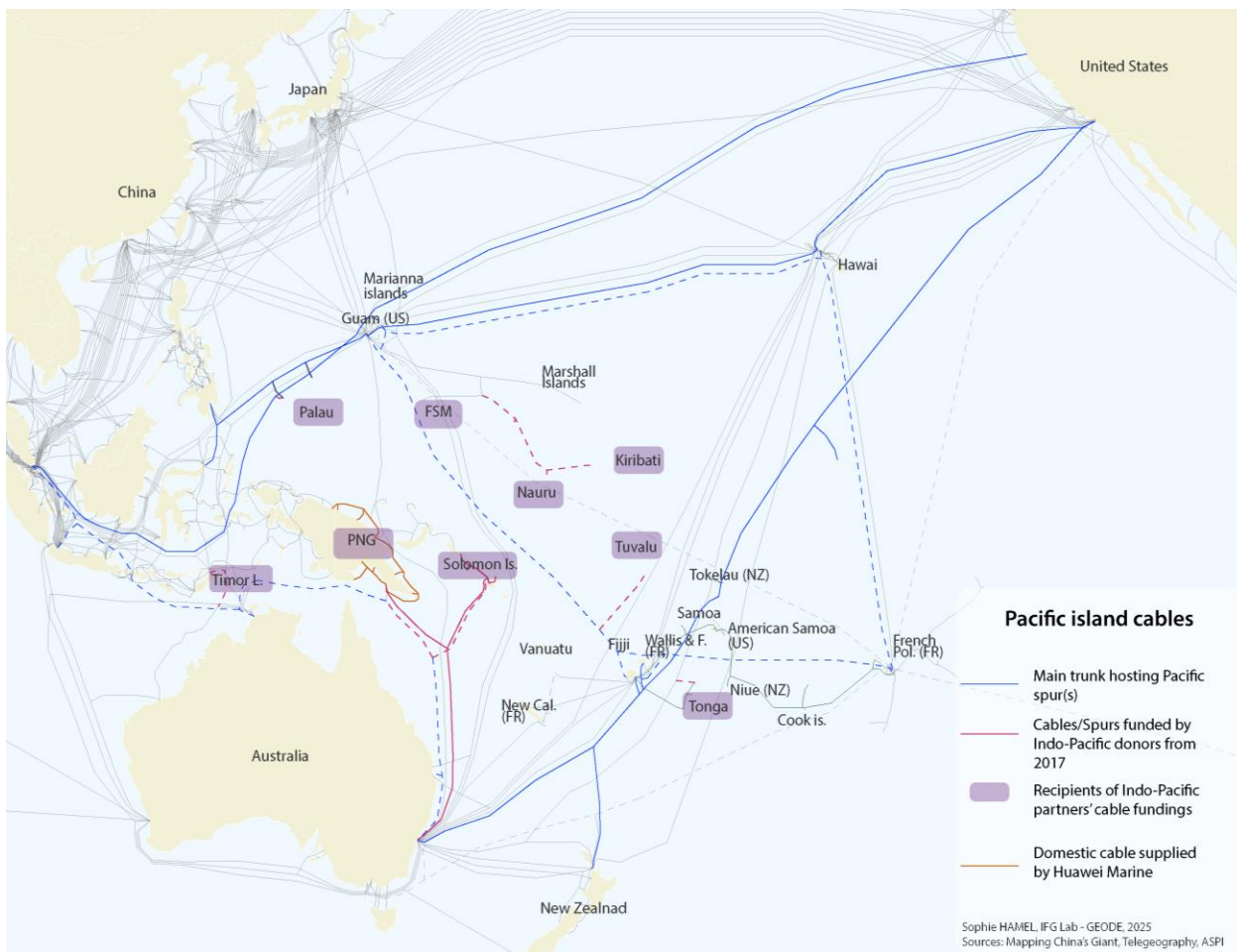


Subsea cable for development in Pacific Island Countries (PICs): public-private cooperation



1. WHY DO PUBLIC AND PRIVATE SECTORS NEED TO COLLABORATE?

PICs' cables: a high reliance on partners' funding

- Independant cable companies
 - No business case to deploy cables to islands with a small consumption
- Pacific operators and government: few resources to invest in cable infrastructures
 - Reliance on external funding (with exception)
 - Very small influence on cable geography

