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## Mobile Turnover Tax would damage PNG's future

"There are very worrying reports that the 2019 Budget will introduce a new turnover tax on mobile phones. This would be a shameful tax that the Alternative Government would possibly oppose. A smarter PNG will rely on lowering the price of mobile phone communications, not imposing new taxes just because of the government's economic mismanagement. PNG's mobile phone costs are already amongst the highest in the world according to the PNG National Research Institute – please don't make them even higher!" stated the Shadow Minister for Treasury & Finance Ian Ling-Stuckey.

"As part of the 2019 Budget, the government is considering introducing a turnover tax on mobile phone companies such as Digicel, Telikom and Bmobile-Vodaphone. We all know that the companies will pass this tax onto consumers. So PNG's internet costs, SMS costs and phonecall costs will all go up and be paid for by ordinary papua new guineans, as a result of the 2019 Budget.

"The PNC government is totally out of touch with the people of PNG. The Treasurer is willing to spend money on expensive fleets of cars for APEC, but then goes to pay for such cars with new taxes paid by png citizens, which increase the high costs of living burden already facing PNG families. So last year the Treasurer imposed great big tariff increases on items such as chicken and milk-totally contrary to the APEC theme of trade liberalization. Then in this 2019 budget, he imposes more cost of living increases on mobile phones – totally contrary to the APEC theme of "Harnessing the digital future", one of the two key themes for APEC. PNG should be encouraging the new mobile phone technologies that can improve financial inclusion and PNG's integration into the Asia-Pacific region. Imposing a new tax on this digital future is economic lunacy" stated the Shadow Treasurer.

“Turnover or “gross” taxes are a very distorting form of tax. They are not based around profits (such as company tax) or value added (such as the GST). They create perverse or unacceptable side effects – so the government would like internet prices, SMS texts and even phonecalls to become more expensive because this gets them more tax. Why does the government want such a new tax? Because they want to help pay for their failure to control wage costs and public debt costs. This new turnover tax will increase the cost of living. PNG families once again are going to have to pay for the economic mismanagement of the O’Neill-led PNC government” said Mr Ling-Stuckey.

**Hon.Ian Ling-Stuckey,CMG.MP**  
**Shadow Minister for Treasury & Finance**

10 November 2018

## Details

A joint PNG National Research Institute and Deloitte's accounting paper in 2016 concluded that PNG's internet prices were the most expensive in the world.



## PNG's Internet Prices Most Expensive In The World

📅 28/04/2016 👁 3501 Views

Research by the National Research Institute (NRI) in partnership with Deloitte has revealed that PNG has very high and expensive internet rates when compared to other countries.

The research identified that despite PNG being a growing ICT country, the growth is stressing existing infrastructure as well as policy and regulatory framework.

This has increased the cost of maintaining this infrastructure, which in return has forced internet providers to increase the price of internet services around the country.

The research identified that specific PNG issues like the geography of the country, the labour market and skill shortages in the ICT sector are also contributing factors to why internet is expensive in PNG.

"In 2013 the fixed broadband price as per GNI per capita in percentage, PNG was at 266 per cent which is more expensive than developed countries like the US, Australia and Singapore that are between 3-5 per cent which is the average. This means PNG's rate is the most expensive in the world," said Todd McInnis, the research consultant.

<https://howmuch.net/articles/cost-of-broadband-internet>

More recent research by “Howmuch” indicates that PNG has by far the highest internet costs in the Asia-Pacific region. The Monthly cost in PNG was USD590.60 when it was only USD57.20 in Fiji, USD79.00 in Samoa and USD60.40 in Australia. So while internet prices have come down, PNG still has extraordinarily high internet costs.

## The Cost of Broadband Internet in Australia and Oceania

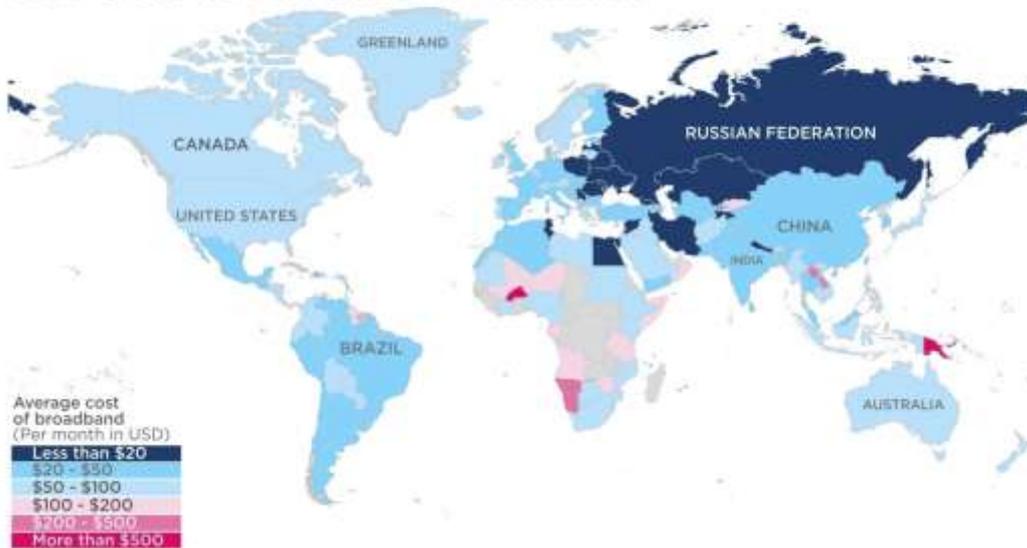


Indeed, when going through all the countries in the world, the only country which now has a higher rate is Burkina Faso in Africa. But at least in Burkini Faso you can have a spacious apartment in the country's capital at USD460 per month –much less than Port Moresby!

# Mapping Internet Prices Around the World

Bill Gates said that “the Internet is becoming the town square for the global village of tomorrow.” He’s right, but that doesn’t mean that internet is affordable everywhere yet. We recently came across a [report](#) showing that broadband access in the Southern Hemisphere is more expensive than the north. It also showed that some countries have mind-blowingly expensive internet and that highly affordable internet can often be found in the most surprising places. (The world’s cheapest internet can be found in Ukraine - and Iran!)

## The Cost of Broadband Internet



Average cost of broadband (Per month in USD)

Less than \$20
\$20 - \$50
\$50 - \$100
\$100 - \$200
\$200 - \$500
More than \$500

Prices as of December 9th, 2017

Article & Sources:

<https://howmuch.net/articles/cost-of-broadband-internet>  
BDRC Continental and Cable.co.uk

# Malum Nalu

Happenings in Papua New Guinea

Saturday, April 21, 2018

## How much broadband internet costs around the world: Papua New Guinea among most expensive

by Anca Alexe, [business-review.eu](http://business-review.eu)

April 20, 2018

The internet has spread all across the globe with remarkable speed, but it is still quite hard to afford an internet connection in some countries of the world. Howmuch.net has created a map of internet prices around the world, and you may be surprised by how cheap – or expensive – the internet can be in some places!

