

Marshall Islands Chamber of Commerce

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Meeting Minutes

Friday, June 20, 2008

Marshall Islands Resort

Meeting called to order by President Hirobo Obeketang at 12:15 P.M. Approximately 25 members and guests were in attendance. The next regular meeting will be on Friday, July 11, 2008.

- **Minutes** – approved electronically prior to the meeting

- **Guests**
 - Representatives of the American Embassy
 - Representatives of the Taiwan Embassy
 - Thomas Lynge Jensen, Associate Program Specialist, UNDP based in Samoa
 - Dennis Yates, Canvass Back Missions, first time attending member
 - David Borrill, Director of Business Development, Digicel, Fiji
 - David introduced by Wallis Peter
 - Zubin Menon, US Interior Island Fellow

- **Chamber President's opening remarks**

Deferred until the July Chamber meeting that will be devoted exclusively to current issues facing the business community.

- **Zubin Menon remarks**

This is my first time in the Marshall Islands. The lagoon looks beautiful from the air when approaching Majuro. I'm a Malaysian citizen, and I attended primary school in my home country. I attended high school in Singapore. I completed my undergraduate work in British Columbia. I'm currently finishing my graduate studies in Hawaii. I recently worked as an associate copy writer. I like sports, and I'm an amateur auto mechanic.

There are eight "Fellows" throughout the Pacific, and one is in the US Virgin Islands. All of us are on station now for the purpose of implementing the US DOI "Island Banking Link." The purpose of this special Website is to increase business development in the US Insular and associated states. There are three kinds of free subscribers to this Website: island business members that post a business opportunity; partners who post a desire to invest; and government resource members. Each type of member can browse the Website to locate something that is of interest.

I'm here for two weeks. My main objective is to get Marshall Islands business members signed up on the Website. My other objective is to identify trainers – those people here who I can train to train others to use this Website. There will be two workshops hosted by the US Embassy in Majuro: June 27th at 2 PM; and July 1st at 9:30 AM. Al Fowler is the local contact person. These workshops will present how to prepare a write-up of local business opportunities. US DOI hopes that this Website will increase the value of next year's conference in Hawaii that is scheduled for April 6th – April 8th. The Website URL is <http://www.IslandBusinessLink.com>. [Secretary's note: this is a working link here in Majuro]

The other "Fellows" and I will develop island business opportunities first and then travel back to Washington, D.C., to further develop the other two.

- **David Borrill remarks**

I'm originally from New Zealand, and I began working for Digicel when they purchased the island telecommunications company that I was managing then in Samoa. Digicel has been in the mobile phone business since 2001. We have a large presence in the Caribbean, and we plan to establish a Pan Pacific mobile network. That's why I'm here speaking to the government. We want to be an operator here. Digicel is owned by an Irish national, Dennis O'Brien, and other Irish investors.

We operate in 26 countries in the Caribbean and Central America with over ½ million subscribers. We began to operate in Samoa in 2006, and now have 70,000 subscribers. We began to operate in Papua New Guinea in 2007, and have ½ million subscribers. We're in Tonga and have 27,000 subscribers. We'll begin to operate in Vanuatu next week and be in Fiji in October of this year. The Pacific looks to us the way the Caribbean appeared about six years ago. We see a business opportunity in the Pacific.

We usually don't purchase telecommunications companies. Rather, we enter a country and compete with them. Competition is good for a monopoly. No monopoly ever went out of business due to competition. Monopolies do better with competition. When we operate in a country, our goal is to have at least 95% local staffing. Our standard is to open for business with a minimum of 80% coverage of the country's population. We charge by the second from the moment the call is placed. We use proven GSM technology. We have agreements with 120 countries so that any of our subscribers can freely roam internationally with their mobile phone. We establish a separately operated non-profit foundation in each country. This foundation is funded by Digicel. The foundation does charitable work like building schools. We sponsor Rugby.

It would cost us 17 million dollars to set up operations in the Marshall Islands. Before that can happen, the government has to make some changes to allow mobile phone competition. Our coverage area here would be 9 or 10 atolls so that we can achieve our 80% covered population standard. Atoll to atoll calls would be local calls. We don't penalize anyone because of where he lives. We become a customer of whatever connectivity technology is available. This can be via satellite earth station. If an underwater fiber optic cable is available, we would become a customer of that

technology. We prefer underwater fiber optic cables. They allow the highest quality of service.

Some countries such as Papua New Guinea have determined that the gross domestic product grew .6% as a result of us doing business in that country. This growth was attributed to what our subscribers did with mobile phones.

Other than trees and when it comes to island mobile phone interference, the only issue that I'm aware of is the difficulty of establishing an earth ground in atoll nations. Radio transmission is actually better over water than over land.

We're currently looking at Palau and the FSM.

- **New Business**

The previously scheduled August JAL flight has been cancelled. We don't know why yet. It has been rescheduled to the first two weeks of October.

The coverage of the MEC situation in the Marshall Islands Journal was good. If the Cabinet declares an emergency the way that Palau and the CNMI did, then that opens up other avenues of funding. Rather than waiting until an economic disaster is upon us, the MEC Board acted now well in advance of a potential disaster to allow the government time to deal with this situation. MEC is in the process of writing a grant to obtain solar powered street lights to ultimately solve that problem. Currently no one is paying for the electricity for street lights, and it wouldn't be practical from a community responsibility standpoint to disconnect them. MEC will keep its Website as current as possible to inform everyone of the current situation. This year MEC will import and burn 30 million dollars worth of oil. That's nearly 30% of the gross domestic product of the Marshall Islands. This is not sustainable. We need other alternatives.

Meeting adjourned at 1:15 PM.

Minutes prepared by:

Jim McLean