

MINISTRY OF INFORMATION AND COMMUNICATIONS OF VIETNAM



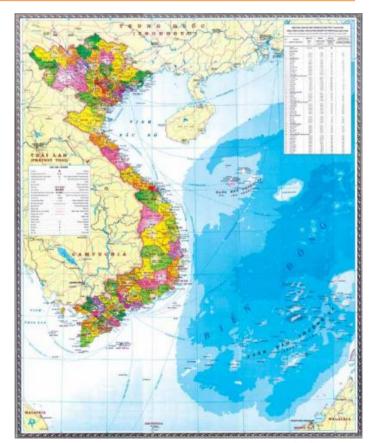
Vietnam ICT Market and Regulatory View on OTT Services

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Outline

- **Country Profile**
- >ICT Policies and Regulations Update
- >OTT Services in Vietnam
- > Regulatory view on OTT Services

- Name: Socialist Republic of Vietnam
- Located in the tropical monsoon in South East Asia
- Coastal line of 3,260 km, 50 to 600km wide
- Language : Vietnamese
- Capital: Hanoi
- 63 cities & provinces
- Population: 90.7 mil. (December, 2014) with 54 different ethic groups.
- GDP growth rate: 5.98% (2014)



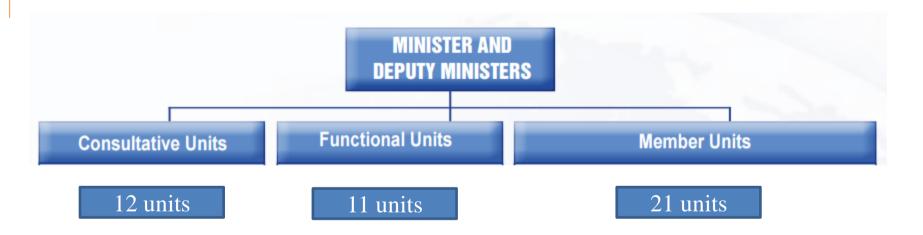
Ministry of Information and Telecommunications

- Date of foundation: 11/11/2002 namely as MPT
- Restructured: 25/12/2007 namely as MIC
- Main functions: policy making and regulatory body in the fields of press; publishing; posts, telecommunications; radio frequency; information technology, electronics; broadcasting; media; foreign information; domestic information; and national information and communication infrastructure;



Website: http://www.mic.gov.vn

Organizational Structure



Telecom and Internet Market Statistics

1	Number of fixed telephone Subs.	6	million
2	Number of mobile phone Subs 3G Subs - GSM Subs	36.3	million million million
3	Mobile penetration (population)	132	%
4	Number of mobile operators: (MobiFone, Vinaphone, Viettel, Vietnamobile, GMobile)	5	
5	Number of 3G mobile operators: VinaPhone, MobiFone, Viettel, Vietnamobile	4	
6	Number of fixed operators: VNPT, Viettel, FPT, VTC, CMC, Hanoi Telecom, G-Tel	7	

Telecom and Internet Market Statistics

7	Telecom Services for Sea Area	01 operator (VISHIPEL)	
8	Internet sevices providers	80 (50 in operation)	
9	Total number of internet Users	36 million	
10	Number of registered ".vn" domain name	340,000	
11	Number of Internet Broadband Subs.	9.9 million	
12	Number of fixed Internet Broadband Subs.	7.3 million	
13	Number of mobile Internet Broadband Subs.	2.6 million	

ICT Policies and Regulations Update

Law on Information Technology (2006) Law on Telecommunications (2009)

Law on Electronic Transactions (2005)

Law on Radio Frequency (2009)

Government's Main Decrees & Decisions

Decree No. 25/2011/NĐ -CP

Guiding the implementation of Law of Telecommunications

Decree No 106/2011/NĐ-CP

Altering, supplementing Decree No26/2007/NĐ-CP detailing the Law on e-transactions.

Decree No. 71/2007/NĐ -CP

Guiding the implementation of Law on IT

Decree No 97/2008/NĐ-CP

on the management, provision and use Internet services and electronic information on the Internet.

Prime Minister's Decision No. 32/2012/QĐ-TTG

National Strategy on "Development of telecommunication up to 2020"

Prime Minister's Decision No. 1755/2010/QĐ-TTg

National Strategy on "Transforming Viet Nam into an advanced ICT country"

ICT Policies and Regulations Update

I. Law on Network Information Security: approval in 11/2015.

Key elements:

- 1. Promote the training and development of human resources and build –up information security infrastructure.
- 2. Encourage research, development and application techniques and technologies to support exports, to expand the market for products and services in information security field.
- 3.Ensure a healthy competitive environment to business in the product and services information security field, encourage and create favorable conditions for organizations and individuals to invest in research, developing and suppling products and services of information security field.
- 4. Allocate resources to ensure the safety of national information security systems and the Government's systems in order to promote the development of ICT.
- II. Draft admenment Law on Press: in processing.

