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
**Country Profile - Vietnam**

- **Name:** Socialist Republic of Vietnam
- **Located in:** the tropical monsoon in South East Asia
- **Coastal line:** 3,260 km, 50 to 600 km 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
Ministry of Information and Telecommunications

Organizational Structure

- Consultative Units: 12 units
- Functional Units: 11 units
- Member Units: 21 units
## Telecom and Internet Market Statistics

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of fixed telephone Subs.</td>
<td>6 million</td>
</tr>
<tr>
<td>2</td>
<td>Number of mobile phone Subs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 3G Subs</td>
<td>120.6 million</td>
</tr>
<tr>
<td></td>
<td>- GSM Subs</td>
<td>36.3 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>84.3 million</td>
</tr>
<tr>
<td>3</td>
<td>Mobile penetration (population)</td>
<td>132%</td>
</tr>
<tr>
<td>4</td>
<td>Number of mobile operators:</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>(MobiFone, Vinaphone, Viettel, Vietnamobile, GMobile)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Number of 3G mobile operators:</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>VinaPhone, MobiFone, Viettel, Vietnamobile</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Number of fixed operators:</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>VNPT, Viettel, FPT, VTC, CMC, Hanoi Telecom, G-Tel</td>
<td></td>
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</table>

(MIC source, Oct 2015)
<table>
<thead>
<tr>
<th></th>
<th>Telecom and Internet Market Statistics</th>
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</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Telecom Services for Sea Area</td>
<td>01 operator ( VISHIPEL)</td>
</tr>
<tr>
<td>8</td>
<td>Internet services providers</td>
<td>80 (50 in operation)</td>
</tr>
<tr>
<td>9</td>
<td>Total number of internet Users</td>
<td>36 million</td>
</tr>
<tr>
<td>10</td>
<td>Number of registered “.vn” domain name</td>
<td>340,000</td>
</tr>
<tr>
<td>11</td>
<td>Number of Internet Broadband Subs.</td>
<td>9.9 million</td>
</tr>
<tr>
<td>12</td>
<td>Number of fixed Internet Broadband Subs.</td>
<td>7.3 million</td>
</tr>
<tr>
<td>13</td>
<td>Number of mobile Internet Broadband Subs.</td>
<td>2.6 million</td>
</tr>
</tbody>
</table>

*(MIC source, Oct 2015)*
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/ND-CP
Guiding the implementation of Law of Telecommunications

Decree No. 106/2011/ND-CP
Altering, supplementing Decree No26/2007/ND-CP detailing the Law on e-transactions.

Decree No. 71/2007/ND-CP
Guiding the implementation of Law on IT

Decree No 97/2008/ND-CP
on the management, provision and use Internet services and electronic information on the Internet.

Prime Minister’s Decision No. 32/2012/QD-TTG
National Strategy on “Development of telecommunication up to 2020”

Prime Minister’s Decision No. 1755/2010/QD-TTg
National Strategy on “Transforming Viet Nam into an advanced ICT country”
ICT Policies and Regulations Update

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 supplying 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.

OTT Services in Vietnam

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
OTT Services in Vietnam

A lot of international Providers

- WhatsApp
- Viber
- KakaoTalk
- LINE
- BeeTalk
- WeChat
- imo
- Tango

National Providers

- Zalo
- Mocha
- VietTalk
- Wala

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
OTT Services in Vietnam

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
Regulatory view on OTT Services in Vietnam

SUSTAINABLE DEVELOPMENT

Promote development of Content and Applications

Promote development of Broadband Infrastructure

User’s benefits, New and affordable services

By the study group

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Regulatory view on OTT Services in Vietnam

Require flexible policy for different impact levels – different rights and obligations
Regulatory view on OTT Services in Vietnam

Impact aspects

Government
- Security, social safety, data protection

Users
- Consumer protection, Privacy, Spam, spoofing

Market
- Traditional operators and OTT providers competition issues
Regulatory view on OTT Services in Vietnam

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
Regulatory view on OTT Services in Vietnam

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;
THANK YOU FOR YOUR KIND ATTENTION!
Security Issues

- 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

1. Collect users’ private information for commercial gains (targeted advertisement)
2. No check for risk assessment and apps at App stores’ level-
3. Use of Apps with location tracking for crime-
   Threats on the nation’s security and financial health
4. Malicious Software brought by Internet Apps
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 - Customers 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