

Mobile internet prices in Papua New Guinea: still no downward movement



A Digicel billboard in Goroka
Photo Credit: Richard Eves

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This blog post updates ongoing monitoring of mobile internet prices in Papua New Guinea (PNG) by presenting data for the second half of 2020. For background, see an earlier post at the [start of 2020](#) that suggested an overall decrease in prices from mid-2016 to late 2019, and a post [in mid-2020](#) that showed no change in the first half of 2020.

Since the start of 2020, price offerings have been noted each Monday using menus in mobile telephones. This method captures pricing changes within one week of them being made available to consumers. The main motivation for this research has been to monitor whether there is any noticeable change since the [Coral Sea Cable System](#) was officially launched [in December 2019](#).

Throughout 2020, pricing negotiations were underway between the regulator, the wholesaler and various parties. Wholesale prices [have now been set](#) by the regulator for access to internet cables, with expected decreases on [1 April 2021](#) and at the start of each of the next two years. Paul Komboi, head of the wholesaler DataCo, [has said](#) that they accept the new pricing structure. Our research will monitor whether regulated reductions in wholesale prices have any bearing on the available retail prices.

During the second half of 2020, there was no change in the mobile internet (or 'data bundle') prices offered by bmobile and Telikom. These two entities are in the process of merging, and their prices match. We continue to check the prices on two different mobile telephones and the offerings remain consistent between the two devices.

The merger [is progressing](#), with expected completion by [June 2021](#), at a cost of approximately [17 million kina](#). Former State Enterprises Minister Sasindran Muthuvel [was quoted](#) as saying that Telikom had an existing loan of over 100 million

kina and bmobile had a separate loan of 100 million kina. Analyst Jeffrey Wall **has suggested** that liabilities are in fact much larger, with PNG owing China around three billion kina in communication sector debts. He has also indicated that Telikom is “running up heavy operating losses”.

Digicel introduced price changes that were detected by our team on Monday 19 October 2020. While many offerings remained unchanged, some revised data bundles offered cheaper data per megabyte and some changes represented slight increases in the cost per megabyte. For detailed analysis and graphs, click [here](#).

Some Digicel plans offered bonus data for use of social media platforms while others did not (and bmobile/Telikom pricing structures did not offer such ‘social bundles’). In October 2020, Digicel removed the 7-day middle option social plan that had included dedicated data for Facebook and YouTube. A 3-day data option remains unchanged at ten kina for 300 megabytes plus 700 megabytes of data for use with Facebook. Similarly, a 7-day option is 600 megabytes for twenty kina plus 2000 megabytes of Facebook.

Whereas bmobile and Telikom customers lose unused data at the end of purchase periods, Digicel **introduced rollover** data plans in 2019. These apply to the day categories and not other time-based plans (hour and night plans). The catch is that a customer must make a purchase within the same data plan within 24 hours in order to retain unused data. If a customer does not make a purchase within 24 hours of the expiry of a data plan, unused data is lost

Digicel’s time-based plans for 1 hour, 3 hours or 6 hours (midnight to 6am) may be appealing for some customers but there is no rollover. 1-day plans represent the same value as the time-based plans but at low data volume.

Time-based plans may be appealing for customers who have limited funds but high data needs and are prepared to use the plan in a short validity period. The 1-day plan may be appealing for customers with limited funds but low data needs. The 3-day, 7-day and 30-day plans would suit customers who can pay a larger amount of money upfront for a sizeable data package and long term usage, with the option to rollover unused data at the same price.

In summary, there were no changes in the mobile internet prices offered to bmobile/Telikom’s retail customers in the second half of 2020. By contrast, Digicel’s pricing options changed during the period. Many options remained the same, in terms of value, measured as the cost per megabyte. Some options decreased in value and a number of options presented improved value for customers.

Overall, our assessment is that there has been no perceptible decrease in mobile

internet prices in PNG since the Coral Sea Cable System was launched in December 2019. The authors will continue to monitor mobile internet prices and provide updates every six months, in order to ascertain trends over time.

It's possible that there could be a new player in the PNG market in the near future. The Asian Development Bank has **announced funding** for Amalgamated Telecom Holdings (ATH) to set up a new mobile telephone network in PNG. ATH is a public company listed on the South Pacific Stock Exchange in Fiji. It has mobile networks in American Samoa, Cook Islands, Fiji, Kiribati, Samoa and Vanuatu. This could be a potentially significant development and the authors will monitor the new entrant's data pricing options, if it commences operations.

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Link:

<https://devpolicy.org/mobile-internet-prices-in-papua-new-guinea-still-no-downward-movement-20210318-1/>