

LEGAL BRIEFING

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MOBILE VIRTUAL NETWORK OPERATIONS (MVNO) DEVELOPMENT IN VIETNAM: OPPORTUNITIES AND CHALLENGES UNDER THE TELECOMMUNICATIONS LAW

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Vietnam's telecommunications sector has undergone significant transformation in recent years, driven by rapid digitalization and increasing demand for connectivity. Mobile Network Operators (MNOs) have been the backbone of this ecosystem, but their growth is constrained by infrastructure limitations, high operational costs, and a near-saturated market. In this context, Mobile Virtual Network Operators (MVNOs) offer a promising alternative to expand service offerings and enhance competition. Supported by the legal framework of the Telecommunications Law 2023 and related regulations, MVNOs have the potential to optimize Vietnam's telecom landscape. This article examines the challenges faced by MNOs, the operational and regulatory advantages of MVNOs, and the opportunities and challenges they face in Vietnam's market.

Current MNOs Development Situation in Vietnam

Infrastructure Barriers

Telecommunications infrastructure development in Vietnam faces significant challenges due to strict regulatory requirements. The Telecommunications Law 2023 mandates that all infrastructure must comply with national planning and security standards. Local procedures for obtaining permits are often complex and time-consuming, causing delays and increasing costs, particularly for MNOs expanding in rural areas.

High Infrastructure Costs

Building and maintaining telecommunications infrastructure requires substantial investment in equipment like base stations, fiber-optic cables, and data centers. Ongoing costs for maintenance, system upgrades, and regulatory compliance further add to the financial burden on MNOs.

Near-Saturated Market with Limited Growth

Vietnam's mobile market is nearing saturation, with mobile subscriptions far exceeding the population. As of April 2025, the country had 104.7 million mobile broadband subscriptions, leaving little room for organic growth. The market is dominated by MNOs like Viettel, VNPT, and MobiFone, which hold over 90% of the market, creating limited opportunities for new entrants without innovative strategies.

The Potential Development of MVNOs

Mobile Virtual Network Operators (MVNOs) offer a promising solution by leasing network capacity from MNOs, enabling them to provide services without owning infrastructure. This model reduces the need for heavy investment in physical networks, allowing MVNOs to focus on service innovation, branding, and customer experience. With the legal framework set by the Telecommunications Law 2023 and Circular 08/2024/TT-BTTTT, MVNOs can access MNO networks fairly, promoting competition and growth in the sector.

Regulatory advantages of MVNOs

Legal Framework Supporting Fair Access for MVNOs

Article 13 of Telecommunications Law stipulates that it was the *right* of MVNOs to lease transmission lines or purchase capacity from MNOs, while its Article 17 mandates that dominant MNOs *must* engage in wholesale activities when requested by other telecom enterprises. Article 4-5 Circular 08/2024/TT-BTTTT further reinforces fairness by prohibiting MNOs from discriminatory practices in pricing, terms, or service conditions when providing wholesale services. Dominant MNOs are also required to publicly disclose standard agreements, ensuring transparency and equal treatment.

Fewer conditions and licenses

MVNOs also benefit from simplified licensing procedures. According to Article 36 of the Telecommunications Law 2023, MVNOs seeking the license for provision of telecommunications services must meet fewer conditions than MNOs. These include:

- i. possessing a valid IRC or ERC,
- ii. not being in dissolution or bankruptcy, and
- iii. having a technical and business plan compliant with national telecom planning.

Notably, MVNOs are exempt from requirements related to spectrum auctions or minimum capital thresholds for network deployment, significantly lowering entry costs. Furthermore, MVNOs are

also exempt from having licenses for telecommunications operations under Telecommunications Law as well as complex permits related to infrastructure construction and technical operations, allowing for faster market entry.

Lower Cost leading to operational benefits

By leveraging MNO infrastructure, MVNOs avoid the high capital expenditures associated with building and maintaining networks. As a result, MVNOs can focus on developing customized service packages tailored to specific customer segments, such as affordable high-speed data plans for users or bundled services for niche communities, at competitive prices. This cost-saving extends to operational expenses, such as staffing and facility management, allowing MVNOs to allocate resources toward service innovation and customer acquisition.

For example, a gaming company could partner with an MVNO or launch its own MVNO to offer tailored data plans optimized for low-latency gaming, attracting a dedicated user base without the burden of infrastructure investment. Such strategies enable MVNOs to deliver high-quality, affordable services that enhance user experience and drive competition in a crowded market.

Opportunities for MVNOs in Vietnam

MVNOs present a strategic opportunity for businesses in other sectors, such as fintech, e-commerce, or gaming, to integrate telecom services into their ecosystems. By offering MVNO services, these companies can increase customer touchpoints, gather user data, and keep users engaged on their platforms. A notable international example is Google Fi, an MVNO that integrates with Google's ecosystem, offering flexible plans and leveraging user data to enhance services like cloud storage and advertising. In Vietnam, a similar approach could be adopted by developed fintech or e-commerce companies, which could bundle telecom services with their platforms to retain customers and drive cross-selling opportunities.

Additionally, the Telecommunications Law 2023 allows MVNOs to sign wholesale agreements with multiple MNOs across different regions or countries, addressing the challenge of roaming for international travelers. By aggregating bandwidth from various MNOs, an MVNO could offer seamless connectivity across borders, solving the 'roaming pain' for users traveling abroad. However, such operations must comply with data privacy regulations under Telecommunications Law 2023 and the Cybersecurity Law 2018, which mandate robust data protection and network security measures.

Last but not least, MVNOs also have the potential to serve specific markets, such as streaming services, B2B enterprise solutions, or Internet of Things (IoT) applications. For instance, an MVNO could partner with IoT device manufacturers to embed SIMs or eSIMs in vending machines, smart meters, or ride-hailing taxis, providing reliable connectivity tailored to specific use cases. This approach not only creates new revenue streams but also establishes MVNOs as integral players in Vietnam's digital economy.

Conclusion

MVNOs, supported by the forward-thinking Telecommunications Law 2023 and regulations like Circular 08/2024/TT-BTTTT, offer a viable path to foster competition and innovation. By leveraging MNO infrastructure, MVNOs can reduce costs, simplify licensing, and focus on delivering tailored, affordable services. Strategic opportunities in ecosystem integration, international roaming, and niche markets like IoT present significant growth potential. However, MVNOs must overcome consumer inertia and invest in compelling marketing to succeed. With the right strategies, MVNOs can not only thrive in Vietnam's digital landscape but also contribute to a more inclusive and dynamic telecommunications ecosystem.

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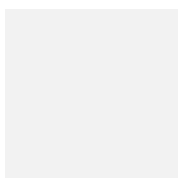
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