1. WHY DO PUBLIC AND PRIVATE SECTORS NEED TO COLLABORATE?

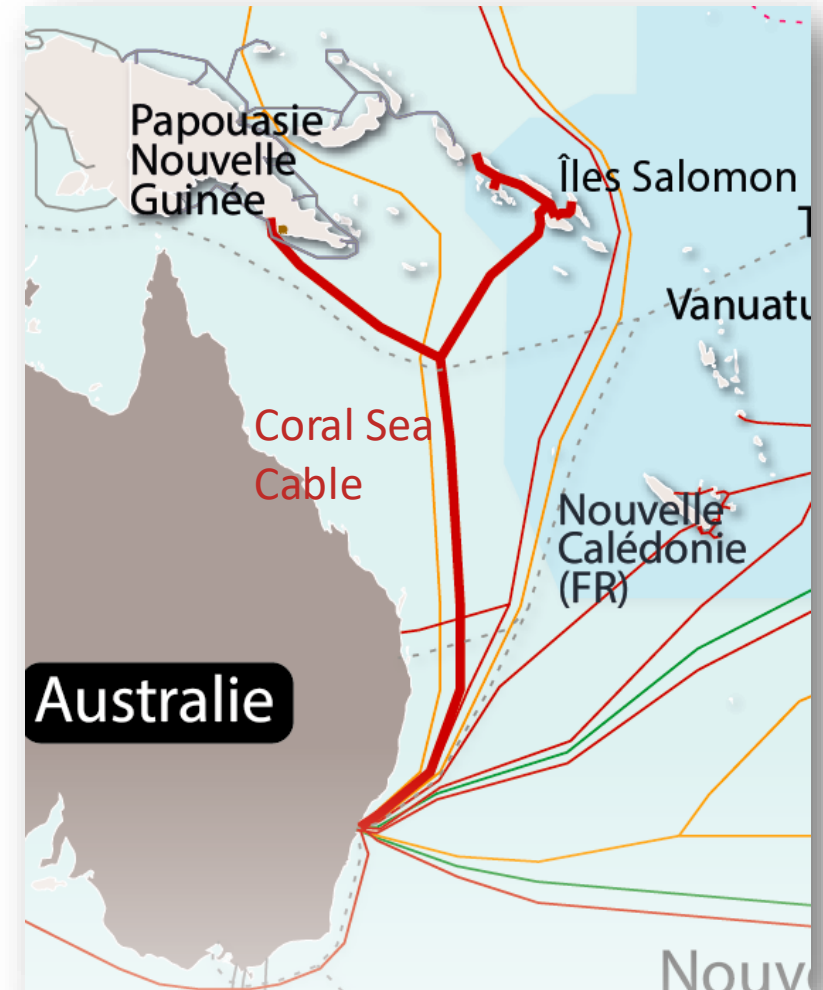
Chinese influence over Pacific cables

Development partners need to get the private sector on board to encourage Pacific islands' connectivity

- Especially as Chinese companies are seen as threatening traditional hegemony in the region
- And the safety of Pacific networks

Some examples of Huawei Marine/HMN Tech activities:

