

Foreign ICT outfits urge decree edits

By Nguyen Dat

The international information and communications technology business community has voiced concerns on a fresh draft of amendments to the government Decree No.06/2016/ND-CP, because if applied, it will undermine online service providers and the government's efforts to build a digital economy amid Industry 4.0.

The Asia Internet Coalition (AIC), an association for Internet and ICT policy issues in Asia, with members including global giants AirBnB, Amazon, Apple, Expedia, Facebook, Google, LinkedIn, LINE, Rakuten, Twitter, and Yahoo, have sent a letter to the ministers of Information and Communications, Justice, and Industry and Trade, with official industry comments and feedback on proposed amendments to Decree 06, which covers the management over, provision and use of, radio and television services.

"We are concerned that the draft decree, if passed in its current form, might set precedent for other countries to impose reciprocal regulations on online services which would negatively affect Vietnamese businesses trying to expand beyond Vietnam's borders by erecting similar regulatory barriers," stated the letter. "We request



Photo: Le Toan

Foreign ICT companies believe that if adopted, the draft decree could hurt foreign online service providers

that the Vietnamese government consider the potential consequences of the draft decree to prevent unexpected negative impact on the Vietnamese economy."

The draft decree calls for over-the-top (OTT) Internet streaming services to be regulated under traditional radio and television service rules. OTT refers to content providers that distribute streaming media, including audio, video, text, and images, as standalone products directly to viewers over the Internet, bypassing broadcast television platforms that traditionally act as a controller or distributor of such content.

Jeff Paine, managing director of the Asia Internet Coalition told VIR, "If passed, these amendments to Decree 06 could discourage international OTT players from providing services in Vietnam, limiting access to Vietnamese citizens for some global services thereby reducing Vietnam's connection to the international digital economy. This could also severely limit access for Vietnamese businesses to reach millions of customers and partners globally on these cost-effective OTT platforms."

"These amendments will certainly harm Vietnam's digital economy, which is estimated to account for 2-3 per

cent of the country's GDP and it is expected to rise to 40-50 per cent in the future. If passed and enforced, the amendments to the decree could distract the country from achieving its ambitions for Industry 4.0," he continued.

In the letter, AIC suggested that OTT service providers should be distinguished from broadcasters. In the draft amendments, radio and television services are proposed to include a new service type called "On-demand service on the Internet". On-demand service on the Internet is defined as a type of "radio and television service using Internet connection by use of domain names of

portals or identified Internet addresses and Internet applications used only to transmit on-demand contents to service subscribers," according to the draft's Article 4.1(e).

Under Article 3.18, "On-demand content" includes domestic and foreign radio and television programmes, films and other video and audio content meeting the specific requirements of Vietnamese law, which are provided to subscribers on demand, including content to be broadcasted live following programme schedules.

"It appears that On-demand service on the Internet would effectively include OTT serv-

ices that stream video and audio," said Paine. "The proposed amendments seek to bring more online services within the scope of the country's broadcasting legislation. The extension of broadcasting regulations to OTT services is disproportionate given the wide variety of OTT services available and can stifle the growth of Vietnam's digital economy."

According to the Vietnam Chamber of Commerce and Industry (VCCI), the proposed introduction of "On-demand services on the Internet" into the group of "radio and television services" is inappropriate as it fails to reflect the nature of radio and television services.

Under the existing Law on Investment, the regulations on provision of On-demand services on the Internet and of radio and television services are quite different and put in different sections. Thus if they are put into the same group of services, they will go against the spirit of the law. Besides, many foreign investors have been providing On-demand services on the Internet in Vietnam, which is in line with the country's commitments within the World Trade Organization. Thus if these services are put into the same group, the market of On-demand services on the Internet will be upset, badly affecting foreign investors and the Vietnamese economy's competitiveness, VCCI said. ■

Fresh goals set to improve Vietnam's business climate

By Bich Thuy

The Vietnamese government has set out a number of specific targets for 2019 to further improve the business climate, but challenges remain ahead.

Last week, the government issued Resolution No.02/NQ-CP on continuing key solutions and tasks to further improve the business climate and national competitiveness during 2019, with a vision towards 2021. This shows the government's strong determination to make significant changes to the investment environment over the coming year.

Under the resolution, one of the country's top focuses in 2019 will be improving its ranking in the World Bank's (WB) Ease of Doing Business (EoDB) by five to seven notches. To achieve this, some

specific targets have been set to improve the rankings of the country's 10 indicators in EoDB (see table).

The government has delegated tasks to ministries, with detailed and stringent requirements. Accordingly, they have been ordered to build and announce their action plans during the first quarter of 2019, while submitting to the government a list of impractical business conditions to cut prior during the third quarter of 2019.

Ministries have also been asked to fast-track the revision of laws related to business and investment and to reform specialised inspections. Prior to June 2019, 50 per cent of the list of commodities under specialised inspection must be cut. The national and ASEAN single-window system must also

be developed.

The Ministry of Planning and Investment (MPI) is required to devise a master plan on reducing business conditions in line with the Law on Investment, and submit it to the government in the fourth quarter of 2019. The MPI is to submit a master plan on building the National Innovation Centre in March 2019 and the National Development Strategy on Industry 4.0 Revolution to the government this September.

Experts believed that in spite of a number of bold moves, it is a challenging task for Vietnam to fulfil the overall target. As shown in Doing Business 2019, the country dropped one spot on the WB's Doing Business 2019 report to 69th out of 190 countries and territories. Though at that time it has been implementing Res-

| Vietnam's 2019 specific targets for 10 indicators in the WB's EoDB | |
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| Indicators | Improvement in ranking 2019 |
| • Starting a business | At least five notches |
| • Paying taxes and social insurance | Seven-10 notches |
| • Dealing with construction permits | At least one notch |
| • Getting credit | At least one notch |
| • Protecting minority investors | At least five notches |
| • Getting electricity | Three-five notches |
| • Registering property | Five-eight notches |
| • Trading across borders | Three-five notches |
| • Enforcing contracts | At least three notches |
| • Resolving insolvency | At least three notches |

olution No.19/NQ-CP on improving the business environment and Resolution No.35/NQ-CP on supporting and developing businesses by 2020, in which multiple missions have been issued to ministries and local government.

Among the 10 indicators in Doing Business 2019, the country saw an on-year fall in resolving insolvency, but witnessed a higher on-year rise across four indicators, including starting a business, registering a property, getting

electricity, and enforcing contracts. While the five others: registering a property, dealing with construction permits, getting credit, protecting minority investors, and trading cross borders witnessed a slight improvement.

The challenge comes as protecting minority investors, registering property, dealing with construction permits, and resolving insolvency remain a major concern among foreign-invested enterprises, thus partly hindering their

business development.

"In Resolution 19, areas regarding business bankruptcy, investor protection, and procedures of import-export have been evaluated as having slower improvement. The procedure to register real estate, though improved, is without interconnection or co-ordination with construction procedures, notarisation, and payment of taxes," said Vu Tien Loc, chairman of the Vietnam Chamber of Commerce and Industry. "The reduction of business conditions has produced positive signals. However, according to a 2017 survey, 58 per cent of businesses have to apply for a conditional business license, of which 42 per cent said that they had difficulties during the application process."

Despite the challenges ahead, the Vietnamese government's latest move brings high hopes for investors on the further improvement of the local business climate amid upcoming enforcement of landmark free trade agreements. ■