

## HON. Dr. JERROL THOMPSON MAKES CTU PRESIDENT'S ADDRESS

Address to Caribbean Telecommunications Union Conference of Telecommunication Ministers on October 21<sup>st</sup> Trinidad and Tobago and Guest speaker at the Novatec ICT investment conference in the Dominican Republic October 25<sup>th</sup>.

It is indeed a great pleasure to be here in the Dominican Republic. You can feel the energy. There is such vibrancy, get-up-and-go and drive in this nation, that it is palpable. I want to take this opportunity to congratulate the Government and people of the Democratic Republic, Pro Invest and Novatec on this crucial series of initiatives in the area of investments.

I also bring you greetings from my Prime Minister Dr. Ralph E. Gonsalves, and the people of St. Vincent & the Grenadines on the eve of our 26<sup>th</sup> Independence Anniversary.

As a politician and policy maker in the area of Telecommunications, ICT and Industry at a National, Sub regional (OECS) and Regional level, I am conscious of the over-arching demands on political leadership. The decline in Banana, Sugar and other commodity exports has created undue challenges in maintaining livings stands if not severe difficulties lifting our people out of poverty and providing new opportunities.

We are bombarded each day by investors, local businesses, civil society, ordinary citizens, children and our own conscience to provide much more services and relief as possible in relation to mounting oil prices, the ravages of nature and crisis in other parts of the world all through good governance and policy making and innovative thinking.

Three days ago in Trinidad and Tobago I delivered the State of The Caribbean Telecommunication Union President's Report and it brought home to all the challenges we face in leveraging ICT for development of the region.

Since last year the CTU has made some crucial initiatives and interventions.

1. The Collaborative Regional Conference on policy on HNI last November

2. There was a successful 7<sup>th</sup> policy seminar on the benefits of liberalization in Jamaica
3. A World Telecommunications Day Symposium in May in Trinidad and Tobago with a focus on VOIP, which gave us insights into the approach to policy on this burgeoning phenomenon.
4. The Annual Technological Ministerial Briefing Seminar in July in Ottawa Canada in conjunction with Industry Canada & Nortel on new technologies and developments which gave us insights into technological trends, what's hot & what's not?
5. A collaborative effort between Caricom and the CTU on ..... marked the recommencement of a new cooperative relationship between Caricom and the CTU in contrast to the past.
6. And over the last few days a conference on Spectrum Policy Review – Captioned Meeting the Challenges of a Technological Revolution.

#### Additionally

1. Funding for a Telecommunications Center of Excellence has been approved.
2. The ITU and Cedar has approved funds for a several technical advisors
3. Several other projects and proposal for funding are pending.

I wish to reiterate what I said last year that the CTU has been extremely busy, conducting its regional mandate with the precision, professionalism and Caribbean pride that it has now become known for. Last year I said that the CTU was back; today I say the CTU is looking forwards, ahead and playing a role in forging a new enlightened and technological Caribbean for the future.

I had changed my belief in the old adage that If it ain't broke don't fix it to If it aint broke then we may not have looked hard enough and more recently to if it aint broke fix it any way. We must continually strive to improve our delivery and ICT is one of those means.

Regional organisations have to be strong, if weak then the Caribbean is weak. On such a strong policy platform, the Private Sector can flourish having been provided with sufficient policy and legal guidelines in which that can successfully operate.

The CTU continues to face challenges without adequate funding for its activities.

Over the last year I have also been able to make certain observations on the progress of Regional Telecommunication and ICT – The Telecoms Liberalisation process marches on and has even begun to mature in certain jurisdictions with the awarding of mobile cellular licenses to Digicel and Lactel in Trinidad & Tobago. Ninety percent (90%) of the Caribbean is now liberalize. In 2001 in the ECTEL states there were 37,922 active mobile subscribers representing 8.78% penetration but by 2004 in excess of 300,000 cell phones representing 53.1%, the majority of consumers (90%) opting for prepaid service. In the entire English speaking Caribbean there is an estimated 4 million active phones producing a Caribbean density of well over 50%. There is an almost seamless roaming throughout the Caribbean. One price within and between most islands, International calls are 70% cheaper. Cell phone use is now the preferred mode of communication for many providing many new opportunities for micro businesses, efficiency, security and safety for our children. However, there are several social ills which are currently being studied in the OECS. We have to continue monitoring the pros and cons and track the lesions learnt from other parts of the world so that correct decisions and corrective measures can be made in this evolving telecoms sector.

