

## CONNECTING RURAL AREAS IN VIETNAM TO BROADBAND NETWORK

*Dr. Pham Manh Lam*

*Vice President*

*National Institute of Information and Communications Strategy (NIICS)*

*Ministry of Information and Communications*

*115 Tran Duy Hung, Hanoi*

*e-mail: [pmlam@mic.gov.vn](mailto:pmlam@mic.gov.vn)*

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# Vietnam's Country Profile



Surface area

331,698 sq. km (**75% mountainous areas**)

Population (1 March 2010)

86,619,855 persons

GDP (2010)

102 billions USD

GDP per capita (2010)

1185 USD

GDP growth rate (2010)

6.78%

Population growth rate (1999-2009)

1.2 %

**Rural Population (1 March 2010)**

**70.1%**

Source: General Statistic Office of Vietnam

# Universalize telephone services

## TELECOM MUNICATIONS ACCESS IN VIETNAM (2005)

	Fixed phone density (sub/100 habitants)	Mobile density (sub/100 habitants)	Internet user rate (%)
Whole Country	8.27	10.74	12.90
Rural Areas	< 2.5	< 1	< 2

- Big gap in using telecom services between rural areas and cities
- If government do nothing, the gap enlarged very fast (Telecom operators do not want to invest in rural & remote areas)
- 2 questions:
  - ❖ How to make rural areas connected ?
  - ❖ How to make users (in rural areas) use services ?
- Solutions
  - ❖ Establishment of **Vietnam Public-Utility Telecommunication Service Fund in 2005**
  - ❖ Using the fund to provide financial supports for public-utility telecommunication service provision programs and projects
  - ❖ Public-utility telecommunication services = fixed phone, Internet, emergency calls, etc...

# Universalizing telephone services

- Objectives by 2010
  - ❖ Tele-density in the rural areas reaches 5 telephone sets per 100 people;
  - ❖ 100% communes throughout the country have public telephone service access point;
  - ❖ 70% communes throughout the country have public Internet service access point.

## TELECOM MUNICATIONS ACCESS IN VIETNAM (2010)

	Fixed phone density (sub/100 habitants)	Mobile user rate (%)	House hold having Internet (%)
Whole Country	16.63	38	8
Rural Areas	> 10	15	< 3

- 97% communes throughout the country have public telephone service access point
- 50% communes throughout the country have public Internet service access point.

# New gap in using broadband services

## Gap between cities & rural areas

- Telephone density in rural area (both fixed and mobile) lower than those in urban area
  - Hanoi: 59% households having fixed telephone
  - Dak Nong: 20% households having fixed telephone
- Majority of broadband Internet users live in urban area: 2/3 broadband subscribers are from 2 biggest cities (Hanoi and Ho Chi Minh city)
  - Hanoi: 22% households connected to Internet
  - Hau Giang: 2% households connected to Internet

## Solutions

- Projects for Development of Information and Communications in Rural Area
- New Program on provision of public-utility telecommunications services
- With focus on providing broadband services to rural areas

# Projects for Development of Information and Communications in Rural Area during 2011-2015

## 1. Objectives

### a) Infrastructure Development

- ❖ 100 % of communes in remote areas having post & telecom service providing point
- ❖ 100 % of communes connected to broadband networks
- ❖ Central TV and Radio cover 100% Vietnam territory, territorial waters and all islands

### b) Services Provision

- ❖ Almost all people living in rural area can access to universalized telecom services
- ❖ Telephone density in rural area = 40%-45% Telephone density of whole country
- ❖ Internet density in rural area = 30%-40% Internet density of whole country

# Projects for Development of Information and Communications in Rural Area during 2011-2015

## 2. Programs and Projects

### a) Program on provision of public-utility telecommunications service until 2015

- ❖ Support Telecom operators to develop telecom infrastructure and maintain the provision of Public Utility Telecommunications Services in poor rural areas
- ❖ Subsidize people living in poor rural areas to have end-user equipments and use Public Utility Telecommunications Services
- ❖ Fund: 757.5 Millions U\$

### b) Project of developing broadband infrastructure covering all communes

- ❖ Fund: 350 Millions U\$

# Projects for Development of Information and Communications in Rural Area during 2011-2015

## 2. Programs and Projects (continued)

**c) Project of improving the operating efficiency of Post, Telecom and Culture points and constructing pilot Public Information and Communication Centers**

❖ Fund: 40 Millions U\$

**d) Project of developing a specialized TV channel on agriculture, farmers and rural areas**

❖ Fund: 7.5 Millions U\$

**e) Project of developing Internet for rural areas**

❖ Fund: 30 Millions U\$

**f) Project of enhancing the ability of using computer and Internet for people living in rural areas**

❖ Fund: 48 Millions U\$

# Projects for Development of Information and Communications in Rural Area during 2011-2015

## 3. Total fund (2011-2020)

About 1.3 billions USD:

- Government Budget: 7.5 Millions U\$
- Telecom Operators & ICT Enterprises: 395.7 Millions U\$
- **Public Utility Telecommunications Service Fund**: 757.5 Millions U\$
- Other sources: 72.5 Millions U\$

## ***Conclusions***

- More than 70% of Vietnamese living in rural area
- Per capita income of people living in rural area: about 50 USD/month
- Currently, rate of using ICT services in rural area is very low compared to urban area (Digital divide)
- Rural connectivity strategy and Projects for development of Information and Communications in rural area will greatly contribute to narrowing the Digital Gap in Vietnam.

*Thank you*



*Dr. Pham Manh Lam  
National Institute of Information and Communications Strategy (NIICS)  
Ministry of Information and Communications  
115 Tran Duy Hung, Hanoi  
e-mail: [pmlam@mic.gov.vn](mailto:pmlam@mic.gov.vn)*