



# VIETNAM TELECOM MARKET & PRICE REGULATION

***ITU Regional Seminar on Costs and Tariffs for Member Countries  
of the Regional Group for Asia and Oceania (SG3RG-AO)***

***Bali, Indonesia, 28-30 May 2012***



- VNPT GROUP INTRODUCTION
- VIETNAM TELECOM MARKET
- PRICE REGULATION





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# VNPT GROUP INTRODUCTION

- State-Owned Group
- Largest Operator in Vietnam: Annual Growth 15%
- Experienced: 60 years
- Diverse Range of Services
  - Mobile Broadband
  - Fixed-line Broadband (Internet, Entertainment...)
  - Satellite
  - Postal
- Employees 90,000





# VNPT BUSINESS LINE





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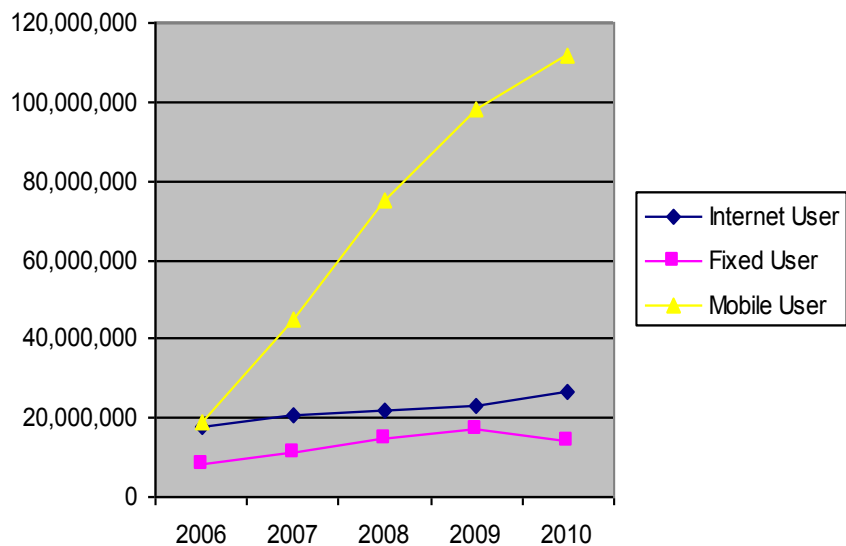
- Fixed Broadband : 09
- Mobile-2G: 07
- Mobile Broadband - 3G: 05
- MVNO: 02
- Internet Service Provider: 80



