



*A SUBMISSION TO THE*

*FIJIAN COMPETITION AND CONSUMER  
COMMISSION*

*ON*

*THE REVIEW OF THE PROPOSED ACQUISITION  
OF DIGICEL FIJI BY TELSTRA CORPORATION  
LIMITED*

**24 December 2021**

## **1.0 Introduction**

### **1.1 Purpose**

As the principal agency on consumer rights and interests in Fiji, the Council, through this submission, represents the interests and voice of Fijian consumers in relation to the proposed buyout of Digicel Fiji Limited by Telstra Corporation of Australia. This is in line with the Council's statutory obligation of making representations to the Government or to any other person on issues affecting the interest of consumers.

### **1.2 Telecommunication Industry in Fiji**

Telecommunications is one of the most rapidly growing and cross-cutting sectors in the world. Like the rest of the world, Fijian consumers rely heavily on telecommunication services in order to stay connected in an increasingly globalized society. Fiji's strategic location and as one of the most advanced economies in the Pacific, carries greater advantage of stimulating the industry to much higher levels. Although there are four mobile telephone providers currently in the country (Vodafone Fiji, Digicel Pacific, Telecom Fiji Limited and Inkk), due to ownership structures, the sector is still dominated by companies belonging to one entity – Amalgamated Telecom Holdings Limited (ATH). Therefore, Australia's largest telecommunication company, namely Telstra, proposing to acquire Digicel Pacific Limited will unfold many benefits for Fijian consumers.

### **1.3 Importance of Telecommunication**

In today's world, the performance of an economy is heavily dependent on the availability and exchangeability of information between the internal and external players in the market. This is clearly evident in the developed countries which have well advanced telecommunication infrastructure and services, thus, are enjoying fairly well economic growth and stability.

Policy makers in Fiji have long back realized the potential of telecommunication and ICTs for development, and recognize that these can be connected for great socio-economic benefits for all Fijians. Underlining this recognition is the realization that the existing digital divide has to be bridged, as nations can no longer risk being excluded from the process and progress of economic development taking place worldwide. Telecommunication is no longer just a socio-development tool, but a prerequisite for participation in the new digital age.

For consumers, the telecommunication sector has become an integral part of their daily lives. The products and services offered by the industry helps consumers stay connected, perform digital transactions, access information, stay entertained, work from anywhere. Additionally, the COVID-19 pandemic has proved the telecommunications in an essential sector which enabled other core businesses and functions to continue amidst unending and conditional lockdowns.

## **2.0 Implications of Telstra Acquiring Digicel Pacific on Fijian Consumers**

In line with this call by Fijian Competition and Consumer Commission (FCCC) for submission from stakeholders regarding the above stated acquisition, the Council is purely basing its views and recommendations on how this can impact consumers' interest in the marketplace. The major implications of this said acquisition will be:

### 2.1.1 New and innovative products and IT solutions to consumers

The acquisition can bring about new, innovative ideas transformed into new products and IT solutions for consumers. The Australia's biggest telecommunication company can upgrade Digicel Fiji's operations in line with its exceptional, international standard. Telstra International operates in over 20 countries around the world, and thus can bring their international experience to the Pacific countries in which Digicel Pacific operates, including Fiji. This vast experience will lead to offering of new products and IT solutions for Digicel customer base.

### 2.1.2 Increased competition in the industry

Digicel Fiji is already maintaining a fair competition amid other telecommunication companies, like Vodafone Fiji and Telecom Fiji Limited, in the market. With Telstra acquiring Digicel Pacific, there will be increased competition due to introduction of new, innovative and cutting-edge offerings. This development will certainly have implications on other companies as it will drive them to deliver better and innovative products and services to consumers.

### 2.1.3 Upgraded Infrastructure

Whilst Digicel currently has relatively well-developed infrastructure, the years of advanced experience in the sector and proven advanced infrastructure of Telstra will definitely result in even better infrastructural development in Fiji - which would bring world-class services to Fijian consumers. It is also commendable to note that Telstra assures to invest in that aspect. Certainly, with new and improved infrastructure, consumers can expect better connectivity and services from Digicel over time.

### 2.1.4 Resolve network connectivity issue – common complaint received from Digicel users.

A common complaint received at the Council from aggrieved Digicel customers is poor network connectivity in certain areas. With this acquisition, network connectivity can be majorly improved as Telstra can further invest to boost connectivity and deliver upgraded technology – which they have a track record of doing in other countries. While the ongoing rollout of 4G service would be a focus, Telstra has assured that the Fiji market can expect further investment in the 5G network, as traffic is growing faster than at any period of time.

### 2.1.5 Increased Foreign Direct Investment (FDI)

Foreign direct investment has played an increasingly important role in Fiji, and the Pacific as a whole. In certain industries, the involvement of foreign enterprises was rapidly increasing however, the coronavirus pandemic has impacted such investments. Therefore, the acquisition of Digicel Fiji by Telstra will see greater FDI inflows to Fiji, which will in turn stimulate the country's economic development, increase Fiji's presence in the international markets, create new jobs and opportunities (more purchasing power for consumers), and increase in the country's income, to name a few.

### **3.0 Conclusion**

All in all, the Council supports the acquisition of Digicel Pacific by Telstra due to the immense positive impact it will have on consumers, competition, the telecommunication sector, the local economy and the country as a whole.