

24 May 2017
Office of the Communications Authority
29/F., Wu Chung House
213 Queen's Road East
Wan Chai, Hong Kong
Attention: Head, Regulatory 2

Dear Sir/Madam

On behalf of Huawei International Co. Limited., we are pleased to share our opinions on "The 2nd Consultation on Re-assignment of 900MHz & 1800MHz Bands Spectrum".

Four mobile network operators are currently providing mobile services in Hong Kong, where handset penetration is extremely high. The market is highly saturated and fiercely competitive. With tariff package prices in continuous decline, operators have little room for revenue growth. Furthermore, operators are facing high operating expenses, with real estate, labor and other operational costs all continuing to rise, which in turn reduces profitability.

Hong Kong has always set the standard as a leader in the global telecom and financial industries. With the impact of converging ICT industry trends, Hong Kong operators have already invested a great deal in mobile internet and smart city solutions, allocating considerable capital and human resources.

900MHz and 1800MHz are the foundation layers for wide and deep coverage of both voice and data services. From experience, these spectrums will be in continuous use for the long term. Maintaining network stability and service continuity is important for both the Hong Kong telecom industry and the people of Hong Kong.

With regard to the re-assignment of 900MHz and 1800MHz bands spectrum, we respectfully suggest that OFCA considers reasonable spectrum prices, bearing in mind the competitive nature of the Hong Kong market, incumbents' investment in new technologies, and the need for business continuity for operators on the 900MHz and 1800MHz bands. This positive step will help inspire more financial and manpower investment into the telecom industry of Hong Kong, helping to provide a platform with a plethora of professionals for Hong Kong's upcoming 5G era. It will also provide room for operators to formulate more strategic plans for business continuity, ongoing innovation, and the further development of the economy of Hong Kong.

Yours sincerely,

Fiona Cheuk
PR Director
Huawei International Co. Limited