

Speech by SCIT at CASBAA Convention 2006

Following is a speech by the Secretary for Commerce, Industry and Technology, Mr Joseph WP Wong, at the opening ceremony of Cable and Satellite Broadcasting Association of Asia (CASBAA) Convention 2006 "From Bandwidth to Brandwidth" today (October 25): (English only)

Marcel, distinguished guests, ladies and gentlemen,

Good morning. It is my great pleasure to join you at the CASBAA Convention 2006 today.

I was asked to deliver an opening address for the convention, titled "From Bandwidth to Brandwidth" this year. "Bandwidth" obviously refers to airwaves, or more broadly transmission networks. But what about "brandwidth"? Thanks to the almighty Internet, I found that the word was coined by Mr Sergio Zyman, the PR guru and former Coca-cola marketing chief, to refer to branding and selling in the cyberspace. It goes without saying that what the broadcasting industry brands and sells over the transmission network in the cyberspace, from bandwidth to brandwidth, is "content". And, content comes with a premium. Government policies and regulations should facilitate the development of content in the broadcasting industry to ensure it continues to flourish to the enjoyment of the general public.

Spectrum Policy Review

Let me start with bandwidth. Spectrum is an important resource used for the provision of a wide range of services from telecommunications, broadcasting to meteorology and aviation. The use of spectrum in Hong Kong has always been managed by the Government primarily to promote efficient allocation and to prevent one spectrum user from causing unacceptable interference to another.

With the rapid advancements in radiocommunications technologies and dynamic market developments, it is increasingly difficult for the Government to possess all the relevant information, particularly market information, needed to make judgements on what is best for the community. In recent years, some overseas advanced economies

have moved away from the "command and control" approach towards market-based arrangements for spectrum management. Furthermore, the industry in Hong Kong has expressed a wish for more clarity and predictability in spectrum rights and supply to enable them to make better-informed investment decisions.

With the above considerations in mind, we undertook a fundamental review of the current spectrum policy. The aim is to formulate a responsive and transparent spectrum policy that enables the community to reap the maximum economic benefits from the deployment of spectrum. Today, we will be launching a public consultation on the proposals for the policy framework.

Under our proposals, the policy objectives for spectrum and the guiding principles for spectrum management would be more clearly articulated. One of the policy objectives would be to strengthen Hong Kong's strategic position as a world city and gateway between the Mainland of China and the world by facilitating the provision of key services in Hong Kong which are, or will be deployed globally or on the Mainland of China. Market-based approaches should generally be used for spectrum management.

Another policy objective proposed in the consultation paper is to encourage maximum utilisation of the allocated spectrum. Spectrum management mechanism should also become more transparent in respect of spectrum supply and rights. So we will mention spectrum trading as an area for further study. Given that spectrum is no more than a means to support a multitude of services, from communications to aviation or from meteorology to broadcasting, a policy on the management of spectrum should not be confused with the policies in these respective spheres.

We welcome views from you and the public in the coming three months on the proposals in the consultation document which we will upload to our website this afternoon. Our aim is to put in place a spectrum policy which is on par with best international practices, and attuned to the unique situation of Hong Kong.

Conducive Regulatory Environment

Consistent with our business-friendly philosophy embedded in our policy, we have always strived to provide the industry with a regulatory environment conducive to innovation and investment. We opened up our TV market in 2000, and have since

then put in place a very light-handed regulatory regime for the broadcasting industry. Unlike most economies, we have no foreign investment limit, no restriction on business models and no local content requirement on the provision of pay TV services. And we certainly do not precensor broadcast content. All these give us a headstart in the era of digitisation and convergence. I am glad that Hong Kong, together with Japan, ranked first on regulatory effectiveness in CASBAA's study last year. This study shows that our regulatory effectiveness has in fact led to significant investment in the pay TV industry over the years.

We are also among the first jurisdictions in the world to embrace technical neutrality in regulating TV services. This horizontal, technology-neutral approach allows changes to regulation of conveyance and content to occur at a different pace; and it has been facilitating media convergence on a single platform.

A vivid example is IPTV. We have not nor did we ever propose legislation for IPTV to be introduced. As a result, we have witnessed the world's first and largest commercial IPTV deployment in Hong Kong. Now, three out of four pay TV operators in Hong Kong are providing IPTV. More than 27% of Hong Kong households are enjoying IPTV services over the broadband network, with some 200 programme channels available at a price of as low as \$5 (64 cents in US dollars) per channel per month on an a-la-carte basis. This is unprecedented anywhere else in the world. One Hong Kong company is in fact exporting its IPTV expertise and experience to other economies in Asia-Pacific and Europe.

