

Response to the ECTEL consultation regarding the recommendation for market competition assessment methodology

The NTRC of Saint Vincent and the Grenadines has reviewed the consultation document regarding the recommendation for market competition assessment methodology and below are our comments and recommendations.

1. It seems that this tool will only be relevant if the new EC bill becomes law in the ECTEL states. Question that can be asked is what will be the tool (plan B) to be used if the EC bill does not become law in the ECTEL member states?
 2. Section 1.2. page 3 of the document refers to and relates to the issue of “effective competition” however we are not seeing a definition being given to what is effective competition in a market. Is it a situation that once the three criteria areas listed under this section are not met, we assume the market is competitive? What is considered a high barrier to entry in a market? How can one measure this objectively? Is it a barrier seen by a global player who can afford to enter but sees a mature market with little room for growth or market size too small to impact their bottom line? Or is it barrier seen by a local or regional startup who has little capital but wishes to disrupt the market with a new product?
- 3. Page 3–5 – Section 1:** The framework does not explicitly state what is the ultimate objective of the methodology?
- i. Promoting sustainable competition?
 - ii. Protecting end users?
 - iii. Encouraging investment?

iv. Ensuring regional harmonisation?

3. We have a tendency of using the term “best practice” from large developed markets to guide regulatory processes in small and sometimes mature markets. Our NTRC is of the view we must be careful with this approach noting our peculiar situation in the Caribbean and the rapid pace of technological changes.
4. Page 5. Q 1. Our NTRC is concerned with the three criteria tests within our particular case with two service providers and small markets. Specifically, how can we define what is high and persistent barriers to entry? Also, what is lack of market development towards effective competition? We believe our objective is to ensure that whatever prices are offered to consumers should be fair. Both from a service provider standpoint and from a consumer standpoint. This is what is envisioned by a competitive market. It lets consumers receive the best possible price for a service while allowing an efficient service provider to remain in business (make a reasonable return on investment). Every country will have a different cost/risk of doing business which will affect retail prices in that country. Our proposal is for ECTEL to consider doing real-time costing models (either with local data or by bench marking) of our services that will give a retail price that is fair and reflect a competitive market. If a service provider, then exceeds a certain range of this price (either higher or lower) then the regulator should intervene. It’s a more objective and practical system than what is being proposed in this consultation document. It will also prevent predatory pricing by dominant providers.
5. We must be practical in our regulatory tools to achieve our objectives and not try to apply tools that may arrive at the same result but will involve more

resources (financial and human). This point (limited regulatory resources) is even highlighted in section 2.10 on page 22.

6. Pages 7–28 – Section 2: The methodology heavily mirrors European Commission approaches. ECTEL Member States are small island developing states, highly concentrated markets, limited economies of scale and often duopolies. The document does not sufficiently address whether EU-style granular market segmentation is always appropriate and whether over-segmentation risks artificial market definition.
7. We also have to be careful when referencing the term “best practice”. Is best practice something that never changes? How did it become a best practice? Does this prevent a new process from becoming a new best practice? Can we use AI tools to create a new best practice in 2026 instead of trying to apply a best practice from large, developed countries that was created 5 or more years ago? For example, our NTRC is of the view we can use AI tools to assess the market for competitiveness in a more objective manner once we provide the right prompts etc. Annex A below is the results of a simple prompt which gives a fair picture of our market and as seen AI uses a benchmarking approach, with more focused prompts and additional data we believe AI tools can play a substantive role in assessing the competitive landscapes of our ECTEL states and also assisting our regulatory teams with possible solutions.
8. The prompt that was used. *If St. Vincent and the Grenadines was to be considered a competitive telecom market space what should be the monthly cost in US dollars for the following services: 1. Mobile postpaid 2. Broadband internet. You can also outline the broadband speed that should be delivered for the price you provide.*

9. The statement made in the third paragraph on page 15 of the consultation document in relation to the view that “OTT services are typically characterized by lower quality of service”. This is a statement that has been made for many years which may have been made initially on some research data but which we believe no longer holds weight and should not be stated as fact unless some new study is reference. OTT uses IP technology. Legacy fixed land line services did not use IP. However, fixed landline services now use IP and IP voice technology is more mature than hitherto too. Further the conclusion made in the last paragraph of page 15 that TaTT concluded OTT could not form part of the same market as domestic voice services can be disputed. What then is the reason for the large reduction in fixed landline subscribers in our markets? Yes, it’s the mobile phone but mobile phones were around for a long time. It’s the reduction in the price of calls on a mobile phone coupled with most calls on mobile phones being made over OTT services. This has led to consumers deciding that mobile phones using OTT is a substitute for fixed landline services.
10. Are there other models available in arriving at competitive situation in a country? Was a cost benefit analysis done as to which model would be better for the ECTEL states?
11. Question that should be asked. Can a duopoly market be competitive? If no, why are we spending time on this assessment methodology noting our markets are mainly duopolies?
12. SSNIP Test – Practical Feasibility (Pages 13–16). The SSNIP framework is well explained, but ECTEL/NTRCs may not have: Robust elasticity data, Reliable cost data or Sufficient price variation history. In small markets, price changes are infrequent. The document acknowledges limitations but still structurally centers SSNIP.

