

**Opening Remarks by Mr Anthony S K Wong  
Director-General of Telecommunications  
at the Wireless Technology Conference 2003**

**20 February 2003**

**Government's Roles and Responsibilities in  
Promoting Wireless Broadband in Hong Kong**

Good Afternoon, distinguished guests, ladies and gentlemen,

It is my pleasure to speak at the opening of the Wireless Technology Conference 2003 today. The holding of this event cannot be more timely as it gives me the perfect opportunity to introduce to you a new regulatory framework that we are launching to promote wireless broadband in Hong Kong.

Broadband was a phenomenon when it emerged just a few years ago. What a relief that we no longer had to sit idle in front of the PC waiting for *ages* for a simple picture to form its shape. Content services like on-line movies and on-line games could never have been possible with narrowband.

But technology advancement does not just stop there. Consumers always have this constant quest for more innovative devices, and the industry has ambitions to beat yesterday's technology and tap new markets. Today in Hong Kong, when we already have a large broadband market, with almost 1 million registered broadband users (as at the end of December 2002), we are not content that access to broadband can only be made through our home or office PCs. We do not want to be bounded by the wires. We want broadband to follow us everywhere we go.

And our demand is being realised, at a rapid pace too, in the development of wireless broadband. Look around Hong Kong. We see that more and more cafés, shopping malls and conference centres have established wireless LANs to enable customers, shoppers, conference attendees like us to have wireless broadband access to the Internet. Wireless LANs are also

gaining popularity at home and in office. If you happen to visit OFTA next time, bring your notebook computer with you and you can enjoy wireless broadband access at our offices. The increasing deployment of wireless LANs is supported by a vibrant consumer product market. New models of notebook computers and PDAs are built in with wireless access devices. In fact this has become a pretty standard feature for portable computer devices.

I am proud to say that this increasing deployment of wireless broadband is achieved by a telecommunications industry that has a vision for tomorrow's technology, and is willing to invest in and promote innovative devices and services. We also have a population that is highly computer-literate and loves to try on new things. As for the role of the Government in the whole picture, it is to provide a business-friendly environment to allow the market to flourish. The guiding principles are light-handed regulation, transparency and technology neutrality.

It is with these principles in mind that we are launching a new and light-handed regulatory regime to facilitate the deployment of wireless technology in Hong Kong. At present, wireless LANs in Hong Kong are mostly operated within the 2.4 GHz band, with IEEE 802.11b widely used as technical standard. We shall also open the 5.15 – 5.35 GHz band for wireless LAN operation, so that technical standard like IEEE 802.11a, which offers a higher speed of transmission than IEEE 802.11b, can be deployed.

This new regulatory regime does not just open the 5.15 GHz band. It is on a much wider scale. For example, we also open a new band (409.74 – 410 MHz) for short range portable radio systems, and another band for contactless smart card systems (13.553 – 13.567 MHz). The regime operates in the form of an exemption, by exempting the public from the need to obtain a licence in respect of the deployment of a number of frequency bands for their own private wireless communications. Anyone can freely use the frequency bands listed in the "exemption order", provided that certain minimum technical criteria such as those relating to output level and spurious emission level are complied with.

Indeed, true to our pledge for technology neutrality, we do not specify at all how all these frequency bands should be used. For example, the deployment of the 2.4 GHz, 5.15 GHz or 5.725 GHz band is not necessarily

confined to wireless LANs. And the technical standards adopted are not confined to the IEEE standards either. Any standards, including standards to be developed in future, can be applied. Any new innovative apparatus and applications will be welcome. We would love to see people come up with ingenious ideas to maximize the possibilities of wireless communications using the frequencies. And I should like to add that the exemption is not only limited to the “use” of the apparatus. Dealers are also exempted from obtaining any licence to sell wireless apparatus operating in the exempted frequencies.

As you may be aware, apart from the exemption arrangement, which deals with the “private” use of the wireless apparatus, we shall also create a class licence to regulate the “service” side of the matter. Following a consultative process in August and September 2002, we announced last month that we would create a class licence for the provision of public wireless LAN services. Under the class licence, operators will be able to make use of the 2.4 GHz, 5.15 GHz and 5.725 GHz bands to operate and offer public wireless LAN or any services that may be possible using the three bands.

This is a truly light-handed licensing regime, with minimal licence conditions attached. Operators do not need to go through any licence application to obtain the licence. All that is required from them is to register with us so that we can effectively monitor the general operation of public wireless LAN services. Since the announcement of our plan to create the Class Licence last month, we have been receiving enquiries on the registration procedure for public wireless LAN operation. This indicates a positive response from the industry. The signs are very encouraging. With the regulatory barrier of entry to the public wireless LANs business so low that it is virtually non-existent, I believe that in no time, wireless broadband access can be achieved in all the major public places in Hong Kong.

I said earlier that the timing of this conference could not be more opportune. Indeed, it is right on cue, for I am pleased to let you know that the new exemption arrangement and the Class Licence will commence operation as from tomorrow. The registration procedure for the Class Licence, which has been a centre point of interest in the past weeks, will be announced in the OFTA website.

No mention of the wireless technology can be complete without mentioning the 3G. 3G is in every sense a wireless broadband, with a maximum transmission speed of 2 Mbps. We are now all eagerly awaiting the first launch of services, to be expected as soon as in a few months' time. Some people see 3G and wireless LAN as competing technologies and doubt the future of 3G. I take a different view. I see 3G and wireless LAN as complementary technologies serving different needs. The 3G's coverage will be ubiquitous. The mode of usage is not different from using a GSM or PCS mobile phone, only that the possibilities of applications are much greater with a higher capacity. Wireless LANs, on the other hand, provide "hot spot" coverage in shopping malls, cafés, conference centres etc. The transmission speed may be higher than 3G, but the mobility is relatively restricted. We shall certainly get connected via a 3G phone in the Victoria Park, but may prefer to use notebook computers for wireless broadband access in the middle of a meeting.

Of all the differences and similarities, there is nonetheless one thing common in 3G and wireless LAN, that is their huge potential for further development. By this I am not just referring to the technologies. It is all very well talking about developing a state-of-the-art phone. But at the end of the day, it is the "applications" that really count. Consumers will simply ask: what can a 3G phone or the wireless LAN offer me? I believe that all product manufacturers, network operators, content and services providers should all ask themselves this important question. The Government has taken up the role to promote applications. In September last year, OFTA organised a two-day technical workshop on the development of mobile applications. But we have to depend on the industry to come up with some killer applications to boost the market.

The Government has been putting in effort to work with the industry to promote wireless communications on a continuing basis, by organising or sponsoring industry seminars and workshops. This conference will provide a great opportunity to share your views and learn from each other. And I wish all of you would benefit from the discussions today and leave this room with many positive ideas.

Thank you.