

Telecommunications Regulatory Affairs Advisory Committee

Conclusion of the Subsidy Scheme for Encouraging Early Deployment of 5G

PURPOSE

This paper informs Members of the conclusion of 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. The Scheme was presented in the TRAAC meetings on 11 June 2020 and 11 June 2021 respectively.¹

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. The Scheme received enthusiastic response from the public and the deadline for application had been extended several times until 31 December 2022.

4. In general, applications subsidised under the Scheme must fulfil all of the following requirements –

¹ Please refer to TRAAC papers No. 3/2020 and No. 2/2021.

- (a) 5G technology must be deployed and is the primary enabler in the project;
- (b) There are substantive benefits (e.g. improvements in efficiency, productivity, quality of service and/or other relevant key parameters) to be brought to the business/sector concerned in Hong Kong through the deployment of 5G technology in the project; and
- (c) There are sufficient features and extents of innovation or cross-sectoral synergy.

LATEST STATUS OF IMPLEMENTATION

Applications Processed

5. During the application period from 5 May 2020 to 31 December 2022, OFCA received a total of 698 applications. Amongst them, 173 applications were approved. The approved projects covered various industry sectors, such as construction, education, e-Sports, entertainment and recreation, medical, healthcare and public health, property and building facilities management, telecommunications, and transport. A breakdown of the approved projects in different sectors and types of applications enabled by 5G is as follows.

Sectors	Number of Approved Projects
Agriculture, forestry and fishery	4
Construction	24
Design	9
Education	16
Environmental protection	6
e-Sports, entertainment and recreation	27
Event, conference and exhibition	4
Finance and insurance	2

Logistics	4
Manufacturing	1
Medical, healthcare and public health	12
Professional service	1
Property and building facilities management	23
Repair, maintenance and monitoring	17
Sales and marketing	9
Telecommunications	4
Textile	1
Transport	9
Total	173

6. Examples of approved projects include remote surgery consultation and training system for university teaching hospital, STEM education system, safety monitoring system for construction site, smart passenger flow analysis system, smart security system, remote control gantry crane, AR-indoor navigation system, etc.

7. As of 1 July 2023, a total of 95 projects have been fully and properly completed. It is expected that the remaining approved projects will be completed by end of this year.

Publicity Activities

8. In order to enhance public awareness of the Scheme and the tremendous potentials of 5G applications in different sectors, a series of publicity programmes, including advertisements on social media platforms and various IT websites were launched. In collaboration with the grantees of the Scheme, five short videos were produced to showcase some of the remarkable projects under the Scheme and demonstrate how the 5G technology could be used to improve business operations and bring substantial benefits to the sector concerned.²

² The short video series is named as “Office of Superpower” with five episodes and are available on OFCA’s website: https://www.ofca.gov.hk/en/consumer_focus/galley/short_videos/index.html.

9. In addition, OFCA organised the second experience-sharing seminar on 12 December 2022 and invited the major mobile network operators, selected grantees under the Scheme as well as a special speaker from the Hospital Authority to share their experiences on how the deployment of 5G applications fostered innovation, and improved the efficiency of operation and quality of services.³ Over 220 participants joined the seminar either in person or online.

CONCLUSION

10. In conclusion, the Scheme played an important role to provide financial support to encourage different industry sectors to adopt 5G and take advantages the benefits of 5G to improve their services, enhance productivity and reduce cost. The Scheme also promoted 5G deployments with a view to facilitating smart city development and providing convenience for the public in their daily life while opening up more business opportunities and room for development for start-up businesses. Overall, the Scheme offered an opportunity for different industry sectors to harness the power of 5G, foster innovation, and stay competitive in today's digital landscape that would contribute to enhancing Hong Kong's overall competitiveness.

VIEWS SOUGHT

11. Members are invited to note the content of this paper. More information on the Scheme is available from OFCA's website.⁴

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³ Please refer to the highlights for more information on the second experience-sharing seminar: https://www.ofca.gov.hk/en/industry_focus/industry_focus/exp_sharing_on_5g_applications/seminar_2022/index.html.

⁴ <https://www.ofca.gov.hk/5g-subsidy>.