Meeting future challenges

However, we are not complacent and are indeed bracing ourselves to meet the challenges ahead in the increasingly convergent environment. The two immediate challenges are the establishment of a Communications Authority and the Government's role in promoting the development of mobile TV services in Hong Kong.

On the first challenge, we have completed our consultation exercise. In the light of favourable response from the industry, we will introduce legislation in the current legislative session to merge the existing Broadcasting Authority and Telecommunications Authority to form a unified regulator, called Communications Authority, for the whole electronic communications sector.

On the second challenge, we believe Hong Kong is best placed to nurture the growth of mobile TV services given our ultra-high mobile penetration, one of the highest in the world and close to 130% at this moment. We also believe in putting in place a business-friendly regulatory framework accompanied with appropriate spectrum allocation arrangement. We are considering the way forward and will consult the community and the public on our proposal. In the process, we will make sure that Hong Kong continues to be one of the forerunners in adopting leading TV broadcasting technologies.

Intellectual Property Protection

We understand that copyright infringement is one of the major threats faced by the broadcasting and content production industries.

With the development of the broadband infrastructure and the emergence of file sharing technology, distribution of copyright works in the digital environment has become more expedient and effective than ever before. It is important that the digital platform of Internet reward right owners for their works, and not act as a shelter for piracy activities. To deal with the problem of Internet piracy, the Government has been adopting a multi-pronged approach which encompasses legislation, enforcement and public education. In addition, we will review whether and how our copyright law should be amended to give a more effective copyright protection in the digital environment. We plan to launch a public consultation on the subject by the end of this year. The broadcasting industry, as one major member of our creativity forces, will be much welcome to give views on the subject.

In relation to reception of foreign satellite television services not licensed in Hong Kong, CASBAA is currently taking legal action against some pubs for showing in public World Cup 2006 matches carried by unlicensed foreign satellite television services. We welcome CASBAA and copyright owners taking civil action against those who have infringed their copyright, and we will consider what can be done to further facilitate copyright owners in their civil action. At the upstream level, we will continue to vigorously enforce the law to control the supply of decoders to receive unlicensed foreign satellite television services. We are also taking stock of the situation in Hong Kong and study overseas legislation to assess if further actions on

the part of the Government to tighten the control of the use of such decoders for commercial purposes are justified.

Exploring Market Opportunities

Apart from formulating and practising sound regulatory policy, the Government also sees its role as assisting the industry to explore market opportunities.

Hong Kong is a small market for content production and distribution. Geographically and culturally, it is crystal clear we should tap the potential in the adjacent huge market in the Mainland in general and the Cantonese-speaking market in the Pearl River Delta region in particular.

Under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), we have been seeking greater market access for Hong Kong-originated or Mainland-Hong Kong co-produced movies and TV dramas. Hong Kong films can now be imported for distribution in the Mainland on a quota-free basis, the ban on broadcasting co-produced TV dramas in Mainland during prime time has been lifted, and the mechanism for approval of co-production of TV dramas has been streamlined. We shall continue our efforts towards more liberalisation under CEPA.

Conclusion

"I think I am the actors' tailor", said Mr Lee Ang (李安), the prominent Chinese director. I believe many of you have used the services of our Hong Kong tailors and found them the best in the world. I am not sure the HKSAR Government or myself as SCIT qualifies as a good tailor to size up and dress the cable and satellite industry. But I think you and I agree that the fewer clothes the industry wear, the better. So on this common understanding, I will do my best to make you feel comfortable while you do your best to please your viewers and make more profit in the freest economy in the world.

Thank you.

Wednesday, October 25, 2006

二 零 零 六 年 亞 洲 有 線 與 衛 星 電 視 廣 播 協 會 會 議 「 由 頻 寬 至 品 牌 寬 度 」 工 商 及 科 技 局 局 長 王 永 平 先 生 開 幕 致 辭 全 文

Marcel 、 各 位 嘉 賓 ， 各 位 先 生 女 士 ：

你 們 早 。 今 天 能 與 各 位 一 同 出 席 二 零 零 六 年 亞 洲 有 線 與 衛 星 電 視 廣 播 協 會 （ 協 會 ） 會 議 ， 我 感 到 十 分 高 興 。

