

"Insight of the TOP"

H.E. Dr. Nguyen Minh Hong
Vice Minister of Information and Communications
Viet Nam

"Challenging for the future"

With a population of around 100 million, Viet Nam is attracting people and investment. As such an emerging market, Viet Nam is changing very rapidly. I asked about the ins and outs of ICT policy and industry in Viet Nam, especially mobile business.

- In the past several years, Viet Nam has been achieving 6-7% growth in GDP. Together with technology development, ICT industry and its structure must be changing so rapidly in Viet Nam. First of all, what are the ICT business and consumer trends in Viet Nam?"



In Viet Nam, ICT is not only a key factor for facilitating the economy's development but it is also an important enabler for innovation and development. So, let me explain some of figures so that you can understand current situation in Viet Nam.

By 2015, Vietnam's e-commerce sales expanded 37% by over \$ 4 billion and reaching nearly 3% of total national retail volume. This figure is expected to hit \$ 10 billion in the next five years. We also had more than 10,000 e-commerce platforms

and websites registered by 2015.

ICT and its applications have considerably been changing consumer's shopping habits and the way that entrepreneurs run their business in Viet Nam. Today, customers can easily access vast amounts of data, information and services from the Internet, thus the price of all products are transparent and it would result in the lower prices. Our statistics indicate that 45% of Vietnamese consumers are already connected to the Internet, and each of them spent on average 160 USD shopping online, out of which clothing, footwear, and cosmetics together contributed 64% of online purchases.

In Viet Nam, ICT businesses are gradually playing an important role in all business sectors. More and more entrepreneurs are attempting to pursue E-business initiatives and become digital companies with innovation of the process for exchanging products and online services. Those help entrepreneurs to find new customers, manage customer's relationships and provide greater choices for customer. Furthermore, the virtual supply chains are also been created to facilitate ICT business reach more consumers and generate more revenues.

- Facing such a rapid changes in the market place, it should require appropriate and prompt policy implementation. What is the most important ICT policy implementation in the last 3-5 years in Viet Nam?

During the last 5 years, many ICT policy initiatives have been implemented in Viet Nam. I just point out some of the most important ones.

First, the National ICT Master Plan toward 2020 provides overall targets for ICT development. It's considered as legal basis for ICT technology innovation and

ICT market restructure. Following that, advanced technologies such as LTE is planned to be licensed this year.

Second, digital dividend is being carried out nationwide. Broadcasting in the 4 largest cities in Viet Nam are completely transformed to digital last week, and the process of digital dividend will be fully finished in 2020. Significant spectrum then will be available for mobile services in order to satisfying increasing demand of mobile high-speed connectivity.

Third, the National Broadband Plan toward 2020 is adopted by the government in January 2016. This policy focuses on expanding broadband network to satisfy the increasing demand of data services encompassing both fixed and wireless broadband.



The Universal Services Program to 2020 approved by the Prime Minister in 2015 serves aims at fostering development of nationwide broadband telecommunications infrastructure roll-out in un-served areas, particularly in remote and rural areas, as well as ensuring accessibility to telephone and Internet services for all, and supporting the use of those services to the poor, the near poor, fishermen, schools and healthcare centers.

Last but not least, the Law on Information Security, which is enacted by the National Assembly in 2015, is one of the most critical legal effort to ensure save and security of all cyber transactions.

With such a hard work we have done, Viet Nam is becoming a potential market for both domestic and foreign ICT companies with over 125 million mobile subscribers, equivalent to the density of 132%, and over 50% population using the Internet.

- Considering such a strong ICT business trend, what are hot policy issues to be tackled in Viet Nam?

We need to understand what is going on and analyze what we should do. The growing adoption of broadband-enabled mobile devices creates more choices for people, transforms lifestyles and renders old business models obsolete. The ICT industry has moved from distinct infrastructure platforms and connected devices to an ecosystem of computing - the cloud - which changes the traditional rules of the game. The cloud is enabling new innovations across the economy, at all levels, for everyone. Everything becomes a computing device, a connected device -be it a car, a fridge, or a pair of glasses. This new dimension of connectivity opens the way to massive, unlimited possibilities. Apps and m-services are empowering citizens to engage in all aspects of life irrespective of time, distance and location.

However, we all have to face with the disparities remain between those who have access to the new world of digital opportunities and those who do not, calling for continuous efforts to reduce costs and accelerate network and service deployments to achieve a truly inclusive digital society.

- As Your Excellency mentioned, mobile technologies and services are changing our life. How do you analyze mobile industry trend and pertaining issues in Viet Nam?

Let me illustrate the mobile industry trend and issues by using survey analysis, statistical data and reporting systems.

