

## State balks at operator licences

22 December 2007 - Vietnamese authorities have sent ripples through the telecoms industry by exposing an unwillingness to give any more carrier licences to set up networks in Vietnam.

The Ministry of Information and Communication (MIC) revealed an implicit unwillingness within its two decree drafts on internet and investment activities, to add to the existing eight carriers. The drafts are undergoing public consultation and will be issued by the government next year.

The investment draft decree states that foreign investors need to join a licenced operator in Vietnam to develop a telecoms network with 49 per cent of the joint venture's legal capital.

Regarding the internet decree draft, MIC will grant unique internet service provider (ISP) licences instead of internet exchange provider licences (IXP) allowing network development in Vietnam, with ISP and open service providers (OSP). An ISP can only set up internet equipment systems at its base and customer base and establish local loops without asking for a licence and hire telecom transmission channels from licenced telecom network carriers (IXP) to set up internet networks.

Do Trung Ta, former minister of Post and Telematics, said competition with foreign operators would force local carriers to speed up infrastructure development before the telecoms sector is fully opened in 2009.

Vietnam has given IXPs to telecom carriers VNPT Group, Viettel, EVN Telecom, SaigonPostel, Vishippel and Hanoi Telecom. FPT and VTC have just received licences to develop telecom networks.

The draft decree on post and telecoms investment states that domestic telecoms network investors must be state-owned enterprises or an enterprise with a majority state stake. There must be at least one state-owned enterprise or enterprise with a majority state stake contributing at least 51 per cent of a venture's total investment capital when more than two companies join a project.

A telecoms project to develop nationwide networks will have minimum registered capital of VND1.6 trillion (\$100 million). A telecoms network development project within at least two provinces or cities will have minimum registered capital of VND500 billion (\$31.2 million) and VND160 billion (\$10 million).

## About the Author

VietNamNet, VIR

Source: <http://www.canthocity.com>