

TELECOMMUNICATION INDUSTRY REPORT 2020





EXECUTIVE SUMMARY

Flourished since the early 90s, Vietnam's telecommunications industry has seen a proliferation and become an economic-technical major industry. Telecommunications not only plays an essential role in cultural, economic, political and social development, but also contributes to ensuring national cyber security.

Vietnam's telecommunications industry has undergone 2 stages of acceleration: Stage I (1993-1995) and Stage II (1996-2000) before moving to Integration and Development Stage. The event of officially joining the global internet in 1997 marked a turning point in the comprehensive development of Vietnamese social economy. The Internet broadband - ADSL user penetration rate in Vietnam has increased dramatically, from only 4% in 2003 to 70% in 2020.

The monopoly of VNPT in telecom market also began to be eliminated, leading to the competition among new telecom businesses in Vietnam. Up to now, VNPT, Viettel and MobiFone are the three largest telecom corporations in the industry, accounting for more than 90% of the telecom market share for many years.

According to VietnamCredit, there are currently more than 1,200 businesses registered to operate in the telecommunications industry with a total of over 94,000 employees. In particular, the sector of provision of internet access points attracts the most registered businesses of 870 enterprises and more than 27,000 employees.

According to the General Statistics Office of Vietnam, telecom revenue in 2019 increased by 7.9% over the previous year, reaching 383.3 trillion VND. However, traditional telecom revenue has a decreasing trend over the years, accounting for only 28.5% of total revenue in 2019. In general, although Vietnam's telecommunications continues to grow over the years, traditional sector is showing signs of saturation due to the increasing popularity of digital services.

In the period of 2019-2020, Vietnam's telecommunications has experienced a sharp transformation. The legal regulations for domestic enterprises to exploit new development opportunities are increasingly improved. The MIC also has plans to deal with telecom waste and junk SIM cards. 5G technology started to be tested and the roadmap of cutting 2G, 3G... is also specifically planned.

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ABBREVIATIONS

World	Meaning	World	Meaning
GDP	Gross Domestic Product	MIoT	Mobile Internet of Things
CPI	Consumer Price Index	NB-IoT	Narrowband - Internet of Things
GSO	General Statistic Office	LTE-M	Long Term Evolution for Machines
VNC	VietnamCredit		
PPI	Producer Price Index		
USD	US Dollar		
FDI	Foreign Direct Investment		
VND	Vietnamese Dong		
MIC	Ministry of Information and Communications		
EU	European Union		
EVFTA	EU-Vietnam Free Trade Agreement		

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Source: BMI

2.1.HISTORY

Vietnam's telecom industry began to flourish in the early 90s and has become an important economic-technical industry, playing a significant role in the cultural, economic, political and social development. Since 1993, the Vietnamese telecom industry began to implement the Stage I of the acceleration strategy. The Post and Telecommunications Industry built and put into operation 03 satellite ground stations under Intelsat and 02 international telephone switchboards in 1992. The first 34Mbps fiber optic cable route Hanoi - Ho Chi Minh City was carried out in 1993. The Global Mobile Communication System (GSM) prepared by the General Department of Post and Telecommunications in 1992 also developed sharply in 1993 with the introduction of the first mobile network in Vietnam - MobiFone.

By 1995, when the acceleration plan had been completed successfully, the telecom industry began to shift to the Integration and Development Stage. By the end of the year, the industry had reached a telephone density of 1 subscriber per 100 population, 5 years earlier than planned. The telecom network had been invested nationwide, the digital electronic switchboard system and digital transmission were fully equipped throughout districts and provinces. The year 1995 also marked a big step forward for the Vietnamese telecom industry in changing the structure to promote competition in the industry. In this year, the government decided to establish Military Industry and Telecoms Group (Viettel) and Saigon Post and Telecommunication Services Joint Stock Company (SPT). However, until now, telecommunications service providers are still dependent on the infrastructure of the Vietnam Posts and Telecommunications Group (VNPT).



Source: VNC

3.0. DEVELOPMENT SITUATION

VIETNAM'S TELECOM INDUSTRY

Source: VTIIC

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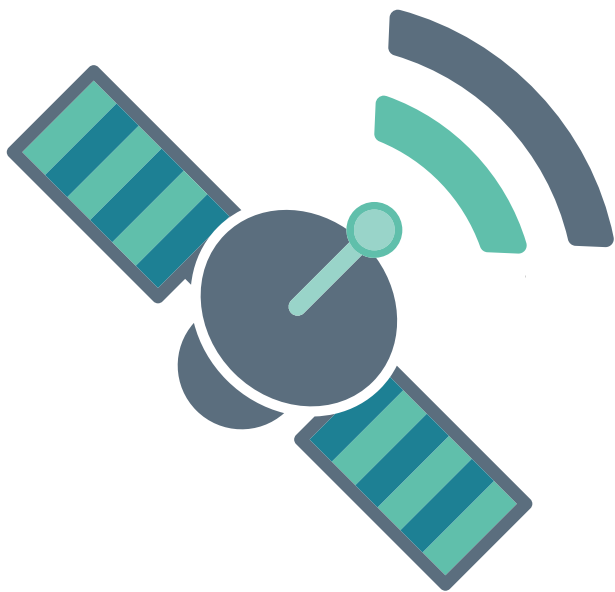
5.0. OUTSTANDING COMP

IN VIETNAM'S TELECOM INDUSTRY

List of outstanding enterprises in Vietnam's electronic components industry was created by Vietnam Credit Ratings (VietnamCredit) by selecting from businesses operating within the telecommunications value chain. The evaluation criteria include financial and non-financial criteria including company scale, credit rating, and financial indicators of the businesses in 05 consecutive years (2015-2019).

PANIES





WRITTEN BY:
CINDY KHANH

EDITED BY:
JIMMY LE

DESIGN BY:
DANIEL NGUYEN

VIETNAMCREDIT - BUSINESS INFORMATION PROVIDER IN VIETNAM

Company Report - Industry Report - Business Supporting Service

Email: sales@vietnamcredit.com.vn

Website: <http://www.vietnamcredit.com.vn>

HANOI OFFICE

Address: Floor 15, LICOGI 13 tower
No.164, Khuat Duy Tien Street,
Thanh Xuan District, HN, Vietnam
Tel: +84-246 262 0082
Fax: +84-246 262 0083

HOCHIMINH.C OFFICE

Address: Floor 8, Master Building
No.41-43, Tran Cao Van Street,
District 3, HCMC, Vietnam
Tel: +84-283 521 0453
Fax: +84-283 521 0460

