makers, regulators to further leverage the benefits of ICT. Increasing access to ICT has the potential to trigger, through various mechanisms, social and economic benefits, such as greater productivity, entrepreneurship, innovation, financial inclusion, reduced transaction costs and improved public service delivery. Indeed, this change has begun, and the Pacific region is emerging as the new internet frontier, with an evolving ‘mobile ecosystem’ which stimulates new and innovative business models, contributing to economic growth and improved social services.

Increased access to ICTs lead, through various mechanisms, to social and economic benefits

- Labour force productivity
  - Improved education and workforce skills and higher degrees of specialisation.
- Entrepreneurship
  - New domestic and international business opportunities through access to new markets but also from specialisation, division of labour and new combinations of products and services.
- Financial intermediation
  - Enhanced access to financial services such as mobile money, micro insurance, micro venture capital, unlocking the entrepreneurial potential of the unbanked and reducing overseas money transfer costs.
  - The region has experienced a first wave of rapid growth in ICT access, particularly mobile communications. It now needs to leverage the growing access by introducing a second wave of transformational initiatives primarily revolving around electronic applications and services as well as sustaining sector liberalisation. PIC governments, operators and the development community might consider the recommended interventions, detailed in the report conclusions, in order to help grow and strengthen the ICT ecosystem in the South Pacific and improve the measurement of impacts.

Mobilising the Pacific

The report notes several Pacific Island Countries (PICs) have undergone significant liberalisation and privatisation in the ICT sector over the last decade, leading to a rapid increase in access to mobile voice and data networks, and international bandwidth has increased due to the deployment of undersea fibre-optic cables. From 2007 to 2013, the penetration of cell phones in households rose from 49% to 86% - (see figure below). Meanwhile, the average monthly cost of a basket of mobile calls and texts declined by a third from 2005 to 2014 from US$28 to US$18.

Increased access to ICTs in the countries studied jumped from less than half the population in 2005 to 93 per cent in 2014 - (see PACS in the figure below).

Impact of fibre-optic cables

Undersea fibre-optic cables have had a significant impact on international internet bandwidth in the region. In 2007, total capacity in the region was less than 100 Mbit/s (excluding Fiji which had already connected to a submarine cable in 2000). By 2014, it exceeded 1 Gbit/s.

The sharp rise in capacity and access in Tonga and Vanuatu following deployment of submarine cables is particularly impressive. This results from steep falls in wholesale prices as operators move from previous reliance on satellite connections to undersea fibre-optic cables.

Economic and sectoral impacts

Economic impacts have been rapid, with the size and contribution of the communications sector usually increasing following the introduction of competition. New mobile operators have increased employment, and downstream jobs have also been created in resale of airtime, outsourcing of construction, marketing and advertising activities.

Important sectors such as tourism and financial remittances, which contribute significantly to GDP, are making strong use of ICT. All the countries have tourism web sites marketing a range of accommodation and tourist services, increasing exposure for locally run establishments. Mobile operators are also benefiting from tourists - almost a million in 2013 - bringing their phones and buying local SIM cards or using roaming services. All the countries now have mobile money or banking services, expanding financial inclusion and reducing overseas money transfer costs.

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