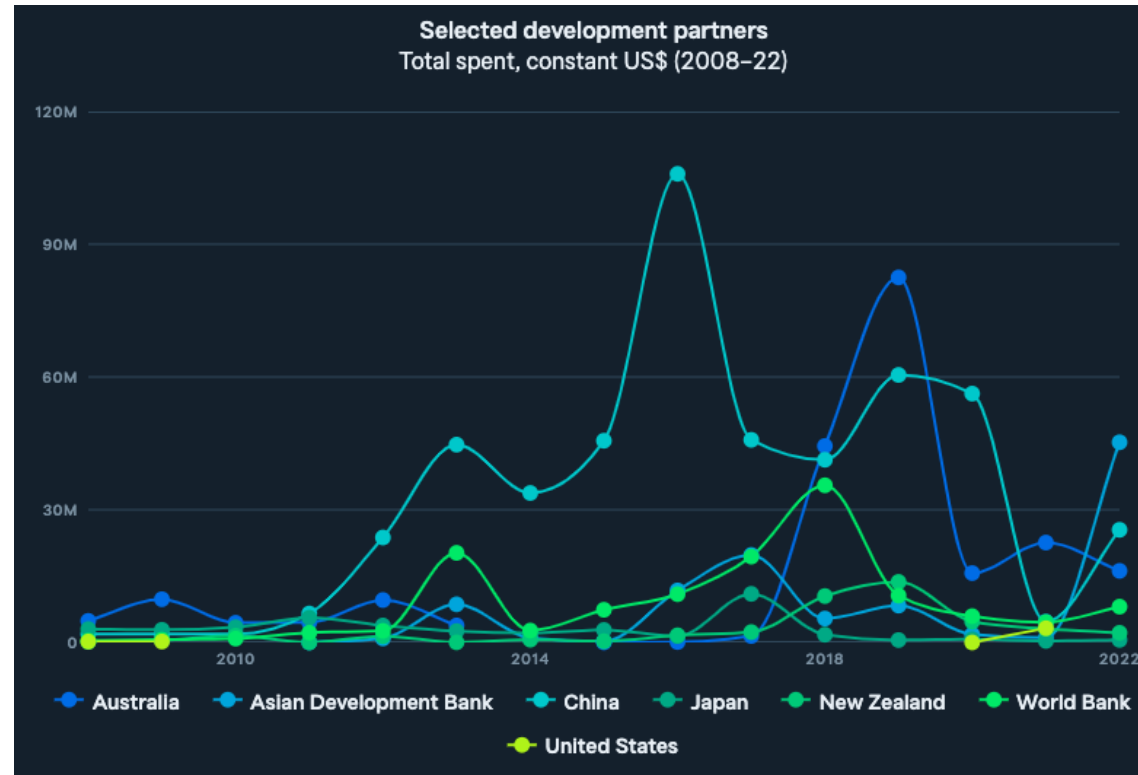
- Kumul cable
- Coral Sea cable (the former project)
- EMC (HMN responded to the bid)



1. WHY DO PUBLIC AND PRIVATE SECTORS NEED TO COLLABORATE?

Shift in partner's development policies toward PICs

A focus on infrastructure funding from 2017: competing with Chinese actors



Source: Lowy Institute, Pacific Aid Map, graphing tool, 2024

1. WHY DO PUBLIC AND PRIVATE SECTORS NEED TO COLLABORATE?

Development of new cable routes in the South Pacific



Financial Times, How the US is pushing China out of the internet's plumbing, June 2023

The economic and geopolitical context drive cable companies to develop routes in the South Pacific, especially to connect the United States to South-East Asia through Australia

- The South China Sea is avoided by companies because of the inherent geopolitical risks
- Australia: strengthening its position as a crossroads between the American continent and South-East Asia
- New opportunities for Pacific islands on these routes

2. HOW GOVERNMENTS MOBILIZE PRIVATE COMPANIES?

Australia and the United States: (re)politisation of cable development

- United States
 - Team Telecom
 - CABLES Program
- Australia
 - Telecommunication Act reform (2014)
 - Coral Sea cable: a shifting project
 - Creation of the *Australian Infrastructure Financing Facility for the Pacific –AIIFP*:
 - supporting the funding of infrastructure projects in Pacific islands, including subsea cables (15%)
 - Incentive-base funding for private companies
 - *2023-30 Cational Cybersecurity Strategy*:
 - harnessing the private sector & the AIIFP are key elements to support “Australia’s \$78 million investment in subsea cable connectivity in the Pacific” to “enable connectivity and build cyber resilience in the region”

