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Telecom industry nears saturation

HCM CITY ? The telecom market is unlikely to sustain its scorching pace of development since it has reached saturation point and tariffs have fallen significantly.

Viet Nam has a population of 86 million and 163 million subscribers, including 148 million for mobile phones.

"The telecommunication market has reached saturation and ? has come under strict oversight with regard to quality and tariffs," Deputy Minister of Information and Telecommunications Tran Duc Lai said.

"It is time for service providers to focus on quality and diversification of services."

He predicted 2011 to be a year for improvement in quality and a boom in broadband services.

This year most telecom firms have achieved growth of at least 20 per cent and introduced many new services like 3G, internet TV, high-definition television, and 3D television on trial.

The industry's revenues are expected to top US$6 billion, double the 2007 amount.

But next year will be hard for companies that lack muscle since saturation has also ushered in increased competitiveness and changes. FPT bought a stake in EVN, South Korea's SK withdrew from S-Fone, CityPhone folded up, while VTC and Dong Duong Telecom could not provide their "full mobile virtual network operator" service as planned.
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