minutes)	49	44	31	39	40
International outgoing traffic (million minutes)	17	20	30	17	13

Source: ECTEL/operators

8 Individual Licensees in the ECTEL Member States

Table 8: Active Telecoms Service Operators in the ECTEL Member States at March 2012

Licence	Fixed Public Network	Public Mobile Telecoms	Internet Network and Services	Submarine Cable
Dominica	Cable & Wireless (LIME) Marpin 2K4 Ltd Sat Telecommunications (Digicel Play)	Cable & Wireless (LIME) Digicel	Cable & Wireless (LIME) Marpin 2K4 Ltd Sat Telecommunications (Digicel Play)	Middle Caribbean Network Cable & Wireless (LIME)
Grenada	Cable & Wireless (LIME) Columbus Communications (FLOW)	Cable & Wireless (LIME) Digicel Aislecom	Cable & Wireless (LIME) Columbus Communications (FLOW) Grencomm	Cable & Wireless (LIME) Southern Caribbean Fiber
St Kitts and Nevis	Cable & Wireless (LIME) The Cable Caribbean Cable Communications	Cable & Wireless (LIME) UTS-CariGlobe Wireless Ventures (Digicel)	Cable & Wireless (LIME) The Cable Caribbean Cable Communications	Cable & Wireless (LIME) Southern Caribbean Fiber
Saint Lucia	Cable & Wireless (LIME) Columbus Communications (FLOW)	Cable & Wireless (LIME) Digicel	Cable & Wireless (LIME) Columbus Communications (FLOW)	Antilles Crossing Cable & Wireless (LIME) Southern Caribbean Fiber
St Vincent and the Grenadines	Cable & Wireless (LIME) Columbus Communications (FLOW)	Cable & Wireless (LIME) Digicel	Cable & Wireless (LIME) Columbus Communications (FLOW)	Cable & Wireless (LIME) Southern Caribbean Fiber

Source: ECTEL/NTRCS

EASTERN CARIBBEAN TELECOMMUNICATIONS AUTHORITY

ECTEL Mission Statement

“To provide transformative regulatory leadership which results in a competitive and innovative electronic communications sector.”

The Eastern Caribbean Telecommunications Authority (ECTEL) was established on 04 May 2000 by Treaty signed in St. George’s, Grenada, by the Governments of five Eastern Caribbean States — Commonwealth of Dominica, Grenada, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines.

ECTEL is the regulatory body for telecommunications in its Member States. It is made up of three components - A Council of Ministers, a regional directorate and a National Telecommunications Regulatory Commission (NTRC) in each Member State.

The ***Council of Ministers*** is made up of the Ministers responsible for Telecommunications in the ECTEL states, and the Director General of the OECS as an ex-officio member. Responsibilities include giving directives to the Board of Directors on matters arising out of the Treaty, and ensuring that the Board is responsive to the needs of the Member States in the implementation of telecommunications policy.

The ***Board of Directors*** comprises one member and an alternate from each Member State and the Managing Director of ECTEL as an ex-officio member. Responsibilities include making recommendations to the Council on any matter relating to telecommunications, and establishing rules and procedures consistent with the Treaty for the management and operation of the ECTEL Directorate.

The NTRCs – National Telecommunications Regulatory Commissions – are the Telecommunications regulators at the national level in each Member State. They are responsible for the processing of applications and advising the Minister on the award of licences.

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