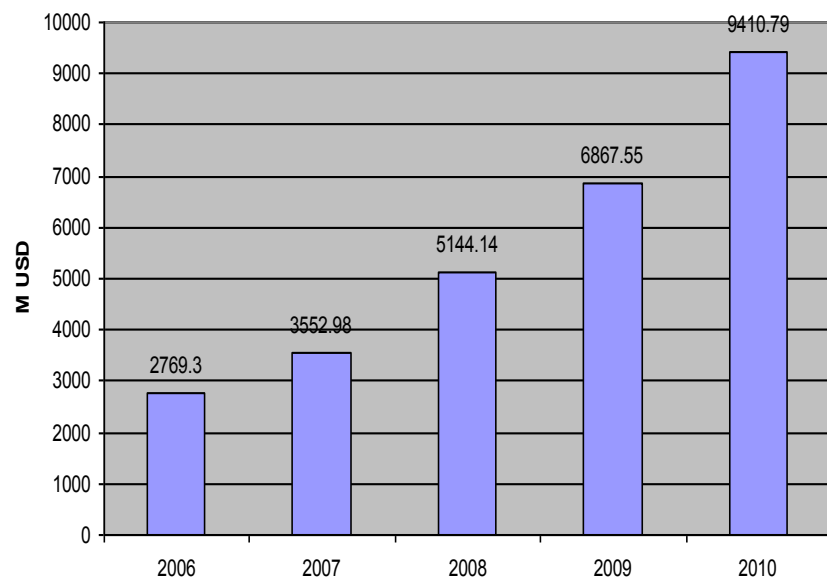


# VIETNAM MARKET GROW

## Telecom service user



## Telecom revenue

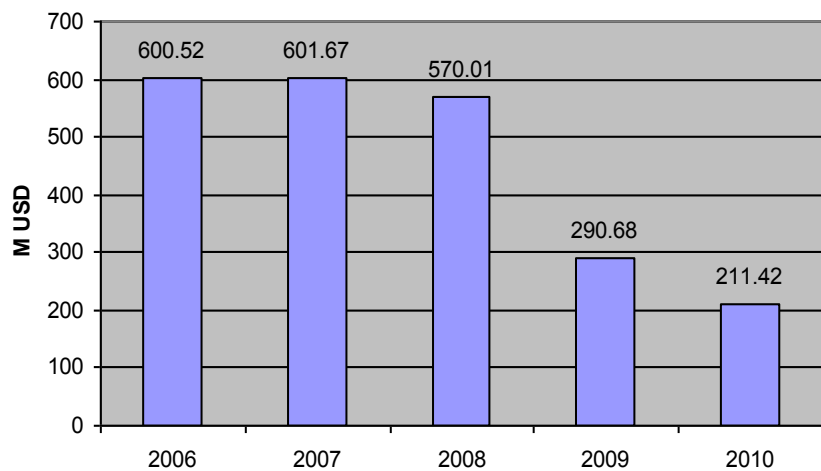




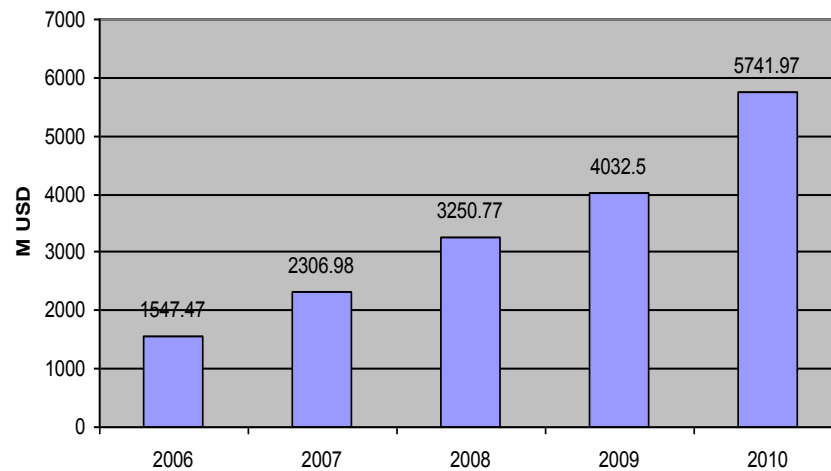


# VIETNAM MARKET REVENUE

## Fixed Revenue

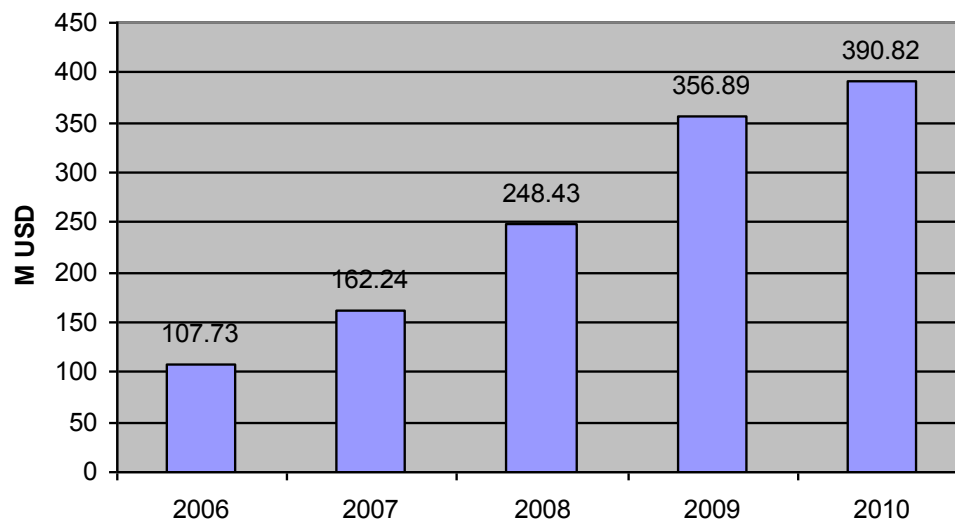


