

Mobile phone frenzy bubbles in booming Vietnam

16 Oct 2007 - Office worker Nguyen Dieu Huong keeps up with every new change to the mobile phone market in Vietnam. She said she upgrades her phone every six months, but still couldn't get all the features she wants.

"There are not enough products in Vietnam," she said with a frown, as she perused the offerings at a recent telecoms fair in Hanoi. "The customers do not have much choice yet."

Maybe not yet — but as the players of the industry prowl for opportunities in one of the fastest growing mobile telephony markets in Asia, those days don't look so far off.

Just five years ago there were fewer than two million mobile phone subscribers in Vietnam. Now, according to government figures, that number is more than 18 million.

That growth has come even though a typical office salary is still less than 300 dollars per month, and one hour of mobile phone time can cost nearly nine dollars.

"Vietnam has an economy with strong growth potential, the population is the youngest in region and has a strong appetite for new technologies," said France Telecom chairman Didier Lombard. "All that goes in a positive direction."

The French firm has its eye on MobiFone, a subsidiary of national telecoms giant Vietnam Post and Telecommunications Group (VNPT). MobiFone is expected to be the first mobile operator here to open up to foreign capital.

In January Hong Kong firm Hutchison Telecom announced the launch of a nationwide mobile communications service in Vietnam, saying the country had one of the world's most vibrant, high-growth economies.

"Vietnam has a young and tech nology-savvy population. The demand for value-added voice and high-speed multimedia data services is growing exponentially," the firm's chief executive officer Dennis Lui said at the time.

Between now and 2012, Vietnamese authorities expect the penetration rate for fixed lines and mobile phones to rise from 35 per-cent to 60 percent, said France Telecom's Lombard.

Norway's Telenor is also said to be looking at MobiFone. British giant Vodafone said in July it was opening an office in Hanoi to study opportunities in Vietnam, and Japan's NTT DoCoMo followed suit last month.

It looks certain that there will be other opportunities coming up. VinaPhone, another VNPT subsidiary, and the army telecoms operator Viettel are also expected to be opened up to foreign companies.

About the Author

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