



香港互聯網暨通訊業聯會  
Internet & Telecom Association of Hong Kong

GPO Box 13461, H.K.  
Tel: (852) 2504-2732  
Fax: (852) 2504-2752  
Website: <http://www.itahk.org.hk>  
E-mail: [info@itahk.org.hk](mailto:info@itahk.org.hk)

*Press Release*

*Tuesday, 17 December, 2002*

## ITAHK Position Paper Calls for a Review of Hong Kong's Telecom Regulation

"ITAHK members' experience is that OFTA is often unable to stand firm with its decisions: this creates uncertainty and delay for the operators, which have a detrimental effect on their businesses. Members feel that the limited resources available to OFTA prevent its staff from responding in an appropriate and timely way to the needs and problems faced by operators," states the ITAHK (Internet & Telecommunications Association of Hong Kong) in a Position Paper submitted to the Government on 16<sup>th</sup> December, 2002.

The ITAHK points out that Hong Kong has one of the most advanced telecommunications industries in the world, and acknowledges OFTA's valuable role in liberalizing the sector in Hong Kong, but the Association feels that "the extremely rapid evolution of telecommunications and the Internet have created new demands upon the regulator that cannot be met by its current structure and personnel."

### **Many Issues Raised**

This is one of many calls for change contained in the ITAHK's 12-page Position Paper, entitled: "Maintaining Hong Kong's Leading Telecommunications Role," and addressed to Mr. Henry Tang, Secretary for Commerce, Industry & Technology, the Hong Kong SAR Government. The ITAHK Position Paper calls for action on 21 issues raised by its underlying four functional group members:

- CPE Vendor & Equipment Supplier Group;
- Fixed Network & Value Added Service Group;
- Mobile Network & Service Provider Group;
- Internet Service & Content Provider Group.

The Position Paper was written with the intention of providing the Government with more information about the effects of current regulatory policy upon the telecommunications industry, and to help align future regulations with the needs of a prosperous and successful industry. Executive Committee Members of the ITAHK have met the Secretary for Commerce, Industry & Technology within the last few months, and received assurances that the Government welcomes feedback from the industry and is keen to remove any obstacles to the rapid development of Hong Kong as an important IT and telecommunications hub in the Asia Region.

### **External Trade Policy**

Another major theme of the paper is the Government's external trade policy. ITAHK believes that the Government should do more to nurture the core competence of the local telecommunications industry. "Such a policy can contribute to the growth of a strong, export-oriented telecommunications sector that can compete successfully in China and overseas, in order to secure export revenue and increase the sector employment within the Hong Kong SAR," claims the paper.

The paper details three recent regulatory schemes recently introduced by OFTA which are opposed by ITAHK members. They are:

- o The Telecommunication Amendment Bill, introduced to regulate mergers and acquisitions (M&A);
- o The Special Number Arrangement, whereby popular telephone numbers (for example, "lucky numbers" which may include the number '8') would be assigned to customers only in exchange for a fee payable to OFTA;
- o The Billing and Metering Integrity Scheme (BMIS), recently introduced by OFTA in response to customer complaints about telecoms billing.

The position paper states that a fundamental problem facing the industry in Hong Kong is the shortage of trained professionals in the telecommunications and IT disciplines and also the mismatch in skills between available specialists and those needed.

The position paper also describes a number of other issues that concern members of the ITAHK, including:

- o Cost of license mobile network operator fees;
- o Interconnection issues between different telecoms networks;
- o Absence of an accounting manual for 3G networks;
- o Extension of 2G licenses up for renewal;
- o Standards for service quality;
- o Regulations for outdoor broadband wireless networks.

In conclusion, the Position Paper states:

The Telecommunications industry is both large and rapidly-evolving. The regulatory requirements associated with telecommunications provide a substantial challenge to Governments everywhere. The ITAHK believes that this regulatory challenge can best be met by focusing the best industry expertise available on the problems involved. To this end, we hope that the ITAHK can work more closely with OFTA and other Government Departments, to ensure that telecommunications can play the strongest possible role in the future development of Hong Kong's economy.

The full text of the ITAHK's Position Paper will be available from 18 December the Association's website at: [www.itahk.org.hk](http://www.itahk.org.hk).

#### About the ITAHK

The Internet & Telecom Association of Hong Kong was incorporated in 1983 (as the "Telecom Association of Hong Kong"), following the announcement by the Hong Kong Government of the deregulation of communication products and services.

The Association's overall objective is to maximize the benefits to both its membership and the general public derived from the communications and related industries. More specifically, the Association assists its members to cope with the ever-changing market environment, especially the emergence of the Internet and e-commerce with the many associated business opportunities.

We achieve this by striving to enhance cooperation and cohesion between companies in the industry, by building up business networks amongst players in the market, and by providing a voice for the industry with which to raise issues with officials of the Government and Telecommunications Authority. The Association currently comprises over 100 corporate members and more than 40 associates and individual members.