Overview of OTT services

Over-the-top (OTT) refers to delivery of content or services over Internet access network:

- + bypassing the traditional network service provider/ISP.
- + competing with services offered by the telecom operators, and/or
- + affecting to quality of networks and services



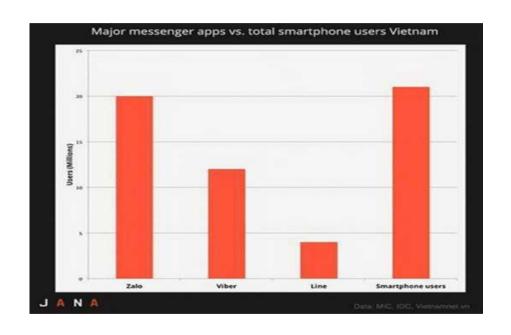
A lot of international Providers WhatsApp Viber KakaoTalk LINE BeeTalk WeChat imo Tango

National Providers



Services: Message, Voice (VoIP), video/audio contents, linked to social networks,...

- OTT without Interconnect (Ap-Ap), free of charge: Lines, Zalo, Viber, Skype...
- OTT with Interconnect (Ap- PSTN/PLMN), Chargeable: Viber-out, Skype-Out; Viettalk out/in; Mocha



20,000,000 Zalo

12.000.000 Viber

4.000.000 Line

Source: Jana.com research 12/2014

- 1. Almost free to use (without interconnection services)
- 2. Global services (no boundary and no interconnection charges)
- 3. All in one services
- 4. Require fewer personal information





OTT Services Issues and Challenges



Affect to:

- 1. Government
- 2. Customers
- 3. Local Operators and Providers
- 4. Market



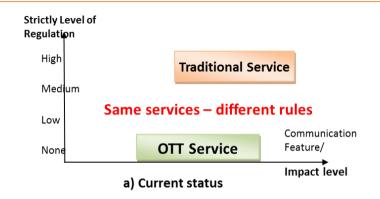
Promote development of Content and Applications

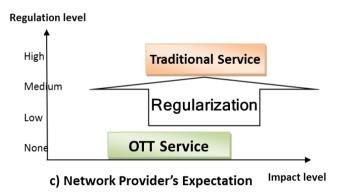
Promote development of Broadband Infrastructure

SUSTAINABLE DEVELOPMENT

By the study group

User's benefits,
New and affordable services

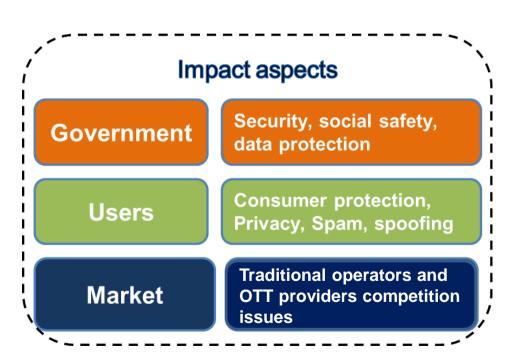






Require flexible policy for different impact levels – different rights and obligations











View on principles of regulation

- 1. Different impact levels—different rights and obligations
- 2. ICT market should have affordable services
- 3. Transparency and Publicity: OTTs and ISPs
- 4. Promote OTT services
- 5. Protect user's benefits and market's competition

Conclusions

- ✓ OTT services development is future trend;
- ✓ Telecoms operators and OTT providers should cooperate to offer affordable rich-feature services to users;
- ✓ Market-oriented regulatory approach to promote both Content/applications and Infrastructure developments;



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Security Issues

15)

Cyber Security Threats

No provision for Legally approved surveillance

Calls originated from other countries from virtual numbers

Apps with special encryption

Cultural Sensitivity (because of global nature)

Privacy Issues



Collect users' private information for commercial gains (targeted advertisement)

No check for risk assessment and apps at App stores' level-

Use of Apps with location tracking for crime-Threats on the nation's security and financial health

Malicious Software brought by Internet Apps

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Impact on National Economy



Difficulty for traditional and local companies to compete with global OTT players (lower costs of contents storage and hosting etc)

Tax Losses-Location-agnostic: benefit from the variable tax rates across states globally

Tax losses-Costumers purchase goods and services from global players rather than local entities

Lower government revenues due to the lowering- of telecom revenues

less investment in infrastructure from Telcos

Affect to:

- 1. Government: making policy; ensure the information security; ensure development and competition of ICT market.
- 2. Customers: personal information is used illegally; followed by position tracks;...
- 3. Local Operators and Providers: revenue lossness; competition by huge international providers;...
- 4. Market: competition issues