

Opening Speech by Mr M H Au, Director-General of Telecommunications, Hong Kong Special Administrative Region at the Executive Level Training Programme for Regulators and Policy-Makers Jointly Conducted by the International Telecommunication Union (ITU) and the Information for Development Program (InfoDev) on 2 – 3 December 2006

Dr Touré, Ms D’Costa, Honourable Guests, Fellow Regulators, Ladies and Gentlemen,

First of all, I would like to welcome you all to Hong Kong for this training programme over the next two days, and the ITU TELECOM WORLD 2006 next week.

I am glad that InfoDev and ITU have chosen Hong Kong and this opportunity to run this programme.

The telecommunications industry is undergoing significant changes. No longer are we talking about telecommunications only. All telecommunications operators have to consider transforming themselves from being carriers only to integrated ICT providers of carriage, content and applications. As regulators, we also have to stay abreast of the technological and market developments. The regulation applicable to the conventional circuit-switched networks will be out of date in the new environment. We are dealing with Next Generation Networks (NGN) - new infrastructures that are yet to be built. New services and applications will emerge. No one knows exactly how user demand and the market will develop. Yet to create an enabling regulatory environment now is important. Unnecessary regulatory intervention may dampen investment incentives and restrict the exploitation of the full potential of emerging technologies. On the other hand, lack of regulation may lead to insufficient competition and even re-emergence of monopolization. All these will lead to sub-optimal results. Therefore the challenge to regulators is to strike the right balance and apply regulation to the right area at the right time.

There are many issues facing regulators today in the new environment. What should be the optimal regulation on NGN so as to preserve the

incentive to invest and yet promote competition? How should the regulation facilitate all sorts of convergence – convergence of telecommunications, media and information technology, convergence in fixed and mobile? How should radio spectrum be made available to facilitate the rollout of next generation access networks? How should consumer interests be safeguarded in the new environment?

These are just some of the important and complex issues. We have to make sure that these issues are clarified in time. Potential investors are likely to look to the regulators to clarify the regulation applicable to new environment before they take their investment decisions.

InfoDev and ITU are developing the ICT Regulation Toolkit website. This website will be great references to regulators in deliberating on the enabling regulation for the new environment.

But nothing can replace face to face discussions. The training programme during these two days will offer excellent opportunities for interaction between the speakers and the audience, as well as among the regulators in the audience. I am glad that authors of a number of modules in the Toolkit as well as other experts will be speakers and moderators in the next two days. I am sure that you will find the programme useful. After that I hope that you can stay behind for the Exhibition and Forum of the ITU WORLD TELECOM next week. Undoubtedly many of the issues discussed in this programme will also be addressed in the Forum. I encourage you to participate fully in all these programmes.

Equally importantly, I hope that you can find some time outside your busy schedules to go around our city and sample the vibrancy and hospitality of Hong Kong.

Thank you.