## Mobile Revenue



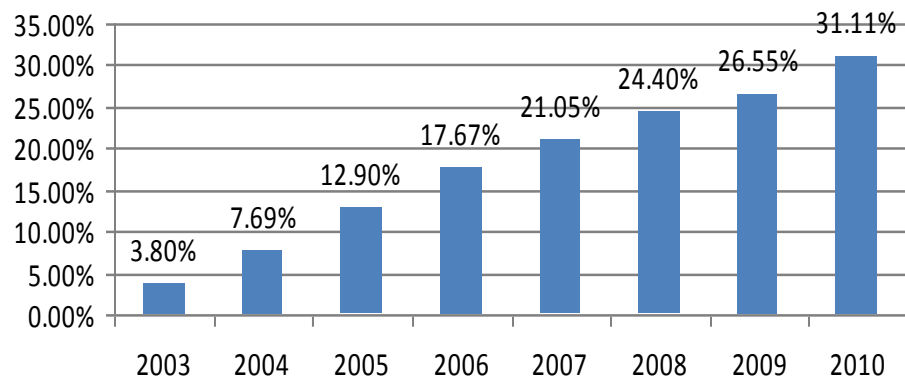


## Internet Revenue

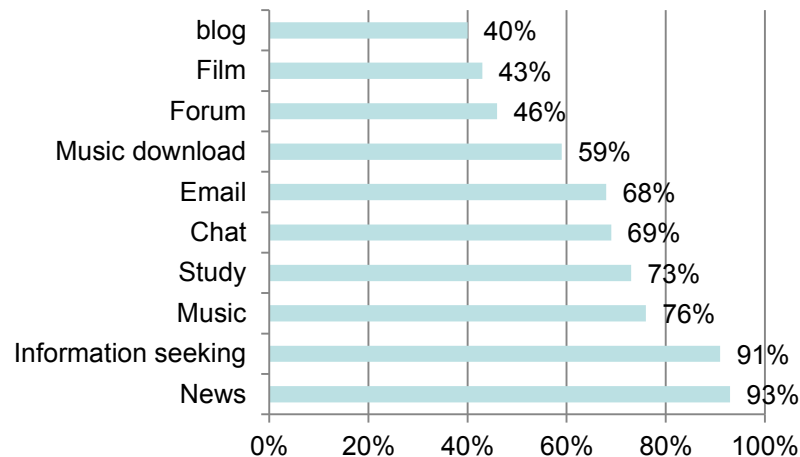




## Percentage Internet User per Inhabitant



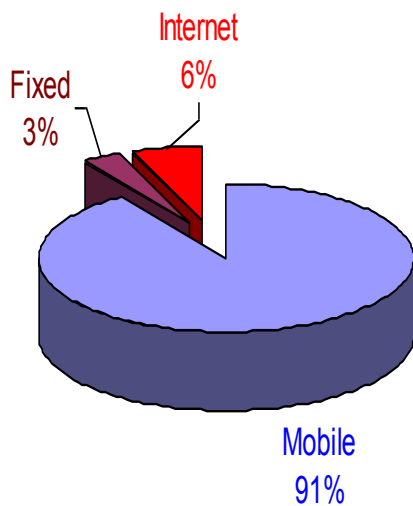
## Internet application



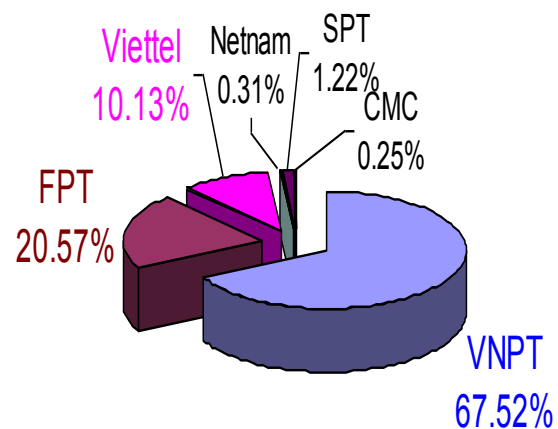


