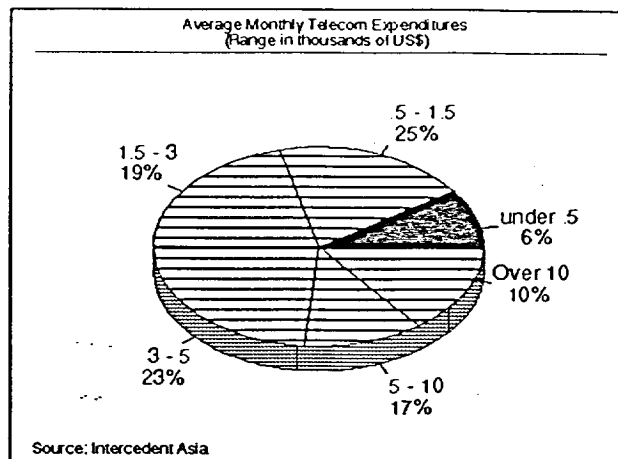


Cost Effective Services

Less than 5% of respondents interviewed spend less than US\$1,000 per month on monthly phone bills. The average monthly phone bill for respondents in the banking community (both representative offices and full branches) was over US\$3,100 per month, and over 36% of companies in oil and gas-related industries had monthly telecom service charges in excess of US\$10,000 per month, with one respondent averaging US\$75,000 per month.



While monthly domestic service charges are nominal, and local calls are free, international calls average US\$ 2-4 per minute, and Vietnam has no off-peak or discount rates. With the information-intensive nature of these vertical markets, international connectivity is of premier importance, but the prohibitive costs of service are causing companies to adjust budgets and restrict access to IDD lines. Their fate is accepted, reluctantly, because there are no reliable and cost effective alternatives.

The oil industry relies on INMARSAT for ship to shore communications and the occasional international phone call, but the service is no cheaper than DGPT rates. The average is US\$4 per minute for a single satellite-hop call, and, as is often the case with calls originating from Ho Chi Minh, up to US\$10 per minute if it is a double-hop call. Most respondents with INMARSAT service estimated that monthly charges made up 10% to 15% of their total telecoms services fees when not in operation, and significantly higher when drilling.

Only two respondents in the oil community and one in the banking community had access to or were about to access an international leased circuit. While most respondents had a single primary regional headquarters in Asia (usually in Singapore; 60% of respondents in the banking and oil communities pointed to Singapore as the top destination for IDD calls), the volume of dedicated traffic was usually insufficient to warrant a dedicated trunk at the tariffs charged by Vietnam Telecom International (VTI).