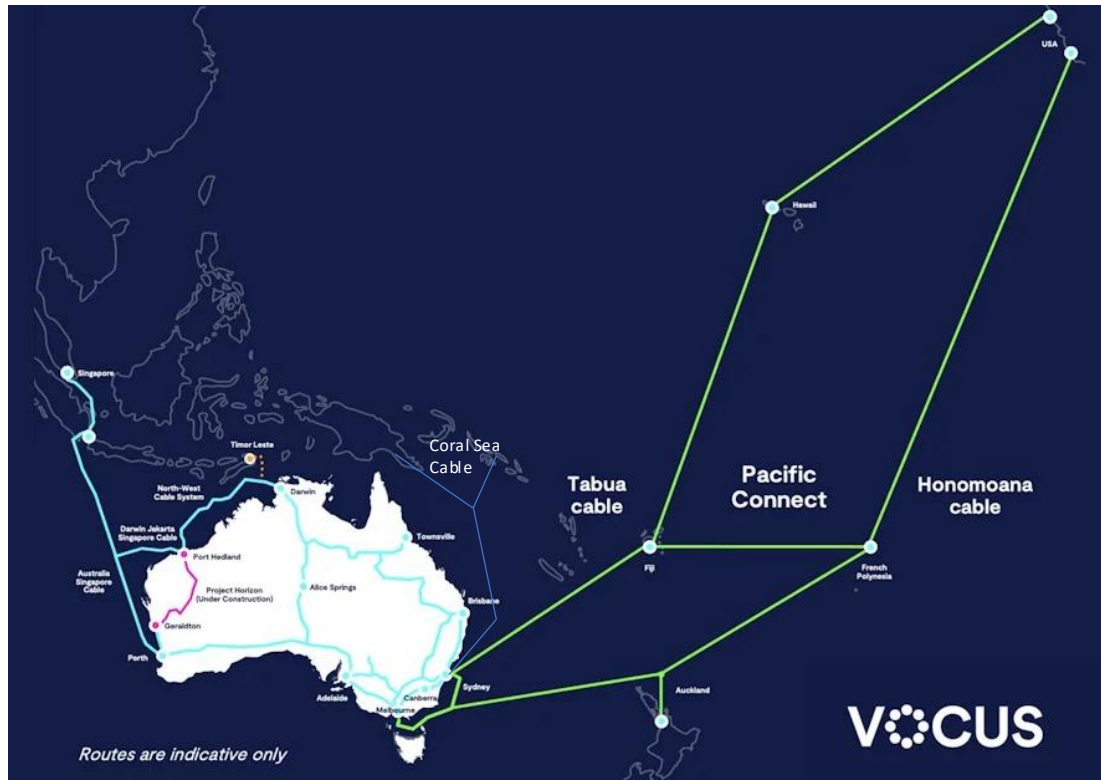
3. COMPANIES INVOLVEMENT IN SUBSEA CABLE PROJECTS

Involving trusted companies

- Which companies?
 - Designer and owner of cable companies
 - Intermediary/consulting companies
 - Infrastructure suppliers (cable and landing station manufacturers)
- Designer and owner of cable companies: different types of projects:
 - Cable projects from end-to-end
 - Parts of cables (branches, branching units)

3. COMPANIES INVOLVEMENT IN SUBSEA CABLE PROJECTS

End-to-end projects



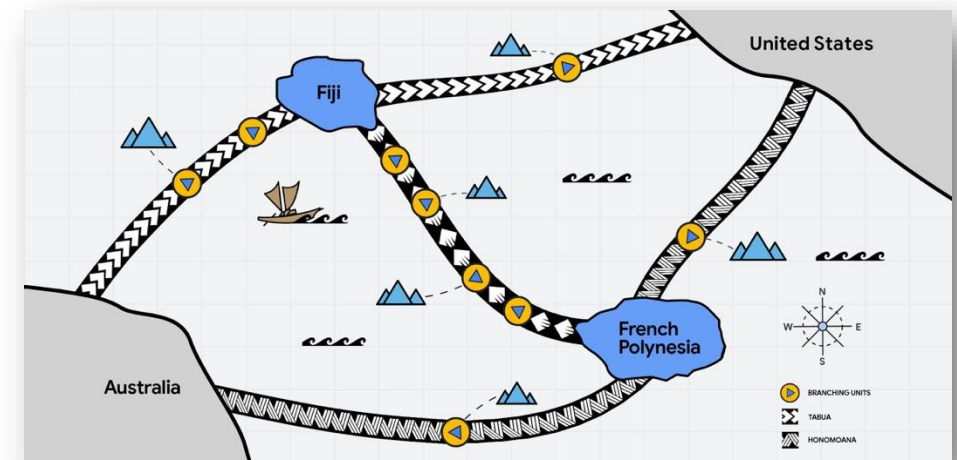
- An economic interest in aligning with development policies
- « We recognise that **the small markets in the Pacific Islands limit commercial incentives to invest in infrastructure.** Australia should use its emerging position as an Indo-Pacific cable hub by **partnering with private-sector operators to extend cable infrastructure to underserved nations** throughout the region. This partnership could include **funding the inclusion of branching units on commercial cables as they are being planned.** »

