

# UTS in fresh market push

By Thu Tra

US corporation Universal Telecom Services is seeking government permission to establish a joint venture as part of its efforts to become a wholesale telecommunications provider in Vietnam.

Although its proposed details for the joint venture have not been disclosed, a company officer said that a shift in the firm's current business cooperation contract with their Vietnamese partner to joint venture status would make it easier to expand investment in its flourishing business operations.

The joint venture status would also enhance UTS's emphasis on value added services as leased lines, online service provision, and very small aperture terminal (VSAT) services, the officer said.

The joint venture would take advantage of current state owned enterprise infrastructure developments, and the modern technology and the company's business management skills to become a leading

wholesale telecom carrier in Vietnam, the officer contended.

As a wholesale carrier, the firm currently only conducts business with service providers, not directly with end users.

UTS's business cooperation contract with the Vietnam Maritime Electronic and Communications Company (Vishipel) set a new record at 10 million terminated minutes in July alone, just two years after the two partners launched one-way telephone services from the US to Vietnam in November 2004.

Its current licence entitles the two companies to provide internet protocol-based one-way Point-to-Point International Telephone Service to Vietnam, with custom from foreign telecom carriers providing traffic that terminates in Vietnam.

Vietnam has issued Voice over Internet Protocol (VoIP) service provision licences to the Vietnam Post and Telecommunications Group (VNPT), the Military Telecommunication Corporation



UTS is repositioning for a greater slice of the telecoms sector

(Viettel), Saigon Postel (SPT), Vietnam Electronic Telecom (EVN Telecom), Vishipel, Hanoi Telecom Corporation (Hanoi Telecom) and Vietnam's leading information technology firm FPT.

These companies are estimated to send a combined total of around 80 million minutes of inbound international calls last month.

The anticipated admission of Vietnam into the World Trade Organization in October this year is expected to facilitate the US company's realisation of becoming a leading wholesale carrier.

The officer said there remained

inconveniences in the Vietnam telecom sector, which hopefully will improve after the country's WTO accession.

He said as one of the first US telecom companies licensed to provide telecom services in Vietnam, UTS would be much easier to negotiate and obtain wholesale contracts with the world's biggest telecom carriers that have traffic terminating in Vietnam.

UTS, which runs businesses in the US, the Philippines and Vietnam, utilises low-cost, satellite technology and focuses on emerging markets.