

REGULATIONS IMPACTING INVESTMENTS

CANTO ANNUAL CONFERENCE
& TRADE EXHIBITION

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REGULATIONS THE BALANCING ACT

PUBLIC INTEREST GOVERNMENT:

New providers to enter
market (investment)

Efficient roll out of
networks

CONSUMERS:

Services and products
available

Reasonable prices

Quality

PRIVATE INTEREST:

Recoup investment in
reasonable timeframe

Regulatory certainty i.e. rules
are fair and can be relied upon

Investments are safe – e.g. no
arbitrary changes in
obligations, taxes

DIGITAL DISRUPTION IS HERE



KEY MARKET OUTCOMES

Increasingly for services consumers are opting out of the regulated space

Robust competition at service level including new providers

Traditional providers facing revenue crunch

Regulatory rules are uncertain e.g. they don't apply equally to all players

Increasing demand for bandwidth to power applications customers use

Need for increased network roll out for coverage & speed

POLICY ISSUE	POLICY TOOL	REGULATORY DEVELOPMENTS IN THE CARIBBEAN
Network roll out	<ul style="list-style-type: none"> Roll out commitments in license Infrastructure sharing regulations 	Increased focus on infrastructure sharing regulations
Promoting market entry (network & service)	<ul style="list-style-type: none"> Interconnection regulations Access Regulations Infrastructure sharing regulations 	Increased focus on infrastructure sharing regulations and access regulations
Reasonable prices	<ul style="list-style-type: none"> Price regulation e.g. price cap Requirement for regulator to approve price changes Notification of price changes to regulators 	<p>Lessening in most markets</p> <p>Increased focus on regulatory discretion around price changes, leading to inadequate pricing flexibility</p>
Good quality service (QoS)	<ul style="list-style-type: none"> QoS regulations – (usually in the form of periodic monitoring & reporting obligations) 	Increasing requirements for network and customer service standards
Consumer rights	<ul style="list-style-type: none"> Consumer rights regulations 	More focus, on traditional concerns e.g. consumer contracts, terms and conditions of service, not enough on new issues e.g. privacy & monitor ways firms monetize data

TO MAKE THE BUSINESS CASE

INVESTORS NEED TO BE CONVINCED THAT:

- ✓ The rules of the game can be relied upon
- ✓ Competitors will share in risk, not just reward
- ✓ Regulation will strike appropriate balance of the various interests
- ✓ Operators have a reasonable opportunity to shape the regulatory landscape
- ✓ For network assets, they extract reasonable value or return on investment
- ✓ Regulated cost based e.g. TRLRIC pricing does not create shareholder value, is disincentive to investment
- ✓ Market rates / commercial agreements incent investors
- ✓ Rapid technology change means investor needs to means shorter period to recover investment



RESULTS OF COMMITMENTS TO DATE - MEASURING INFORMATION SOCIETY REPORT 2016

- ✓ St Kitts and Nevis showed greatest improvement moving up 20 places in IDI ranking from 54th to 34th between 2015 and 2016
- ✓ Dominica, Grenada and St Lucia also included in eight countries that moved up more than five places in the ranking
- ✓ All Caribbean countries included in the report have improved in score or ranking or both
- ✓ Some factors contribution to performance of St Kitts & Nevis
 - Mobile broadband penetration – 19% to 71% in a year
 - Rapid increase in active broadband subscriptions
 - Investments in the region e.g. C&W Project Marlin 2014 invested USD 250 million in networks across the region & investment by other providers
 - Market competition
 - Change in the usage sub index – adoption rate



REBALANCING REGULATIONS

- ✓ Ensure workers, entrepreneurs and citizens have access to leverage the information economy
- ✓ Ensure continued investment in the sector
- ✓ More collaborative approaches
- ✓ Include demand driven considerations
- ✓ Consider wider national / regional development plans



**As we reimagine ICT as a tool for national growth & development
let us also reimagine regulations for the industry**

Thank You