我 應 協 會 邀 請 致 開 幕 辭 ， 今 年 大 會 的 主 題 是 「 由 頻 寬 （ bandwidth ） 至 品 牌 寬 度 （ bandwidth ） 」。 「 頻 寬 」 顯 然 是 指 大 氣 電 波 ， 或 泛 指 傳 送 網 絡 。 不 過 ， 何 謂 「 品 牌 寬 度 」 ？ 幸 好 有 全 能 的 互 聯 網 ， 我 從 中 得 知 「 品 牌 寬 度 」 一 詞 是 由 公 關 大 師 及 可 口 可 樂 前 市 務 推 廣 主 管 Sergio Zyman 先 生 所 創 ， 指 在 數 碼 空 間 建 立 品 牌 和 進 行 銷 售 活 動 。 不 消 說 ， 廣 播 業 界 在 數 碼 空 間 中 利 用 傳 送 網 絡 建 立 品 牌 和 進 行 銷 售 的 ， 亦 即 由 頻 寬 至 品 牌 寬 度 的 ， 就 是 「 內 容 」。 此 外 ， 內 容 則 有 其 經 濟 價 值 。 政 府 的 政 策 和 規 管 應 便 利 廣 播 業 界 以 至 內 容 的 發 展 ， 讓 他 們 為 普 羅 大 眾 繼 續 帶 來 更 多 享 受 。

無 線 電 頻 譜 政 策 檢 討

讓 我 先 由 頻 寬 談 起 。 無 線 電 頻 譜 是 重 要 的 資 源 ， 可 用 於 提 供 電 訊 、 廣 播 、 氣 象 和 航 空 等 多 種 服 務 。 在 香 港 ， 頻 譜 的 使 用 一 直 由 政 府 管 理 ， 主 要 是 為 了 使 資 源 得 到 更 有 效 的 編 配 和 使 用 ， 以 及 防 止 某 一 頻 譜 使 用 者 對 其 他 頻 譜 使 用 者 制 造 不 能 接 受 的 無 線 電 幹 擾 。

由 於 無 線 電 通 訊 技 術 日 新 月 異 ， 市 場 蓬 勃 發 展 ， 政 府 要 取 得 所 有 相 關 資 訊 （ 特 別 是 市 場 資 訊 ）， 從 而 作 出 對 社 會 最 有 利 的 判 斷 ， 日 益 困 難 。 近 年 ， 部 分 先 進 海 外 國 家 或 地 區 已 棄 用 「 指 令 及 控 制 」 方 式 ， 改 為 采 用 由 市 場 主 導 的 方 式 來 管 理 頻 譜 。 此 外 ， 香 港 的 業 界 亦 曾 表 示 ， 希 望 在 頻 譜 使 用 權 和 頻 譜 供 應 方 面 得 到 更 清 晰 和 可 預 測 的 資 料 ， 以 便 他 們 有 更 充 足 的 資 訊 作 出 投 資 決 定 。

在 考 慮 上 述 的 因 素 後 ， 我 們 已 對 現 行 頻 譜 政 策 進 行 全

面檢討，以制訂一套能迅速回應技術和市場發展，並且具透明度的頻譜政策，讓社會從頻譜的運用中取得最大的經濟效益。我們會由今天開始就頻譜政策綱要的建議，展開公眾諮詢。

根據建議，我們將會更清楚地說明頻譜政策的目標和頻譜管理的主導原則。其中一項建議的政策目標，是透過推動業界在香港提供于全球或內地使用或將會使用的主要服務，鞏固香港作為國際城市及進入中國內地的大門的策略性地位。在一般的情況下，我們將採取市場主導的方式來管理頻譜。

諮詢文件中建議的另一項政策目標，是促使已編配的頻譜發揮最大效益。在頻譜供應和頻譜使用權方面，頻譜管理的機制應更具透明度。因此，我們會提出以頻譜交易為進一步研究的範圍。由於頻譜僅為一種工具，用作支援由通訊至航空、或由氣象以至廣播等不同的服務，因此頻譜管理政策不應與這些個別領域的政策混為一談。

我們歡迎你們和其他公眾人士，在未來三個月就諮詢文件的建議發表意見。諮詢文件將於今日下午上載至政府的網頁。我們的目標是制訂一套能夠媲美國際最佳標準，亦能切合香港獨特情況的頻譜政策。

有利各方的規管環境

與我們的政策中便利營商的理念一脈相承，我們素來致力為業界提供便利革新和投資的規管環境。我們於二零零零年開放電視市場，並由當時開始就廣播業制訂非常寬松的規管措施。有別於大部分經濟體系，我們在提供收費電視服務的規管方面，沒有限制外商投資、沒有限制業務模式或要求必須提供本地內容。另外，我們當然不會預先檢查廣播內容。凡此種種，均令我們能夠在數碼化和匯流的環境中節節領先。我很高興知道香港和日本一同在協會去年一項有關規管成效的研究中名列榜首。研究結果顯示，本港的規管措施成效顯著，這實際上已在過去數年為本港的收費電視業帶來

