

Telikom headquarters, Port Moresby (image: Amanda Watson)

Telecommunications in Papua New Guinea – in conversation with Telikom

By Amanda H A Watson and Mahesh Patel
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Mr Mahesh Patel is Board Chairman of Telikom PNG. For the Pacific Conversations series, he spoke to Dr Amanda Watson about the telecommunication sector in Papua New Guinea (PNG).

Amanda: Can you please tell me about the status of the recent proposal to amalgamate Telikom PNG, bmobile Vodafone and DataCo?

Mahesh: Telikom PNG is about 60 years old and is a state-owned enterprise. Telikom was carved up in 2009, which created bmobile and later the wholesale arm DataCo. Now, telecommunication is a fast-changing industry and I think these decisions seem flawed, as breaking up the company has weakened it. Digicel has taken a 90% market share because Telikom was left with aged technology, bmobile went into private hands and was mismanaged, and DataCo is struggling to get off the ground.

Recently, we realised that each of the three companies would fail if left on its own. So the government recognised that we need to bring them back in. The new entity, Kumul Telikom, will be able to provide a one-stop shop in a converged system, which is exactly what our competitors are doing.

The convergence of technology has driven this merger, is that what you're saying?

It is, and also I think it's good business sense. I run a private business, but it is difficult to use government services as we need to go to bmobile for mobile services and to Telikom for landlines, or we go to Digicel and they'll provide a complete service. That's why we need to build a strong retail entity, because we don't have a competitor right now for Digicel. So if we have a worthy competitor by having a strong, united Telikom, we can actually create competition and drive the price down.



Telikom stall at Vision City, Port Moresby, opened in 2017 (image: Telikom PNG)

Where is the merger up to now?

Right now, the merger is with the Independent Competition and Consumer Commission because we wanted to make sure that we follow through all the regulatory approval processes. Nothing will happen until we tick all the boxes. I think there will be some NICTA requirements as well and our regulatory guys are working on that.

The Communication Workers Union initially opposed the merger. Has that been resolved?

We've been talking to them, but obviously there is a sense of insecurity in any change or transformation. There may be some job losses initially, because technology has changed as well and we have a lot of long-term employees. Between bmobile and Telikom, we might have 150,000 to 200,000 customers. Our vision is to have millions of subscribers and that's where job creation will happen eventually. So I am trying to explain that vision to them, by saying, 'listen, our current staff force will not be able to cater for two million consumers, so we will need more people'. I am holding regular staff meetings, so that this is a transparent process.

If the merger goes ahead, will Vodafone continue to be involved in bmobile?

We will assess that as we go along. They have a contract for support marketing, and there's a lot of value in that as Vodafone is an international company, but we'll review it as we progress.

Will Telikom and bmobile continue to offer two competing mobile phone services?

No, it will actually be one, but if we start merging all the engineering back-end, it will be 12 months before we get off the ground. So the idea right now is to carry on with the two brands and eventually merge the two. For existing customers, the services will continue uninterrupted.

Telikom teams are notoriously slow at visiting homes and businesses to connect internet and landline phones, provide maintenance, and so on. Is that reputation accurate?

I think it is partly correct, because in the days gone by it was a monopolistic business, so that attitude crept in. We have found people with corrupt behaviour as well and we don't tolerate that. Over the last five to six months, the completion time has been improving, because there's new people coming in from the private sector with that sense of urgency. The other issue has been the legacy infrastructure, which we are slowly replacing.



Telikom technicians at work in Port Moresby (image: Telikom PNG)

Telikom has taken 100% ownership of EMTV. How does EMTV fit into Telikom's overall strategy?

In international trends, it's all about combined services. Our competitor already has a television service. So Datec and EMTV add value. Datec is a wholly-owned subsidiary as well. It's an internet service provider, providing services into homes. EMTV is screening NRL games again. Our competitor has the rights, so we're running delayed telecasts. We

are one of the top-ranked local content providers in the world — 60% of our EMTV content is local.

And does Telikom have much community involvement?

We have the Telikom Foundation, which provides technology solutions to schools. To date I think we've covered 20 or 30 schools, or over 30,000 kids. Our issue is a lot of schools can't afford to maintain the systems, so what we do is help them subsidise the bandwidth to start with. Computers are provided through Datec.

What do you think Telikom will be like in the year 2020?

By 2020, my vision personally is to bring prices down to international levels and internet speed up to international levels. If we're able to construct an undersea cable, which I'm really hoping we can, it will smash the price of internet in this country. And as I'm a retailer at heart, I think we also need a customer-centric mentality.

When I came here in 1984, Telikom was the star of government agencies. But over time it deteriorated due to lack of investment. We have some of the best engineers in the land and I can proudly say when we hosted the South Pacific Games in 2015, we did the whole network planning and I took it to Telstra in Australia, because they had experience with the Sydney 2000 Olympics, and their comment was that our team could not have done a better job. So we have the engineering talent. But Telikom has lacked front-line commercial experts. And that is what we're trying to bring in. We can't say it's a state-owned enterprise and we don't make profits. There has to be balance between profits and services to the community.

Amanda H A Watson is a Lecturer with The Australian National University, based in Port Moresby at UPNG under the UPNG-ANU partnership. Mahesh Patel OBE is the current Board Chairman of Telikom PNG, a role he has held for three years.

About the author/s

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Amanda H A Watson is a researcher with the Department of Pacific Affairs, Australian National University. She taught at the University of Papua New Guinea's School of Business and Public Policy under the ANU-UPNG Partnership. Dr Watson has also taught at Divine Word University, Macquarie University, Queensland University of Technology and TAFE NSW.

Mahesh Patel
Mahesh Patel OBE has been Telikom PNG Chair for three years. He initially travelled to

PNG from Fiji as a pharmacist in 1984. Two years later, he started a pharmacy and now heads CPL Group. He was bestowed an Order of the British Empire (OBE) in 2012.

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