13. Page 20. Section 2.8 *The default assumption in electronic communications regulation is that markets are national.* While a national definition is standard, St. Vincent and the Grenadines is a multi-island state. The methodology allows for regional/locational variations but assumes national consistency. There are differences in infrastructure between St. Vincent and the smaller Grenadine islands which could mean that "national" remedies for St. Vincent are not suitable for the Grenadine islands. The Grenadines could constitute a separate sub-market.
14. In the case study listed on page 34. The conclusion made by this regulator can be deemed very subjective. They came to the view that ex ante regulation was not needed in a market moving from three players to two (which is clearly a less competitive market) because there is potential for a new entrant to enter the market. Potential is something that may occur but there is no guarantee of occurring. It can also be fair to assume that the market was not competitive with three players and that was the reason why two of the service providers had to merge. The fact being used that the incumbent moving from 71% to 51% does not provide evidence of competition. It only suggests evidence of a monopoly moving to a duopoly. Similar situation would have been seen in SVG during the period 2003 to present. Our country went from a monopoly to three mobile providers then to a duopoly. ECTEL created MVNO licenses over a decade ago, but we have not seen a single MVNO come to our market.
15. Section 5 page 53. Most of the remedies relate to wholesale markets. This needs to be changed. Remedies need to address the retail side and consumer facing side. We have seen over the years wholesale rates for mobile termination in the ECTEL states are regulated via interconnection agreements and where these rates have reduced substantially over the last two decades but

where the retail rates which relate directly to these regulated wholesale rates and which the consumer has to pay has gone in the opposite direction. They have increased over the last two decades.

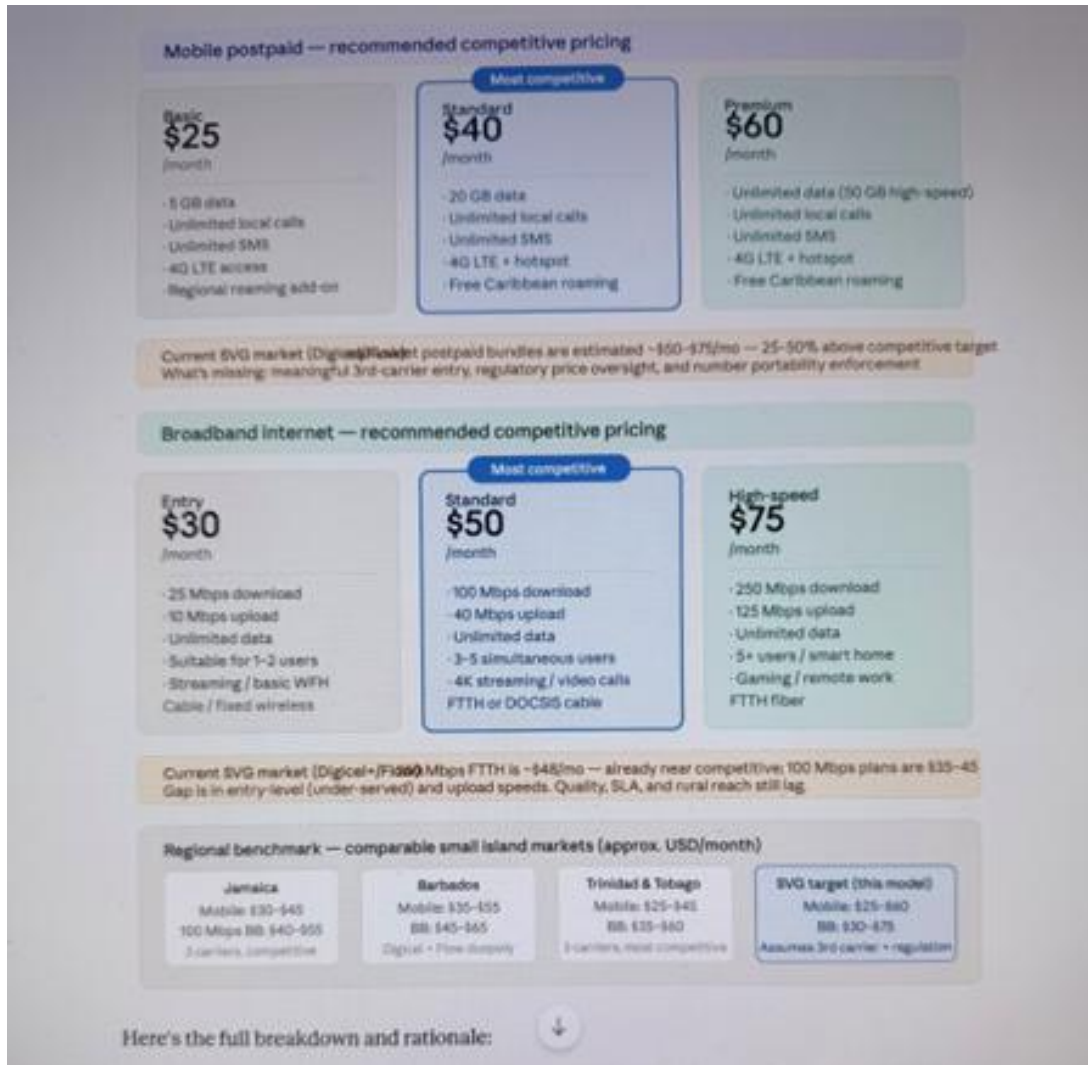
Conclusion:

