The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with nearly 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

For more information, please visit the GSMA corporate website at www.gsma.com

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GSMA Intelligence is the definitive source of global mobile operator data, analysis and forecasts, and publisher of authoritative industry reports and research. Our data covers every operator group, network and MVNO in every country worldwide – from Afghanistan to Zimbabwe. It is the most accurate and complete set of industry metrics available, comprising tens of millions of individual data points, updated daily.

GSMA Intelligence is relied on by leading operators, vendors, regulators, financial institutions and third-party industry players, to support strategic decision-making and long-term investment planning. The data is used as an industry reference point and is frequently cited by the media and by the industry itself.

Our team of analysts and experts produce regular thought-leading research reports across a range of industry topics.

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Summary

Part 1  State of industry

Vietnam is a transitioning mobile economy, with seven mobile broadband connections for every ten citizens.

According to the GSMA Mobile Connectivity Index, improving mobile infrastructure should be a priority to improve Vietnam’s current score of 63.

Vietnamese consumers are active users of mobile services: 88% of mobile users visit social networks websites on their phones.

Part 2  Economic impact in 2018

Total impact

In 2018 the mobile ecosystem generated 8.8% of GDP or $21 billion in value added.

This is forecasted to increase up to $29 billion in 2023, due to productivity benefits from increasing mobile internet penetration.

Employment

Firms in the mobile ecosystem created 800,000 direct jobs in 2018.

Their activity also supported the indirect employment of 510,000 people.

Public funding

The mobile ecosystem’s contribution to public funding equalled $2.2 billion, close to 4% of government tax revenue.

Over 15% of the value added by the mobile ecosystem is retained by the government in the form of taxation.
Vietnam

Penetration, 2018
148% Mobile penetration
67% Mobile broadband penetration

Economic Impact

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>2018</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$21 billion</td>
<td>$29 billion (+$8 billion growth in 5 years)</td>
<td></td>
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<tr>
<td></td>
<td>8.8% GDP</td>
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</tbody>
</table>

Jobs Impact

2018
800,000 direct and indirect jobs

Fiscal Impact

2018
$2.2 billion fiscal contribution

Source: GSMA Intelligence

Mobile Connectivity Index 2017

Vietnam 63
Asia Pacific 59

Total mobile spectrum
340 MHz
Sub-1GHz spectrum
90 MHz

Vietnam

63

148% Mobile penetration

67% Mobile broadband penetration

Total mobile spectrum
340 MHz
Sub-1GHz spectrum
90 MHz

Vietnam
1. State of the industry

Mobile Economic Impact: Vietnam
Mobile broadband-capable connections grew significantly in South-East Asia from around 2013 onwards. Vietnam’s significant growth has only started recently (mid-2017), leaving it some way off the average South-East Asian market.

Vietnam currently ranks well below its neighbours such as Myanmar in particular, where recent liberalisation and investment has seen mobile broadband connections significantly increase. This will however be some way off penetration rates seen in Malaysia and Thailand.
Viettel is the market leader in Vietnam with over 40% all mobile connections. However, competitors Mobifone and Vinaphone are major players as well. Vietnamobile and Gmobile provide challenger competition to the big three.

**Herfindahl-Hirschman Index:** measure of market concentration

Market concentration is lower in Vietnam than across South-East Asia on average. The gap has narrowed over the years because of consolidation of market share in Vietnam but also because of the liberalisation of markets in Myanmar and Timor-Leste bringing down the South-East Asian average.
According to the GSMA Intelligence Consumer Survey (2017), Vietnamese consumers are more engaged than the average consumer in the Asia region.

- 54% of Vietnamese mobile consumers use instant messaging applications on their phone, and 20% use phones to send or receive emails.
- Most significantly, 88% of Vietnamese mobile users visit social networking sites on their mobile, indicating a high penetration of these services in Vietnam.
- Promisingly, 44% of consumers are using financial services on their mobile phone, which will have a large impact on efficient access to banking.

Source: GSMA Intelligence Consumer Engagement Survey
Vietnam scores above the APAC average on three out of the four enablers that make up the GSMA mobile connectivity index. The one area where it scores less than the APAC average is on infrastructure.

By breaking down the results for infrastructure (below) we see that network performance (such as speeds) is lower in Vietnam – which is probably due to a much lower spectrum score.
2. Economic impact of the mobile ecosystem

Mobile Economic Impact: Vietnam
Economic impact of the mobile ecosystem in 2018

The mobile industry makes an important contribution to Vietnam’s economy
The economic value generated by the mobile ecosystem is through its direct, indirect and productivity impacts

The mobile industry makes an important contribution to Vietnam’s economy
The economic value generated by the mobile ecosystem is through its direct, indirect and productivity impacts
Economic impact of the mobile ecosystem in 2018

Mobile economic contribution to GDP
$ billions (Percentage of GDP), 2018

- **Direct impact**
  - Ecosystem firms value added: wages, taxes and business surplus
  - 14 billion ($5.7%)

- **Indirect impact**
  - Knock-on effect in sectors providing inputs in the supply chain of mobile goods and services
  - 3 billion ($1.1%)

- **Productivity impact**
  - Improved efficiency throughout the economy via the use of mobile technology
  - 5 billion ($2.0%)

- **Total impact**
  - 21 billion ($8.8%)

**Content, apps and services**
- Distributors and retailers
- 5 billion ($5%)

**Infrastructure providers**
- Mobile operators
- 12 billion ($78%)

**Mobile economic contribution to GDP**

"Source GSMA Intelligence"
In 2018, the mobile sector and related industries directly supported 290,000 jobs in Vietnam, of which 80,000 are estimated to be in the important informal economy.

The mobile ecosystem buys goods and services from an extensive supply chain which in turn employs more staff. As these industries further interact with supply chains throughout the economy, this effect multiplies across Vietnam and supports a further 510,000 jobs.

As a result – in total – the mobile ecosystem supports 800,000 jobs directly and indirectly.
The mobile ecosystem decisively contribute to the fiscal income of Vietnam, with a total of $2.2 billion in direct and indirect taxes in the year 2018.

Most of the revenues are obtained through corporate taxes on profits, as well as handset VAT, sales taxes, excise and custom duties.

Overall, consumer-side taxes on services and handsets accounted for $0.7 billion in 2018.

*Excludes spectrum payments, regulatory taxes and fees that are not based on mobile operator’s revenue
Economic impact of the mobile ecosystem

Mobile economic contribution, forecast to 2023

$ billions

- The mobile ecosystem will continue to provide significant contributions to the Vietnamese economy in the coming years.

- This is mainly driven by the direct impact of the mobile ecosystem, which will grow due to Vietnam's continued important role in manufacturing mobile devices for the global economy.

- Productivity is not expected to grow significantly as growth in mobile internet penetration is currently forecast to be modest.

Source: GSMA Intelligence