

**Representations from “David Cheung” in response to Consultation Paper on
“Application for Prior Consent under Section 7P of
the Telecommunications Ordinance in respect of the Proposed Acquisition of
CSL New World Mobility Limited by HKT Limited”**

由「David Cheung」就
香港電訊有限公司就建議收購 CSL New World Mobility Limited
按《電訊條例》第 7P 條申請事先同意諮詢文件
所提交的申述

Dear Mr Shiu,

From a consumer point of view, I am strongly against this acquisition in the mobile market of HK.

First of all, this acquisition has no clear benefit for any HK people to use the mobile service with lesser choice from 5 to 4. HKT has already got the mobile service license through the acquisition of Sunday few years ago. If she wants to provide better service and innovation in the mobile market, she has already got the capability to do it. Also she has the fixed network license, pay and free TV license which has provided many room for development in the HK market.

Secondly, the operators number form 5 to 4 would provide more less competitive environment and allow them to align the offer and price more easy. Just like observe from the market, all operators (except CMHK) have both removed the unlimited data usage plan in the market last year. It can reflect some alignment had already made in the market. And so further reduce the operator number would help them to get the alignment. Particularly, the Li's family has holding two biggest operator in HK which give them more monopoly power, just like the supermarket in HK.

Thirdly, although their CEO agree to release the spectrum for the market, but it does not mean the mobile service offer would be lower for the consumer. As HKT is the listed company in HK, their target must be earning profit for their shareholders. So this is just benefit for HKT to acquire the spectrum from CSL to lower their cost, but it does not mean they will lower the price to the market accordingly. On the otherhand, through the monopoly power, they may even raise the price by more alignment with less competitors market.

Last but not least, any business merging in the world would comes up with staff layoff (personally, I don't believe their CEO statement about staff retaining) because it is natural to reduce the labour with higher business efficiency. 3HK has recently cutting over 100 staff in the end of 2013. So further merging in the market approved by OFCA, must come up with further labour reduction in the telecom market. Finally it would come up with less improvement in the market.

Hence clearly, this acquisition is purely for HKT own business benefit, not public interest. It just like if TVB acquire ATV, consumer must have lesser choice if the acquisition come from the same industry and finally make the market shrinking and less innovation.

As the government body to maintain the best interest for the public, definitely the acquisition can't be approved.

Thanks for your consideration.

A HK people - David