There has been a contraction of fixed lines 15 – 20% in most jurisdictions irrespective of increases due to rebalancing or a 20% decline in the OECS. The contraction was initially of concern as a fixed line was one tenth the cost of a cell call and offered the possibilities of dial-up internet. However, the advent and popularity of VOIP and deployment of X-net, ADSL, Broadband Cable and the increased prevalence of pc computers, Max, etc, allows internet calls to be made especially international calls at a fraction of current cost.

Nevertheless there is only modest growth of the internet. In the OECS 18,040 in 2001 to 30,000 in 2004. Prices in Internet have not fallen to thresholds that will induce rapid subscriber growths similar to mobile and here lies great investment opportunities.

The benefits Telecommunication Liberalisation should not be measured in mobile, fixed and internet access alone. The process of convergence continues to blur the lines between ICT. The many regional organisations they too have to grow to achieve the goal of liberalization. Regionally we have seen many organizations linked to ICT begin to come into there own.

CARICAD has taken on new technical support to ensure their mandate of promoting and coordinating e-government initiatives and in 2006 will be mounting an e-government campaign.

The CKLN has received substantial funding from the EU for achieving the Caribbean educational goals of improved access to knowledge through knowledge networks, enhancing our tertiary institutions so that learning can be shared by the Caribbean nations through distance learning, electronic libraries and teacher training. Pilot projects are due to start soon. The UWI at St. Augustine has installed state of the Art Videoconferencing facilities and a CARICOM initiative will replicated such facilities throughout the Caribbean. A virtual education learning bridge can be established connecting institutions and islands by satellite, microwave and submarine cable.

The Private Sector through a French initiative Carib Numarique Agreement presently being reviewed by the World Bank, the EU and Caribbean Islands raises the prospects of a new Pan-Caribbean submarine cable by 2007. Spanning from PR to Trinidad and Tobago and already the first phase is being deployed from PR to Guadeloupe, a second to Martinique and a third phase to Trinidad & Tobago. Presently this is one of the single most important telecommunications endeavour in the CSME era, which will provide broadband prices both affordable to consumers and industry and ensure the regional competitiveness, telecommunications safety and a pro-investment climate needed.

As CSME emerges many more business utilize ICT and there is a burgeoning ICT service sector.

To regulate all there activities there has been the need for bodies that can ensure regulatory certainty and confidence.

- Regulatory Authorities in the Caribbean have now become stronger, independent of government, respected and competent organisations that have sufficient teeth and regulatory power. They know how and when to use it as defined by law. A

substantial level of collaboration is necessary for the harmonization of regulations within the Caribbean region and with our Spanish and French speaking neighbours.

- I applaud Jamaica for an unselfish willingness to share and disseminate advice and personnel and the bold steps taken in ICT business.
- Regulatory Bodies are nevertheless limited to regulatory functions in order to maintain their integrity and avoid the conflict and challenge from those they regulate. In these early days we have invested heavily in the human capital of regulators and inadvertently left substantial gaps in the capacity to attain the other investment benefits and goals of liberalization.
- In most islands we are yet to see significant spikes in the direct employment levels due to ICT, (although indirect employment is high) Where as Telecommunication investment is high, there is no correlation to significant induction or attraction of other ICT investments, increased efficiency of the Private Sector, small businesses or community to which we can attribute to the use of ICT as a tool to enhance competitiveness, and this is mainly due to the relative high cost and low penetration of broadband. We have only seen modest growth in computer literacy and the quantum of regional ICT knowledge experts.

With some of the early failures of ICT businesses like Telemarketing Call Centers many persons had grown skeptical of these investments. I have had a barrage of advice to steer clear of these investments. In these early days we did not have the advance telecommunications infrastructure, there was an unsupportive monopoly provider, the human capacity was untrained and we relied on imported managerial capability and low level telemarketing programs. Contrary to the critics a number of these centers are doing well and employing hundreds of persons who would otherwise be out of the job market.

The Caribbean now has the experience to handle higher level contact centers and this platform must be revisited in conjunction to the efforts to develop other ICT businesses. Over the last year there has been a significant change in attitude of donors and the thirst our people have for educational opportunities especially in ICT.