Source: Vocus response to the 2023-2030 Cyber Security Strategy Discussion Paper, 2023

3. COMPANIES INVOLVEMENT IN SUBSEA CABLE PROJECTS

Branches and branching units

- BW Digital :
 - Tonga Branch (Hawaiki)
 - PNG and Solomons branches (Hawaiki Nui)
- Google projects
 - Donors identified specific budgets: Australia (\$50m) and US (\$15m) contributions
 - Tuvalu branch (US, Australia, Japan, Taiwan, New Zealand partnership)



4. THE ROLE OF PICs

Designing/implementation stage

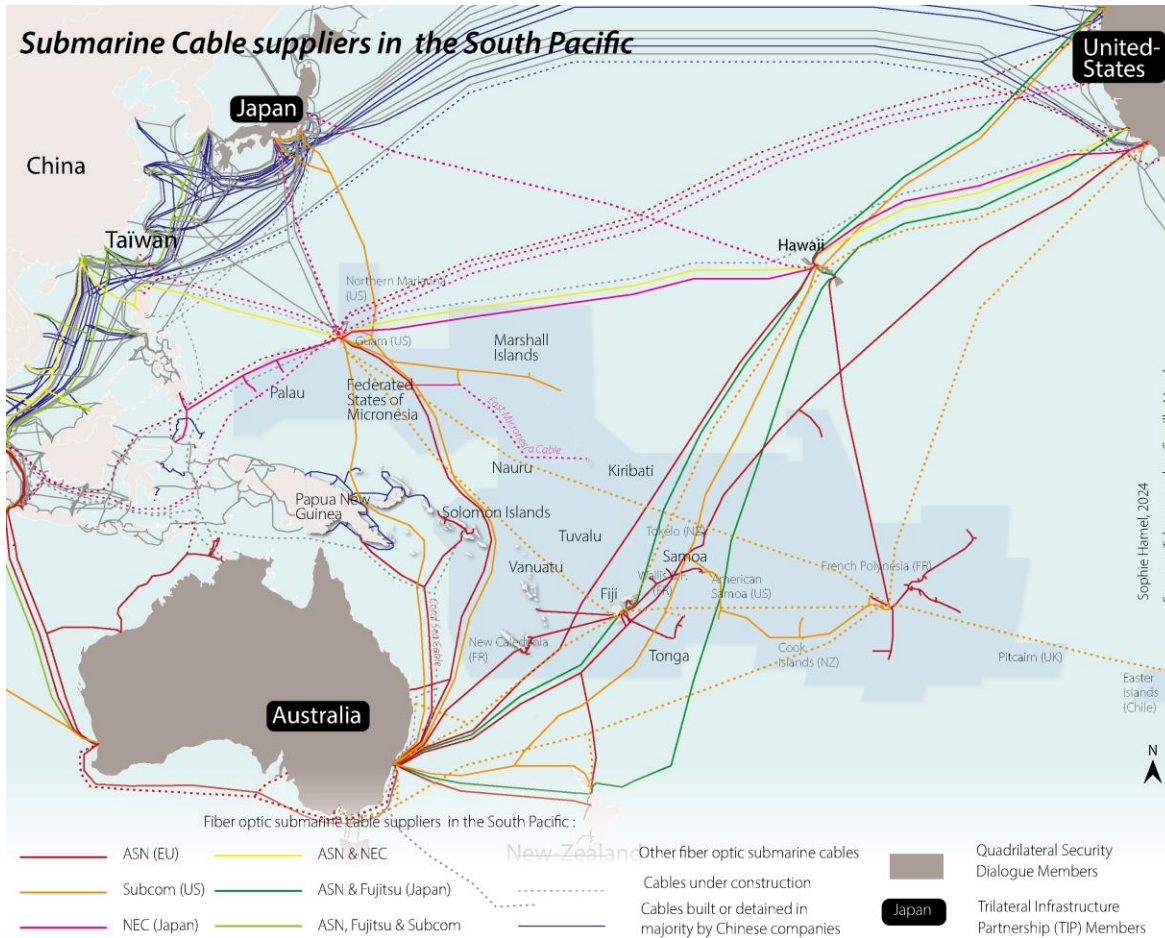
- They are consulted on the cable route and landing sites
- They have to comply with the donors' conditions regarding the use of certain technologies
- Few margins, even if the competition between China and traditional partners allow Pacific stakeholders to “donor shop” to some extent