Our NTRC is of the view that this methodology set out in the consultation document is too complicated and resource demanding for our region. We should seek to use a more practical approach to achieve the objectives of a competitive market that can incorporate the use of AI tools and benchmarking. We must be clear on the objective we are trying to accomplish and then see the most practical and cost-effect approach in getting it done while considering our human and financial constraints.

Recommendations:

- A. Add a short section in 1.2 clearly stating the policy objectives guiding the framework. Without this, stakeholders may question how decisions will balance competition vs. investment, retail vs. wholesale regulation and small market realities vs. theoretical EU benchmarks.
- B. Add a contextual section explaining how EU principles are adapted to small-island conditions and whether presumptions (e.g., national geographic markets) will be standard.
- C. Explicitly state that SSNIP is conceptual, not mandatory and qualitative evidence may be sufficient in small markets. Otherwise, licensees may challenge decisions for lack of quantitative testing.
- D. Explore the feasibility of other market assessment tools including those based on AI along with benchmarking.

Annex A



Here's the full breakdown and rationale:

What "competitive" means for SVG specifically

SVG's telecom market is currently a duopoly — Saint Vincent is among the Caribbean nations where limited competition among providers exacerbates the problem, keeping broadband prices unaffordable for many. *Nearshore Americas* A genuinely competitive market would require at minimum a third carrier, number portability enforcement, and regulatory price benchmarking — similar to what Trinidad & Tobago achieved after breaking its state monopoly.

Mobile Postpaid

Tier	Monthly Price	What you get
Basic	\$25	5 GB, unlimited local calls/SMS, 4G LTE
Standard	\$40	20 GB, unlimited calls/SMS, hotspot, free Caribbean roaming
Premium	\$60	50 GB high-speed + unlimited, full hotspot, Caribbean roaming

The \$40 standard plan is the competitive anchor. High mobile data costs relative to income levels limit adoption across the Caribbean, particularly in lower-income markets

Hope Research Group, so pricing postpaid realistically below \$45 for a meaningful data bundle is key to driving penetration.

Broadband Internet

Tier	Monthly Price	Speed	Technology
Entry	\$30	25/10 Mbps	Cable / fixed wireless
Standard	\$50	100/40 Mbps	FTTH or DOCSIS
High-speed	\$75	250 ↓ Mbps	FTTH fiber

On broadband, SVG is actually not far off at the top end. Digicel already offers a 250 Mbps FTTH plan at approximately EC\$129 (~US\$48) per month. ¹⁵² The real gaps are: the entry-level tier (there's very little for budget-conscious users), upload speeds (currently weak across both providers), and rural/Grenadines coverage and reliability.

Key conditions for these prices to be sustainable

1. A third operator would need to enter the market to break the duopoly pressure
2. The regulator (NTRC) would need to mandate wholesale access to infrastructure so new entrants don't have to rebuild everything
3. OECS digital transformation efforts and CTU initiatives can pool scale, harmonize standards, and streamline procurement — vital for small states with shared challenges
^{Batvja} — SVG should lean into these regional programs to reduce per-unit infrastructure costs
4. Without these structural changes, the duopoly has little incentive to push prices down even if Digicel's FTTH pricing is already near-competitive

In short: the broadband side is closer to competitive than many people realize — the mobile postpaid side is where Vincentians are most overcharged relative to regional peers.