In recent years, the Viet Nam's legal framework has gradually been modified to create a fair and equal competition environment to foster the development of mobile industry. After 10 years of effort, from 2006 to 2016, with clear targets, Viet Nam has achieved critical successes in building modern mobile network's infrastructure, narrowing the gap of mobile phone services between the rich and the poor people and making those from a luxury service became affordable for everyone.

Viet Nam has totally five operators providing mobile services including five offering 2G mobile services and four offering 3G mobile services. Those services are contributing to accelerate economic development, change the lives of many rural people, provide access to education and health, streamline trade and commerce and facilitate everyday government administration.

Viet Nam is currently focusing on expanding broadband mobile network to satisfy the increasing demand of data services and aim at reaching an average downlink speed of over 4Mbps in urban areas and 2Mbps in rural areas. By encouraging private sectors actively participate into mobile services market, and provide affordable series to consumers, at the end of 2015, mobile network has now covered 95% of population and become reachable for most of the villages throughout the country. Six years after the launch of 3G network, the number of 3G subscribers has nearly reached 36.3 millions, increasing nearly 81% compared to 2009.

However Vietnam's mobile download speed only remains slow reaching 1.78 Mbps, ranked at 113rd globally. To

overcome this limited issues as well as push up the number of the Internet mobile broadband users and rise revenue per user, Viet Nam's government has plans to roll out 4G LTE network at the end of 2016. Ministry of Information and Communication of Viet Nam is also going to complete the suitable policies on the management of broadband mobile market in order to ensure healthy competition in the coming time.



- What is your perspective for ICT development in Viet Nam in the coming near future?

The 21st century is the century of information technology and communications. Government in both developed countries and developing countries have been struggling to come to the terms with the challenges of the information age. For developing countries like Viet Nam, the gap between rural and urban areas in access to the Internet, especially broadband Internet service is quite large. Thus, Viet Nam is currently encouraging businesses to invest in infrastructure development of broadband telecommunication networks with the overall objectives to expand coverage of mobile network and increasing download speed. Furthermore, it also enhance affordable broadband index, create more opportunities for vulnerable populations and people with disabilities, improve gender equality in broadband access, and increase awareness and citizen's ICT skills.

Nowadays, Internet of Things (IoT) and Smart Sustainable City is a worldwide trend in telecommunication. Many cities invest in IoT services and Smart City to improve quality of life, create more opportunities for inhabitants and reduce costs to access to various services. In order to keep pace with this trend, Viet Nam government has set targets in pushing the applications of ICT services, facilitating telecommunications infrastructure for data-intensive technologies. Also, Viet Nam needs to strongly foster the development of software and digital content industry which is one of the key driving forces of the economy.



- What do you think about APT role and its future for ICT development in this region?

As an intergovernmental organization in the region, APT has succeeded in fostering and strengthening solid and useful ties between members and in serving the region as a focal point of ICT cooperation. We are proud of the growing role and reputation of APT in various global ICT fora. We also highly appreciate APT's effort and initiatives for the development of ICT in the region.

Through a number of her activities, APT has been significantly helped Members in mobilizing and coordination resources in our region and from outside for development and under APT auspices regional ICT cooperation has continuously expanded and deepened. We highly appreciate her efforts in studying,

strengthening ICT policies, technologies, human resources, trade and investment among its members. As a result, we can be proud that ICT sector in our region is the most dynamic and fast growing in the world. Accessibility and affordability of ICT infrastructure and services in our region are enabling a lot of changes in all aspects of socio-economic activities and in daily life of all citizens.

From lessons learnt in the past years, I believe that APT should continue to foster and rely on the spirit of community and of collaboration on mutual respect and trust basis. I therefore strongly support the current works and activities of APT. Strengthening regional collaboration is really critical to overcome regional and global challenges. Sustainable development after economic crisis, climate change, disaster prevention and mitigation, safe online environment, etc. are just few that are high on the agenda of all countries. It is worth emphasizing that our ICT industry can bring about very effective solutions to all these issues.

At the age of 37th years, Telecommunity is to undertake new challenges and to reach higher level of development. It is my sincere hope that APT will continue to position itself as a focal point of ICT cooperation, thereby enabling member States to make concerted efforts to promote smart digital economy. Viet Nam is very proud to be a responsible member of APT since its creation.

Finally, I would like to reiterate our commitments to active contribution to APT activities. Once again, I would like to congratulate APT on its achievements and wish its lasting prosperity.



2016.08.23

[Editor's note]

H.E. Dr. Hong's vision for Viet Nam's future is colored with bright perspective. The interview was carried out in a very friendly atmosphere and the scheduled time had passed so quickly. I wish we could have more time to talk. (M.K)