

Caribbean Economics and Finance Seminar
ITU, CTU, CANTO, OOCUR
Jolly Beach Resort, Antigua
10 – 13 September 2007

Liberalization and the Growth of
Telecommunications in the Caribbean

Philip CROSS
ITU Caribbean Representative



Dr. Martin Cooper of Motorola, made the first analogue mobile phone call on a larger prototype model in 1973.

Philip Cross, ITU



Brief History of Liberalization

- International Pressure for the revision of the International Accounting Rate System
- FCC issues Notice of Proposed Rulemaking (NPRM) IN 1996
- Benchmarking and reduction of accounting rates



International Actions

- Activities in the GATS – telecommunications as a traded service
- Group on Basic Telecommunications (within GATS)
- Countries make offers to liberalize
- Roles of ITU and WTO defined



Group on Basic Telecommunications

- GBT Reference Paper and its implications including Independent Regulator, competitive safeguards, USO, Transparency
- Basic Telecommunications defined

Caribbean Actions

- Caribbean countries among those making commitments under WTO arrangement on Basic Telecommunications
- Offers made by governments in collaboration with operators
- Caribbean countries start actions with a view to the liberalization of telecommunications.

- Jamaica's offer – basic telecommunications reserved for operator until 2013, internet (excluding voice) liberalized, cellular reserved for five to ten years. No restriction on ownership;
- T & T's offer – competition to start in 2010. Until then competition in some value added services. Ownership reserved for exclusive operator;
- Grenada's offer – ownership reserved for exclusive operator. Competition after 2005;
- SVG's offer – ownership reserved for exclusive operator. Basic telephone services reserved until 2004 and cellular reserved until 2000.



- Establishment of ECTEL comprising five OECS countries
- Jamaica and the OECS countries lead the way
- Liberalization went way beyond commitments to WTO



Competition in the Caribbean

- Digicel acquired licence in Jamaica in 2000 followed by licences in various Caribbean countries including Trinidad and Tobago and Haiti in 2006
- Other mobile operators entered the market – AT&T and others
- Arguments regarding “small markets”
- AS of 2006 Digicel has spent over US \$ 1.2 billion in Caribbean

- Massive investment in the Caribbean by newcomers and incumbents
- Expanded fibre optics capabilities
- Fall in prices
- Growth of regulatory bodies
- Growth of regulatory capabilities within operators



- Independent Regulators?
- Difficulties of Regulators
- Role of ITU and other international organizations
- Role of CARICOM and other regional organizations
- Caribbean Single Market and Economy
- Need to Harmonize and efforts of EU, CTU and ITU



Role of ITU/Regional and International Organizations

- The ITU's mandate includes regulatory issues:
- **ITU-T:** Standards
- **ITU-R:** Spectrum/WRC 2007
- **BDT:** Regulatory, Development
- <http://www.itu.int/ITU-D/treg/index.phtml>
- Global Symposium for Regulators
- G-REX: The Virtual Tool for Regulators
- BDT Study Groups
- Workshops/Seminars/Direct Assistance
- ITU/InfoDev ICT Regulation Toolkit
- <http://www.ictregulationtoolkit.org//en/Section.1259.html>.
- Harmonization



Thank You!

Philip Cross
philip.cross@itu.int

Philip Cross, ITU

