



Chairman's Message



It is a great pleasure for me to present this report of the Communications Authority (the Authority), which provides a detailed account of the tasks undertaken by the Authority for the year ending 31 March 2019 and the challenges ahead.



A Vibrant Broadcasting Market

Review of Television and Sound Broadcasting Regulatory Frameworks by the Government and Implementation of Measures by the Authority to Streamline Administrative Requirements

One of the major tasks of the Authority in 2018/19 was to provide support to the Commerce and Economic Development Bureau (CEDB) in the review of the television and sound broadcasting regulatory frameworks. The review aims to modernise the regulatory frameworks in response to market needs and technological developments. After the review,



CEDB proposed to relax certain restrictions and introduced legislative amendments to give effect to the proposed relaxation measures. Apart from the legislative amendments pursued by CEDB, the Authority also implemented non-legislative measures to streamline administrative requirements with a view to further facilitating the operations of the broadcasting industry.

Rapid Growth of the Telecommunications Market

Hong Kong's telecommunications market continued to flourish during the year under review. By March 2019, the number of mobile subscriptions reached 22.6 million, including around 22 million subscriptions of the third generation (3G) and fourth generation (4G) mobile services. Mobile network operators (MNOs) and mobile virtual network operators (MVNOs) were offering 4G services at affordable prices. Mobile data services were available at downlink speeds of up to 1 100 megabits per second (Mbps) using Long Term Evolution technology. In March 2019, the monthly mobile data usage further surged to 54 860 Terabytes, representing 1.4 times and 2.2 times of the monthly usage over the same period in 2018 and 2017 respectively. The mobile data usage per capita rose to 7 328 Megabytes in March 2019, compared with 5 444 Megabytes in March 2018 and 3 436 Megabytes in March 2017. The increasing popularity of 4G mobile services has further boosted mobile data usage. The Authority will

continue to introduce necessary measures to facilitate the robust development of the mobile services market.

Major Tasks and Challenges in the Coming Year

Looking ahead, we will continue to perform our regulatory functions on the broadcasting front, and to strike a balance between providing a more conducive business environment to broadcasting licensees and the protection of the interests of the audience.

On the telecommunications front, a major priority of the Authority is to make preparations to facilitate the launch of the fifth generation (5G) mobile services. During the year, the Authority and the Secretary for Commerce and Economic Development (SCED) conducted three public consultations to release a total of about 4 500 MHz of spectrum in various frequency bands (the 3.3 GHz, 3.5 GHz, 4.9 GHz, 26 GHz and 28 GHz bands) for the deployment of public mobile services, including 5G services, which is more than eight times of the existing amount of spectrum assigned for second generation (2G), 3G and 4G services. To enable the industry to have a holistic picture of spectrum supply, three joint statements of the Authority and SCED were issued on 13 December 2018 to promulgate their respective decisions on the arrangements for assignment of the concerned spectrum bands by batches from April 2019 as well as the associated spectrum utilisation fee (SUF).



Following the administrative assignment of 400 MHz of spectrum in the 26 GHz and 28 GHz bands in April 2019 to each of the three incumbent MNOs as per their applications for the provision of large scale public mobile services including 5G services, the Authority also invited applications for assignment of the shared spectrum in the 26 GHz and 28 GHz bands from July 2019 for the provision of localised innovative 5G services to specific groups of users on a geographically sharing basis, with a view to driving the development of innovative 5G and smart city applications. In addition, the Authority planned to conduct three consecutive auctions from October to November 2019 for the assignment of 380 MHz of spectrum in the 3.3 GHz, 3.5 GHz and 4.9 GHz bands. With the timely supply of the spectrum to the market, commercial launch of

5G services in Hong Kong is expected in 2020, largely in synchronisation with other advanced economies in the world.

The work that lies ahead will be as diverse and challenging as that in 2018/19, especially in the facilitation of 5G development in Hong Kong. I would like to take this opportunity to express my gratitude to members of the Authority for their continued hard work and commitment throughout the year. I am also thankful to colleagues of the Office of the Communications Authority (OFCA) for their stellar efforts in supporting the work of the Authority. With their dedication and professionalism, the Authority is set to drive Hong Kong's position from strength to strength as Asia's most attractive and competitive communications hub.

