



ADVANCING GLOBAL COMMUNICATIONS

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SOCIALIST REPUBLIC OF VIETNAM

Information and Communications Technologies Overview (May 2006)

Telecommunications Market Overview¹

International telecommunications revenues	USD 1.8 trillion
Landlines per 100 inhabitants	21.65
Wireless subscribers (expected 2006).....	1.97 billion

Vietnam Market Information²

Telecommunications revenues (2003):	USD 1.5 billion
Internet users (2004):.....	4.4 million users / 5.3%
Wireless penetration (2004):	4.3 million subscribers / 5.3%

Policy Concerns

- **Independent regulatory body:** Director General of the Ministry of Post & Telematics (MPT). Reports to the Prime Minister. In addition to regulatory role, appears to have close relationship with the incumbent, the Vietnam Post and Telecommunications (VNPT).
 - Responsibilities: standards; spectrum allocation and licensing; regulation; interconnection; quality of service; numbering; international cooperation activities.
 - A regulatory body should be separate from, and not accountable to, any supplier of basic telecommunications services and government interest. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.
- **Market liberalization:** Reduction of Vietnamese government involvement in the market and industry players.
- **Equipment standards and certification:** MPT develops and regulates equipment standards. Pending Vietnamese government movement, the United States could start negotiating phase-I implementation of the APEC mutual recognition agreement (MRAs) on conformity assessment.
- **Licensing policies:** Foreign entities must have multiple licenses for investment, importing and operation.
- **Legal reforms:** Vietnam is making tremendous progress on legal reforms. However, foreign companies must sign business cooperation contracts (BCCs) instead of creating joint ventures. This is addressed by the WTO accession process.

Drivers for the Economy, Reform and Investment

- **WTO Accession:** Vietnam is congratulated for completing negotiations with the United States and moving towards further reforms, including:
 - WTO Information Technology Agreement (ITA), Telecom Reference Paper: tariff reduction; independent regulator; universal service obligations.
 - Other areas: intellectual property rights protection; transparency on laws and regulations; trade related investment measures (TRIMs).
- **Central government spending on ICT:** The Vietnamese Government intends to spend USD 4-6 billion in telecommunications (60% local; 40% foreign). Goals: increase teledensity; digital networks; upgrade fiber optic backbone; unified national data transmission network; create a domestic satellite system.
- **MPT development strategy 2010:** Objectives: develop a national information infrastructure; provide competitive services; increase penetration rate; increase ICT contribution to national gross domestic product (GDP).
- **Convergence:** IP-enabled services (i.e., VoIP, IPTV); wireless communications; satellite; broadcasting.
- **APEC Host, November 15-19, 2006:** Vietnam will be hosting the Asia Pacific Economic Cooperation (APEC) Joint Ministerial Meeting, CEO Summit and Senior Leaders' meeting with heads of state and industry leaders from the 21 APEC economies.

¹ TIA 2006 Telecommunications Market Review & Forecast.

² Global Insight Report: Vietnam (Telecoms), printed on April 26, 2006.



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The Telecommunications Industry Association represents the communications sector of