可觀的投資。

在規管電視服務方面，我們也是全球最早採納科技中立的規管模式的國家或地區之一。採用這項橫向而科技中立的規管方式，容許傳送和內容的規管作不同步伐的演化，有助媒體于單一個平台上匯流。

網絡電視正是一個鮮明的例子。我們無須修訂法例，便可推出網絡電視。本港是全球首個和最大規模商營網絡電視的集中地，這一點殊非偶然。目前，本港四家收費電視營辦商中，有三家提供網絡電視服務。超過 27% 的本港家庭，現時在寬頻網絡上收看網絡電視，節目頻道多達 200 條。如按單項計算，每條頻道每月收費低至港幣五元（美元六角四分）。縱觀世界各地，這情況絕無僅有。事實上，一家本港公司現正向亞太區和歐洲的國家或地區，輸出網絡電視的專業知識和經驗。

迎接新的挑戰

然而，我們決不自滿；我們正作好準備，迎接日益匯流的環境所帶來的沖擊。當前兩項挑戰是成立通訊事務管理局和政府在推動本港流動電視服務發展的角色。

關於第一項挑戰，我們已完成諮詢工作。得到業界積極的回應和認同，我們正準備把廣播事務管理局與電訊管理局合並，成立通訊事務管理局，作為整個電子通訊界的單一規管機構。

至於第二項挑戰，鑒於我們的流動通訊極為普及（普及率目前接近 130%，是全球最高的地方之一），我們相信香港擁有最有利條件發展流動電視服務。我們亦會致力引進便利營商的規管架構及適當的頻譜編配安排。我們現正計劃未來動向及將會征詢社會各界及公眾的意見。在過程中，我們將會確保香港能繼續其採用先進電視廣播科技的先驅地位。

保護知識產權

我們明白侵犯知識產權的行為，是廣播和內容制作業界面對的最大威脅之一。

隨寬頻基建的發展及檔案分享技術的出現，在數碼環境分發版權作品較以前更趨便利和有效。因此，最重要的是確保互聯網的數碼平台能成為版權擁有人獲得回報的途徑，而不是淪為盜版活動的庇護所。政府一直採取多管齊下的方法，包括透過立法、執法行動和推行公眾教育，來處理互聯網盜版的問題。此外，我們會檢討是否需要及如何修訂版權法例，以期在數碼環境中更有效保護版權。我們計劃在本年年底展開公眾諮詢，並且十分歡迎作為本港創意產業主要一員的廣播業界就這個議題發表意見。

有關接收並非在香港領有牌照的外地星電視服務，協會現正對數間酒吧採取法律行動，指酒吧公開播放沒領牌的外地星電視服務所提供的二零零六年世界杯足球賽事。我們歡迎協會以及版權持有人，根據《版權條例》向侵權人士提出民事訴訟。我們會考慮如何能進一步便利版權擁有人提出民事訴訟。此外，我們會繼續針對上遊活動嚴格執法，從而堵截提供用作接收沒領牌的外地星電視服務的解碼器。我們亦會檢視香港的情況及研究海外的法例，以評估是否有充份理據支持由政府這一方面作進一步行動，以加強管制使用該類解碼器作商業用途。

探求市場機遇

除了制訂及執行穩妥的規管政策，政府亦會協助業界探求市場機遇。

在內容制作和發行方面，本港市場規模無疑不大。不管是地域上還是文化上，我們都應眼於與我們毗鄰在內地的龐大市場，特別是珠三角一帶以粵語為主的市場，這點毋庸置疑。

在《內地與香港關於建立更緊密經貿關係的安排》（下稱《安排》）下，我們一直為本港原創或兩地共同攝制

的電影和電視劇爭取更理想的方式進入內地市場。現時，本港電影進入內地發行再無限額，在內地黃金時間不得播映兩地合拍的電視劇的規定已經取消，合拍電視劇的審批機制亦已簡化。我們會在《安排》下將繼續努力推動貿易自由化。

結語

「我想我是演員的裁縫」，著名華人導演李安如是說。我相信你們當中很多也曾嘗試香港的裁縫服務，更會認同他們是世界一流的。我不肯定香港特區政府，或是我作為工商及科技局局長，是否合資格為有線與星電視業界度身訂造一套稱身的服飾。但我相信，你們與我都會認同愈少布料才會令業界穿得更好。基於以上的共同理解，我將會竭盡所能令你們感到稱心和放心，而你們亦會盡力滿足你們的觀眾及在全球最自由的經濟體系中獲取更多盈利。

謝謝各位。



Hon. Joseph Wong, Sec for Commerce, Industry & Technology, HKSAR