# VIETNAM MARKET SHARE

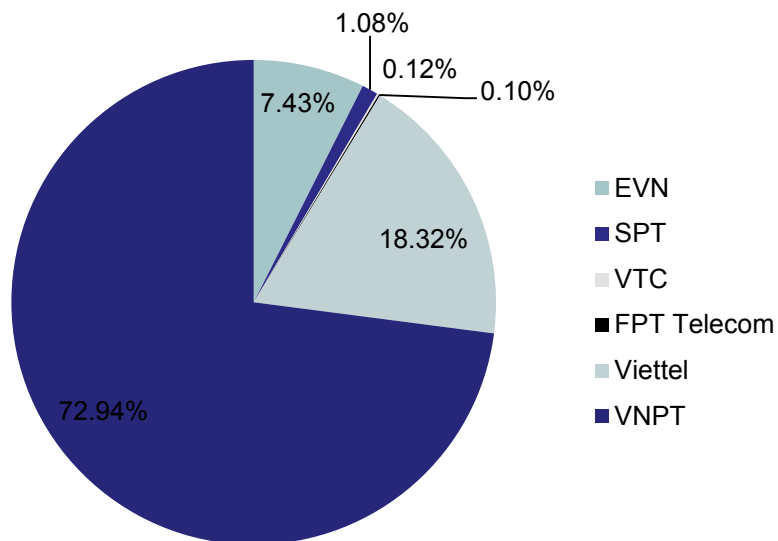
## Telecom revenue in 2010



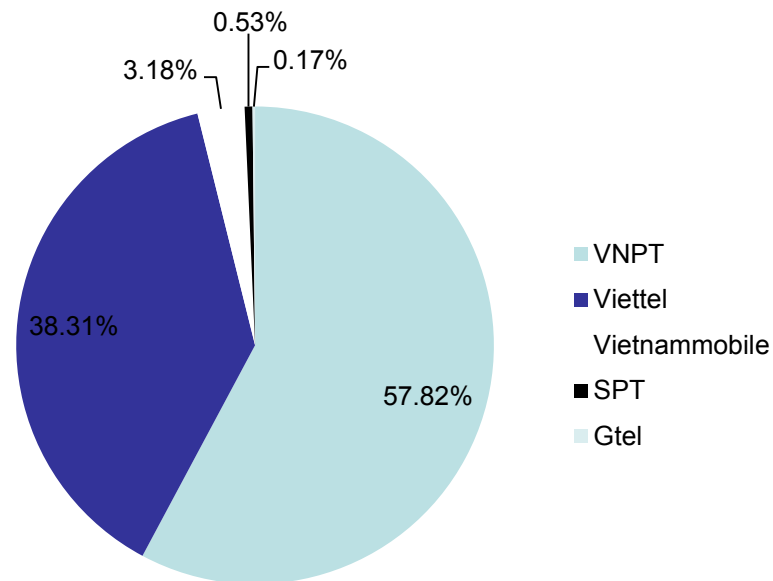
## ADSL market share



## Fixed Market Share

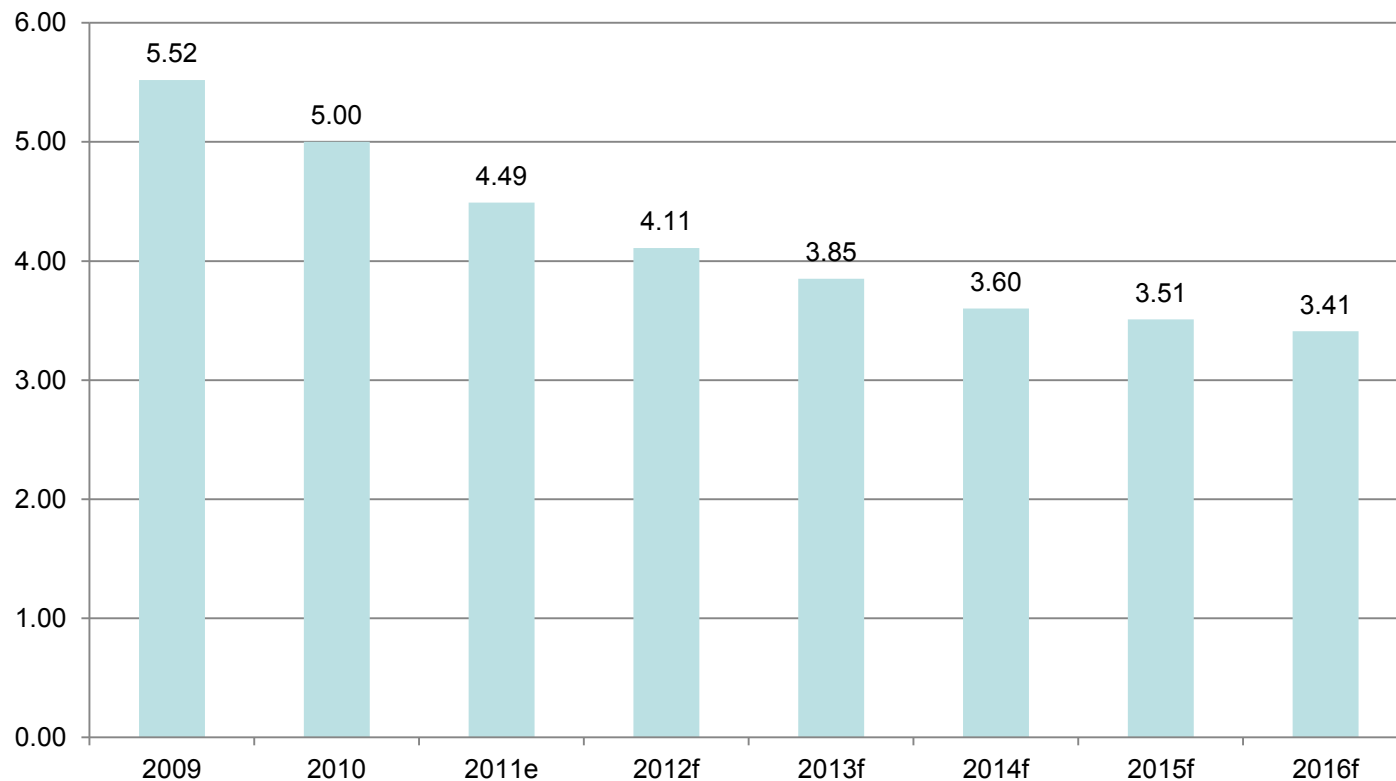


## Mobile Market share





## Mobile ARPU(US\$)





# VIETNAM MARKET SWOT

## • Strengths

- Highly competitive mobile sector.
- Continued positive growth in mobile sector in 2011, with subscribers up by 5.4%.
- Fixed-line penetration and internet user rate are high in major urban centre
- Joining the WTO in 2008 has made Vietnam a more appealing investment centre.

