

INTERNATIONAL INSTITUTE OF COMMUNICATIONS

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Connectivity For all

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Miss Elaine Hui

Assistant Director (Regulatory)

Office of the Communications Authority, Hong Kong

Fellow speakers, ladies and gentlemen,

Good day everybody! Connectivity has never been as important as in the situation we are facing now. The COVID-19 pandemic has moved all sorts of activities to the online platforms. For myself, I cannot recall how many online conferences and meetings I have attended in the last couple of years. As we are home bound, we work, study, socialise, enjoy entertainment, and shop online, more than ever before. All these require not only good network coverage, but also sufficient bandwidth to enable smooth operation. It is in this context that I would like to share with you our work on enhancing connectivity in Hong Kong.

Overview of Hong Kong's Telecommunications Market

2. To start with, I would like to briefly introduce Hong Kong's telecommunications market. Our telecommunications markets are fully liberalised, with licences granted to 60 carriers, over 500 services-based operators and numerous class licensees to provide internal and external telecommunications services. The Communications Authority ("CA"), the sector regulator, adopts a light-handed and pro-competition approach in the regulation of the telecommunications sector. In a keenly competitive market setting, consumers enjoy a variety of high-speed fixed and mobile services at competitive prices. Our fixed broadband penetration rate reached 96%, and 80% of the households are connected to the fibre-based networks. Household broadband access with transmission speed at 1 Gbps is available at as low as US\$10 per month. In the mobile sector, the

subscriber penetration rate stood at a high of 308%, while the charge of 5G service plan with 10 GB data usage is as low as US\$24 per month. There is however no room to be complacent, we have put in place specific measures to expand fixed and mobile connectivity for all.

Roll-out of Fibre-based Networks to Villages in Remote Areas

3. On the fixed network side, the Government has launched a major policy initiative to extend fibre-based networks to remote areas. Whilst most people can enjoy high-speed broadband services in Hong Kong, some residents living in villages located in remote areas are still using broadband services delivered over copper-based networks at a speed of 10 megabits per second or below due to the high costs of network installation. Thus, the Government provided financial incentives to fixed network operators through a subsidy scheme to extend fibre-based networks to the remote villages, and the network extension will be completed by phases starting from 2021. The extension of fibre-based networks will not only enable villagers to enjoy high-speed fixed broadband services, but will also provide the infrastructure necessary for the deployment of other types of telecommunications services, especially 5G, and Wi-Fi services.

Timely Release of 5G Spectrum

4. On the mobile side, timely release of 5G spectrum is instrumental to the provision of high-speed and high-capacity 5G services. We conducted two rounds of 5G spectrum auction, in 2019 and 2021 respectively. Altogether 530 MHz of new spectrum in the low and mid frequency bands has been successfully auctioned off, including spectrum in the 700 MHz, 3.3 GHz, 3.5 GHz and 4.9 GHz bands. 5G services also need the support of spectrum in the high frequency bands to provide the capacity. Earlier on we have administratively assigned 1 200 MHz of mmWave spectrum in the 26 GHz and 28 GHz bands to mobile network operators (“MNOs”), and are prepared to release further spectrum to the market when additional demand arises. In total, 1 730 MHz of new spectrum has been supplied to the industry which is equivalent to almost three times of the spectrum previously released for the provision of 2G, 3G and 4G services. Under our technology-neutral policy in spectrum

assignment, MNOs are free to refarm the spectrum they have on hand for the provision of 5G services.

Opening up of public facilities for 5G rollout

5. After spectrum release, then it is network rollout. To facilitate the expedient and effective rollout of 5G networks, we launched a pilot scheme since March 2019, making available over 1 000 Government venues (such as municipal service buildings, sports ground, public markets) to MNOs for installation of radio base stations (“RBSs”) under streamlined application and approval procedures. Further to this initial launch, we have further expanded the scheme under a “demand-led” model to open up more Government premises for installation of RBSs. Complementary to the above, we also open up suitable street furniture such as sheltered bus stops, lamppost and public payphone kiosks for installation of small 5G cells to improve network capacity in high traffic areas.

6. With the support of MNOs, Hong Kong’s 5G network already covers over 90% of the population in Hong Kong.

Encouraging the Early Deployment of 5G

7. To promote 5G take-up at the user end, we launched the Subsidy Scheme for Encouraging Early Deployment of 5G under the second round of Anti-Epidemic Fund in May 2020. The scheme aims to encourage various sectors to deploy 5G technology early to foster innovation and smart city applications, thereby improving their operation efficiency and service quality to enhance Hong Kong’s overall competitiveness. These projects serve as good examples to demonstrate what and how 5G could help in business operations and would help stimulate adoption of 5G technology in different sectors. It also supports enterprise users which are hit hard by COVID-19.

Concluding Remarks

8. To conclude, no doubt telecommunications have become a vital utility in the information age. We can spare no effort to continue to enhance connectivity for all. I look forward to having a fruitful exchange in the remaining time of this session.

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