Once the cable is finished:

- Recipients are fully or partly owners of the cable
- Local entities maintain and operate the cables
- Some critics regarding sustainability and economic viability of the projects

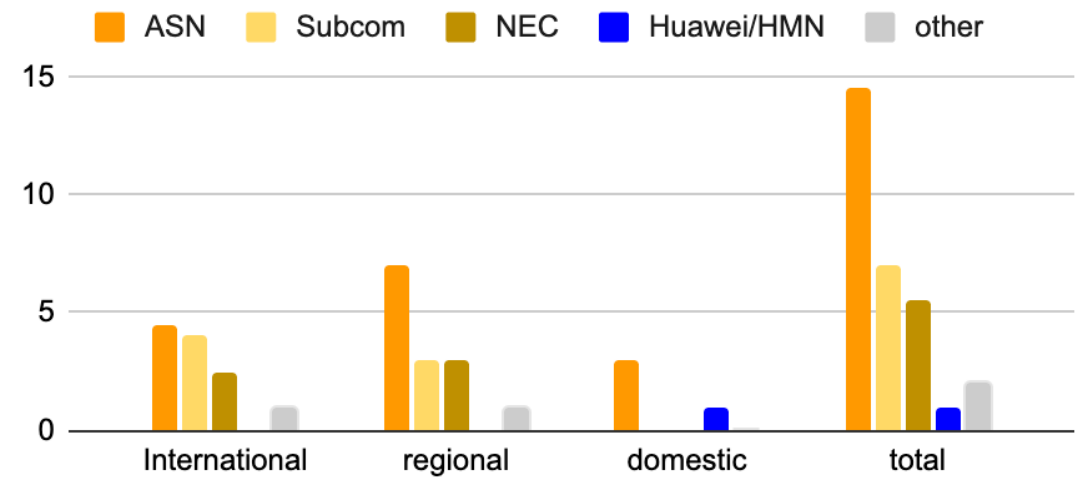
5. ACHIEVEMENTS

Barring Chinese cable suppliers...and favouring trusted companies



NEC and Subcom: two major suppliers for development projects

South Pacific: Major subsea cable suppliers



5. ACHIEVEMENTS

Enhancing Pacific islands' connectivity

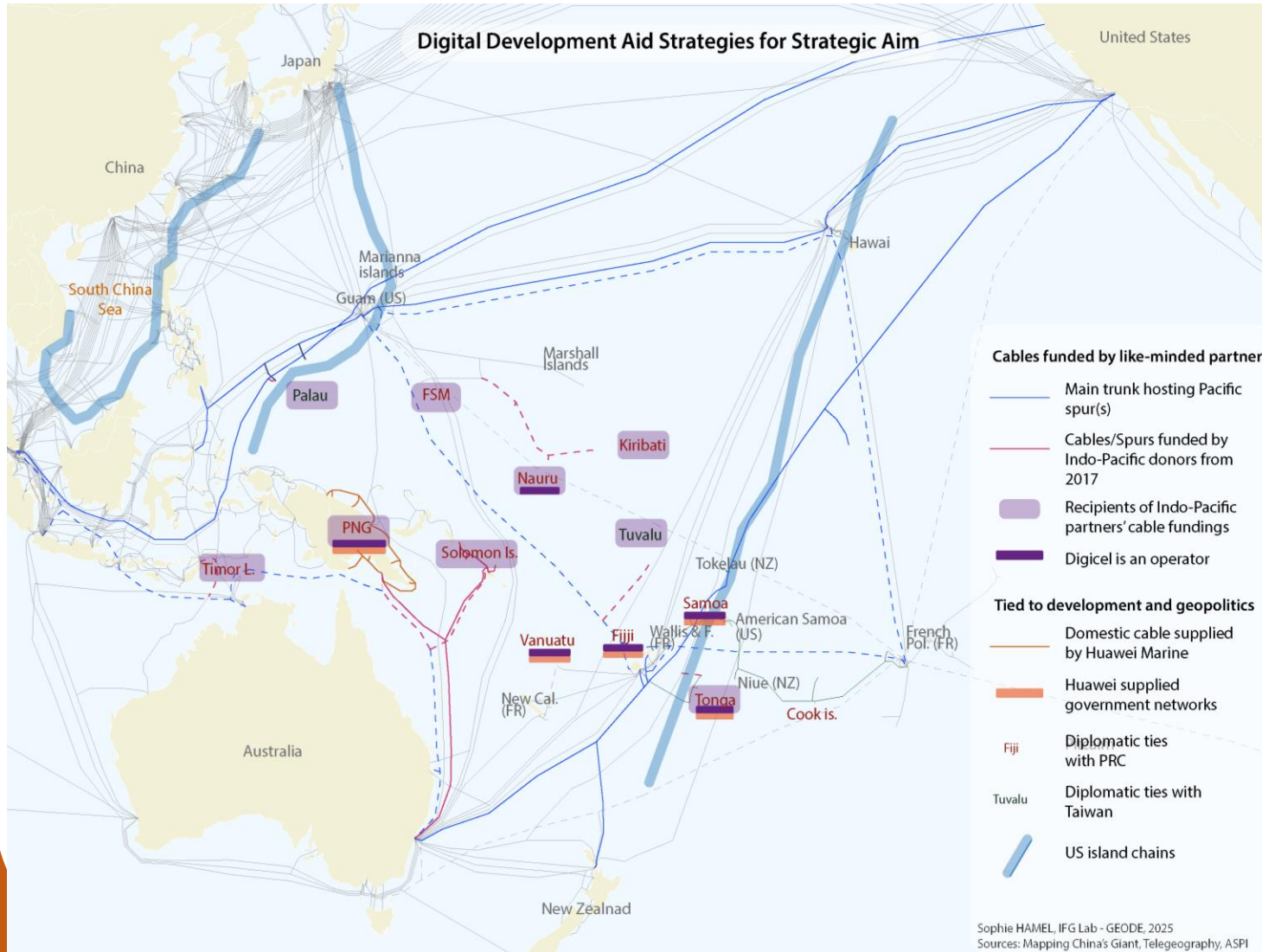
Comprising completed and ongoing projects:

- 3 Island states newly connected: Tuvalu, Nauru, Timor Leste (3 cables under project)
- 5 Island states connected to an additional cable: Palau, PNG, Solomon islands, Tonga, Kiribati

New Zealand also contributed to the Pacific connectivity (on maybe less political grounds): Cook Islands, Tokelau, Niue

Cable	Recipient countries	Donor countries	Funding announcement
Coral Sea Cable	PNG, Solomon Islands	Australia	2017
Palau Cable	Palau	Australia, US, Japan	2020
East Micronesia cable	Kiribati, Nauru, FSM	Australia, US, Japan	2021
Timor Leste (TLSSC)	Timor Leste	Australia	2024
Tonga (Hawaiki branch)	Tonga	Australia, NZ	2024
Branching units on Hawaiki Nui	PNG, Solomon islands	Australia	2024
Vaka (Google branch)	Tuvalu	Australia, Japan, US, NZ, Taiwan	2024

CONCLUSION



- While PICs' primary goal is to improve internet resiliency and accessibility, their foreign partners are also driven by economic profit and strategic and security priorities
- By 2025: all island states are to be connected to at least one subsea cable
- A better redundancy for existing hubs: Fiji and French Polynesia
- Archipelagic nature of many Pacific states: a lot of islands will remain unwired
- Investment in domestic cables, improvement of local mobile networks, or alternative solutions such as LEO satellites remain important to bridge the digital divide