## • Weakness:

- - Market's dependency on prepaid services exerts strong downward pressures on ARPU levels.
- Lack of key strategic investors in the sector's main operators.
- Although communications are relatively advanced in the larger cities, many rural areas have little or no access to telecommunications services.





## • Opportunities

- Many operators in telecom sector, some of them have not yet launched their services.
- Broadband penetration rate remains low => the sector has considerable growth potential.
- Significant opportunities exist to develop alternative broadband technologies
- Open for foreign investors.

## • Threats:

- It is difficult to deploy new networks in mountainous areas.
- ARPU is low
- Fixed line is declining
- Mobile data services grow, this could have potentially negative impact for the growth of fixed broadband services.
- Slower economic growth in 2012 could undermine wireline investment and expansion plans.







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- Definition of SMP:
  - An operator: more than 30% market share
  - Group of 3 operators: more than 50% market share
  - Group of 3 operators: more than 70% market share
  - Group of 4 operators: more than 75% market share
- In-Live from 2007
- Segment:
  - Fixed Services
  - Mobile Services
  - International Outgoing Call
  - Leased Line Services





# SERVICES UNDER REGULATION

- Local call service
- Mobile
- ADSL
- International lease line
- International outgoing call





- Government stipulates: Local Call Service
- MIC regulates by registered Model:
  - Mobile Services: Voice
  - ADSL Service
  - Leased Line Service Model
- MIC regulates by announcing Model:
  - Long Distance Call
  - International Outgoing
- Operators make tariff decision
  - As Government Decision
  - In-frame of MIC FORM
  - For others services





## Pay as you go

- Speed Based
- Volume Based
- On-time Based
- Prepaid volume Package
- Postpaid monthly package





- **Bundle package:**
  - Voice, data
  - Voice, VAS
  - Voice, data, VAS
  - Fixed, Mobile, data
- **Customer Focus**
  - Mass Customers
  - Enterprise Customers
  - Valuable Customer





- MIC regulates interconnection charges:
  - Fixed to Fixed Network (long distance call)
  - Fixed to Mobile and Mobile to Fixed
  - Mobile to Mobile





- Inflexibility to make regulated services tariff
- Price war
- Price of non SMP out of control
- Promotion out of control
- Lack of attractive services
- Alternative services by next generation mobile technologies LTE and WIMAX







- Free of installation in promotion time
- Free of equipment
- Lease/deposit/ step buy of equipment
- Provide new attractive VAS services
- Promotion in first months of service offerings
- Quality of services
- Bundle with other services





- Revise Definition of SMP
- Policy to Regulate on Flat Rate or Basic Package
- Supervise Operator Tariff Plan on Cost-Based
- Regulate Local Interconnection Charge
- Promotion Policy under Control
- Cost-Based Model between Operators

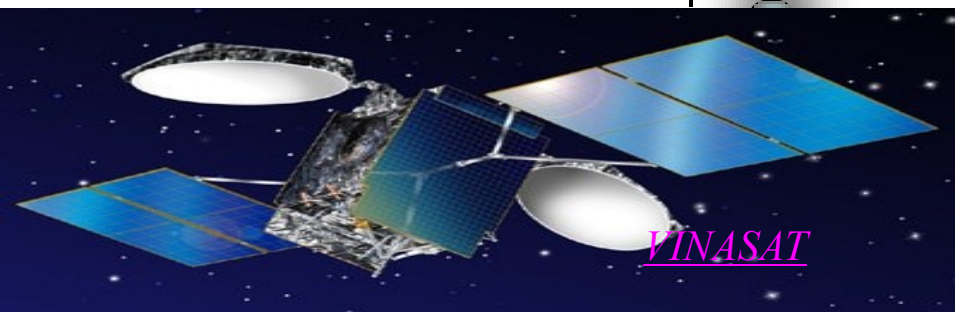




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*Thank You!*



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