

Financing and Expertise Win Friends and Influence Procurement Patterns

Until the present, equipment procurement for the public network infrastructure has been done on an ad hoc basis. The Vietnamese regulator and operator have been known to be influenced by supplier's efforts to introduce equipment quickly and with attractive financing arrangements. Without the guiding hand of a development program, the VNPT has often taken cues for its procurement plans from visiting suppliers.

To date, the VNPT has not tendered for a development project in the traditional sense. Its primary concern is to get up to speed in switching and transmission capacity and implement the latest technology available to them, at the best prices. The result has been an enthusiastic reception for any supplier offering attractive financing to gain entry, which has in turn led to a network compiled from several separate systems.

The sense of urgency the DGPT feels in developing its network has been fueled by the enthusiasm foreign manufacturers have for the Vietnamese market. It has also allowed several niche players to compete more evenly with the big boys: Goldstar and India's C-DOT, for instance, have been able to provide their small digital exchanges alongside the larger players.

Now, however, Vietnam seems prepared to launch into an era of equipment and technology standardization, and will start to rationalize its procurement pattern on a select number of suppliers in each equipment category. It appears to be a crucial time to reveal long-term commitment intent to the Vietnamese market.