Jamaica has just received over 20 million for private sector development In St. Vincent and the Grenadines there is now 8 million US for private sector development and another 8 million US had been approved for ICT business development, ICT incubators and e-commerce in 2006. There is a similar process in many other islands

In St. Vincent we have a 2 million project for bursaries for all levels of ICT professional training including distance learning and another 5 million US for teacher training and school computerization.

ECTEL has developed a 7 million dollar US World Bank funded Project to ensure that more of the benefits and liberalization goals are achieved in a process which is not in conflict with its regulatory function.

- I believe that the Caribbean is ripe for the take off we are ready.
- I believe the years of banging on the doors of donors, lobbying funding agencies and preparing policy documents, strategy and action plans, ICT and e-readiness assessments are now paying off.

There is the story of the two shoe salesmen who land on an island and one immediately calls and says book me on the next plane out, the people wear no shoes. The other calls his boss and says send every size every colour we have hit a shoe goldmine the people wear no shoes.

The Caribbean offers itself as a buoyant market of over 20 million people ready both to absorb ICT investments and through sufficient numbers of trained and educated persons ready to assist the world in the offshore, service industry.

Getting in on the ground floor before competition has matured is one of the oldest investment advice.

The Caribbean is ready for a take off; it is on the move and has come of age,

- We now have a liberalized telecoms sector. The basis infrastructure is in place and by 2007 the new submarine cable will make the Caribbean a highly competitive region for provision of affordable bandwidth.
- We are rapidly building the basic skills, technical capacity and the project management capability such that the level of training to produce skilled workers and Knowledge experts has crossed sufficient thresholds. The Caribbean also has a large pool of

persons in the Diaspora (England, Canada the USA, etc.) eager to return and play a role.

- We speak excellent English, Spanish, French and Dutch.
- We lie adjacent or on the front door of the USA and retain traditional links to Europe such that we are between 2 to 6 hours away and one can make a round trip in a day.
- We are a safe environment relatively free of war, strife, and terrorism.
- We have clean water, no malaria, yellow fever and relatively reliable electrical supply. We have wonderful beaches, sailing, waterfalls and mountain trails the perfect combination and pre-requisite for any hardworking investor.
- We have opportunities in Caribbean cultural, art forms, popular music reggae, soca, salsa and unique taste and Caribbean products that can be marketed as business using the new ICT technology.
- The history and language diversity of the Caribbean also allows us to understand other nation's culture, tastes and expressions and are adept to out sourcing and off shoring of many services they require through ICT means. We probable understand other people's culture too much... often at the expense and detriment of our own Caribbean Civilisation.
- The Governments and policy makers of the region support ICT investments and have been putting in counterpart funding where lip service once dominated.
- There is a cadre of enlightened innovative local investors throughout the region that are prepared to partner with other investors to ensure effective technological transfer, business synergy and ease of the red tape.

To you the investotrs..The Caribbean is ready to turn your ICT investment dollars into real growth.

To you Caribbean ICT nationals and experts ..The Caribbean needs you as consultants, technicians, skilled workers and managers to ensure sufficient capacity to steer investment for the benefits of the Caribbean as well as the investor.

The regional organisations need to work together in a collaborative functional mosaic, eliminating unnecessary duplication, the stepping on toes that was characteristic of the past

and for once not seeing funding only as the means of survival and ego but now allowing any overlap to induce synergy.

Last year the Caricom Deputy Secretary General challenged the Caribbean to ensure telecoms security, redundancy and rapid recovery which was evidently absent after the telecommunications disruptions in Grenada following Hurricane Ivan.

In St. Vincent & the Grenadines on Nov 2<sup>nd</sup> and 3<sup>rd</sup> there will be a conference on Emergency Telecommunications Course conducted by CEDERA.

Ultimately the crucial investment issues lies with harmonized e-commerce and electronic transaction legislation. Non Tourism or ICT incentive legislation which also need to be enacted. The Caribbean is ready for the take off and I commend Novatec for this vital initiative. A year from now this conference in the Dominican Republic will be heralded as a crucial turning point, in ICT as a true enabler of development and guiding the benefits for growth and transformation of the Caribbean.