Satellite Market Challenges and Opportunities

By VNPT International/VNPT

VNPT – Who we are:

- Vietnam Posts and Telecommunications Group (VNPT) is a leading telecom operator that have the biggest telecom infrastructure in Vietnam (satellites, marine cables, terrestrial and mobile, etc.)
- A large economic group with many subsidiary and affiliate companies which cover all fields of ICT market:
  - Telecom services
  - Content and media
  - Manufacturing
- VNPT International (VNPT-I), a subsidiary of VNPT, is a company who operate VINASAT-1/2 and global business.
  - VINASAT-1: Ku band over SEA Region C band over Asia-Pacific Region
  - VINASAT-2: Ku band over SEA Region
We commit to deliver the highest quality and most reliable services to the customers in Vietnam and across the Region and also do the best for the community and society.

With that commitment, we believe we can be the best and preferred service provider the markets.
Overview

- Satellite market in Vietnam
- Market trends
- Challenges
- Opportunities
- Way forward
Satellite market in Vietnam has been growing strongly in Vietnam since the years 2000s with the successful launch of VINASAT-1 (2008) and VINASAT-2 (2012).

Common types of service:
- Broadcast
- VSAT
- Mobile Backhaul
- Content Delivery
Satellite market in Vietnam
Satellite Communication has been playing an important role to the Telecom market with many essential applications:
- Disaster Relief
- Environmental data collection and Surveillance
- Border security network
- Distance learning and Telemedicine
- Rural and remote connection

Satellite services have also contributed to narrow the digital gap between the urban and rural area in Vietnam.
Market trends

- The growth of IP traffic for social networking, multimedia, etc.
- The growth of mobile traffic will also increase the need for mobile backhaul, content delivery over satellite
- The coming of Internet of Thing requires a huge numbers of connections
- The growing requirement from customers who need to be connected anywhere and anytime
Services to meet the trends

- High throughput satellites to meet the need of increasing IP traffic
- Services to keep the customers connected anytime, anywhere:
  - Maritime
  - Inflight connectivity
- Continues developing services to help the remote communities to have the chance to connect to the Internet and keep our commitment with the society.
Satellite is a long term business and it take a long time to regain the investment but new risks can spawn during that time.

The price of satellite services are quite high compare to the income of main part of the Vietnamese and the people in the region nearby.

In Vietnam, we are lacking of conductive applications to speed up the development satellite services.

The orbit is crowed and the satellite spectrum is getting congested. It is now more and more harder to develop new satellite project.
The planned band make it easier to access the spectrum but it will be more difficult to access the market.

The growth of IP traffic requires satellite services to find more bandwidth to catch up with the requirement of the customers.

The effect of climate change to Vietnam and the region:
- More disasters come with heavier consequences.
- More financial burden for operating and even for reforming
- Current prediction models seem no longer valid.
China, Japan, and Other Asian Economies: Contribution to World Real GDP Growth

- Asia will remain the global growth leader.
- Asia accounts for nearly 40 percent of global output, but it contributes nearly two-thirds of global growth.
- Asia’s leading role in world growth is set to continue over the medium term despite slowing potential growth.

The growing trend of Asian Economics (imf.org)
Asia is the fastest growing region and it will continue at least for the medium term despite some slowdowns in few economies. (IMF Report 2015)

The growing of ICT market in Vietnam and the region will urge the growth of satellite market

The emerge of mobile connectivity is also a opportunities for satellite services to be a part and then get benefits from that.
Ways Forward

- Collaboration in developing a satellite project in one orbital slot is a good way to share the spectrum and financial burden.
- Capacity exchange is a good way to help operators to follow their familiar customers in the globalize economy.
- Paper satellite is an issue should be dealt with to give new comers a better chance to access the spectrum and satellite market.
- As satellite spectrum is getting congested, we not only need to preserved the current satellite spectrum but also should have new spectrum allocated (e.g.: uplink spectrum in A.I 1.6.2)
Thank You!