

Telecommunications Regulatory Affairs Advisory Committee

Subsidy Scheme for Encouraging Early Deployment of 5G

PURPOSE

This paper gives an update to Members on the Subsidy Scheme for Encouraging Early Deployment of 5G (the fifth generation mobile technology) (the “Scheme”) launched by the Office of the Communications Authority (“OFCA”) on 5 May 2020. A brief of the Scheme was presented in the TRAAC meeting on 11 June 2020¹.

BACKGROUND

2. On 5 May 2020, OFCA launched the Scheme under the second round of the Anti-epidemic Fund to encourage various sectors to deploy 5G technology early to foster innovation and smart city applications, and to improve efficiency of their operations and quality of their services that will contribute to enhancing Hong Kong’s overall competitiveness.

3. Under the Scheme, the Government will subsidise 50% of the actual cost directly relevant to the deployment of 5G technology in an approved project, subject to a cap of \$500,000. Around 100 qualified projects will be subsidised.

4. The original deadline for application for the 5G Subsidy Scheme, 30 November 2020, has been extended for six months to 31 May 2021 or until the total amount of subsidy under the scheme is exhausted (whichever is earlier).

¹ Please refer to TRAAC paper 3/2020.

LATEST STATUS OF IMPLEMENTATION

Applications Processed

5. As of 31 May 2021, we received 415 applications, with 95 applications approved. The approved projects covered various industry sectors, including construction, education, environmental protection, design, medical and healthcare, transport, entertainment and recreation, repair and maintenance, logistics, property and building facilities management, etc. A breakdown of the approved projects in different sectors and types of applications enabled by 5G is as follows.

Sectors	Approved projects
Construction	14
Design	9
Education	6
Environmental protection and wildfire detection	6
e-Sports, entertainment and recreation	16
Event, conference and exhibition	4
Logistics and Transport	3
Medical and healthcare	7
Property and building facilities management	12
Repair, maintenance and monitoring	10
Textile, Sales and marketing	6
Telecommunications	2
Total	95

6. OFCA will continue to process the applications received on or before 31 May 2021. Due to the extended application period, the deadline for project completion for all approved applications has also been extended to 30 September 2021.

Publicity Activities

7. On 29 April 2021, OFCA organised an experience sharing seminar for the Scheme at Hong Kong Productivity Council. All mobile network operators and five of the grantees were invited to make presentation at the seminar. More than 300 people attended the seminar in person or online.

8. OFCA has set up a dedicated page on its website to support applications for subsidy under the Scheme and provide information on 5G applications for publicity purpose. Among others, several video clips have been produced to showcase some examples of projects approved under the Scheme and the benefits achieved through the deployment of 5G technology.

CONCLUSION

9. From the number and variety of applications received and processed by OFCA, it is considered that the Scheme is well received by telecommunications users engaging in different types of business, and it is likely that the available fund will be exhausted. Amongst those projects which have been approved, they demonstrate the incentives and benefits brought by the Subsidy Scheme for encouraging more business entities to find better solutions and improve their business operations by taking the advantages of 5G technology in Hong Kong. In conclusion, the Scheme has served its original objectives in a satisfactory manner.

VIEWS SOUGHT

10. Members are invited to note the content of this paper and they may visit OFCA's website for more information of the applications funded by the Scheme.

**Office of the Communications Authority
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