

CHAPTER **2**

Chairman's Message

It is my great pleasure and honour 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 2024 and the challenges ahead.



A VIBRANT BROADCASTING MARKET

The broadcasting sector in Hong Kong continues to be vibrant and versatile, with 15 free-to-air digital television channels and 14 radio channels provided by various commercial broadcasters and the public service broadcaster, Radio Television Hong Kong (RTHK), as well as over 700 local and overseas television channels in various languages available through free-to-air terrestrial and satellite reception or pay television services. Hong Kong is also situated at a strategic location for uplinking satellite television services to the Asia Pacific region, currently with nine non-domestic television programme service (non-domestic TV) licensees providing around 150 satellite television channels for audience in the Asia Pacific region.

One of the major tasks of the Authority in 2023/24 was to conduct a review of its broadcasting codes of practice (CoPs) along the direction of refining the regulatory regime to facilitate the broadcasting licensees to meet the challenges of the rapidly evolving business environment while protecting the interests of the community at large. The Authority completed the review and the amended CoPs took effect in December 2023, relaxing the regulatory regime in terms of sponsorship and indirect advertising, and transmission of programmes/channels acquired from reputable sources in the Mainland, etc. in a bid to reduce compliance costs and to facilitate new revenue streams. The amended CoPs also stipulated requirements for broadcasting licensees to safeguard national security in their broadcasting services in compliance with the National Security Law (NSL). The Authority will continue to keep in view the developments of the broadcasting sector, and strive to provide a more flexible and conducive environment for the continued development of the broadcasting industry.



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RAPID GROWTH OF THE TELECOMMUNICATIONS MARKET

Hong Kong's telecommunications market continued to flourish over the past year. By March 2024, the number of mobile service subscriptions reached 25.3 million and over 99% of them were subscriptions of the third generation (3G), fourth generation (4G) and fifth generation (5G) mobile services. Further to the commercial launch of 5G services since 1 April 2020, 5G mobile service subscriptions reached almost 6.9 million in March 2024, representing a mobile service subscriber penetration rate¹ of 91.5%. Mobile network operators (MNOs) and mobile virtual network operators (MVNOs) were offering 4G and 5G services at affordable prices. In March 2024, the monthly mobile data usage further surged to 217 615.5 Terabytes, representing 1.3 times of the monthly usage over the same period in 2023. The monthly mobile data usage per capita rose to 28 748.9 Megabytes in March 2024, compared with 22 279.5 Megabytes in March 2023, representing a 29.0% increase. We expect that 5G services will further boost mobile data usage with the new range of innovative services and applications empowered by 5G. The Authority will continue to introduce necessary measures to facilitate the robust development of the mobile services market.



¹ Calculation of mobile subscriber penetration rate does not include machine type connections.

MAJOR TASKS AND CHALLENGES IN THE COMING YEAR

On the broadcasting front, licence renewal of major licensees will be a key area of work in the coming years. In preparation for the upcoming licence renewal exercise, the Authority is conducting a public opinion survey to track the evolving viewing and listening habits of the public, so that the Authority can better factor these in when processing possible licence renewal applications by major broadcasters. The survey is expected to be completed by the end of 2024.

On the telecommunications front, the Authority will conduct two spectrum auctions in November 2024. One is to re-assign 20 MHz of spectrum in the 850/900 MHz band and 90 MHz of spectrum in the 2.3 GHz band. The other will assign a total of 400 MHz of spectrum in the 6/7 GHz band. The auctions target to increase the supply of suitable spectrum to foster further development of 5G and other mobile communications services. Further, the Authority launched the second round administrative assignment of the remaining 2 500 MHz of non-shared spectrum in the 26 GHz and 28 GHz bands (26/28 GHz band) for application by the industry in February 2024 to facilitate the continuous development of 5G and other mobile communications services.

The work that lies ahead will be as diverse and challenging as before. The Authority will continue to do its utmost to foster a conducive environment to support the communications sector.

I would like to extend my gratitude to members of the Authority for their commitment and insightful contribution throughout the year, and to former members and my predecessors for the achievements they made over the years. I would also like to thank colleagues of the Office of the Communications Authority (OFCA) for their dedication and professionalism in supporting the work of the Authority.