

Submission by

Metro Broadcast Corporation Limited

On the

Public Consultation on 2007 Digital 21 Strategy

Metro Broadcast Corporation Limited ('Metro Broadcast') welcomes the opportunity to participate in the Government's 2007 Digital 21 Strategy consultation.

Metro Broadcast is very pleased with the confirmation in the paper that "the Government continues to play a significant role as a user, supporter and facilitator of ICT and its applications". Sound broadcasting was a pioneer in the communications industry and today is widely acknowledged still to be a core component of it. As such, sound broadcasting calls for on-going Government support in fostering and promoting its development.

In the tide of digitisation, the roadmap for digital audio broadcasting has not been as comprehensively laid out as that of digital terrestrial television. Discussion on digital sound broadcasting has been over-shadowed by the topic of the day, mobile TV. Development for sound broadcasting, be it analogue or digital, is given a back-seat in the framework of the Digital 21 Strategy. As a sound broadcaster, with long-standing commitment and investment in the operation of a radio station, we urge the Government to include in its policy more consideration on the growth of the sound broadcasting industry.

In particular, cross-border cooperation between Hong Kong and the Mainland, by the sound broadcasting industry must be supported and promoted by Government on both the technical and commercial fronts. On the technical side, we would like to see Government take much more lead in coordinating with relevant Mainland authorities in aligning nation-wide sound broadcasting technology standards. It is also necessary to address the long-standing issue of cross-border signal interference from the neighbourhood province of Guangdong.

On the commercial front, we would like to propose the extension of the "Closer Economic Partnership Arrangement between Hong Kong and the Chinese Mainland" (CEPA) to include the sound broadcasting industry. Currently, the mode of

cooperation between Hong Kong and Mainland sound broadcasters is limited to individual programme level. We envisage that, with CEPA in action, local sound broadcasters will be benefited from the stretched flexibility to access the China market directly and engage themselves more actively in providing radio and related services to the Mainland population.

Furthermore, general Government support financially or in other forms are equally important. Sound broadcasters in Hong Kong provide free-to-air radio services catering interests of the mass public with some 40% penetration of listening to the radio in the past day. It is therefore justifiable for the Government to facilitate the sound broadcasters in improvement of sound broadcasting quality by funding the construction of transmission sites and infrastructure. Also, upon the introduction of digital sound broadcasting in Hong Kong, Government involvement through the establishment of a steering committee will be necessary to push for manufacturer commitment in development of consumer end receivers to pave the way for a smooth territory-wide service roll-out.

As regards the Hong Kong regulatory regime, Metro Broadcast supports the establishment of a unified regulator, the Communications Authority ('CA'), to oversee the entire electronic communications sector by merging the Broadcasting Authority and the Telecommunications Authority. We see the establishment of the CA as an important move that is also in line with the international trend of convergence in broadcasting and telecommunications services. As a serious player in the industry, we stress the importance of industry participation in drawing up the regulations and timetable to ensure practicality in execution. We believe active participation through consultation or, where possible, working groups should be the guiding principle as and when the Government intends to introduce policy and regulatory changes, such as that governing commercial mobile television services and radio spectrum use or allocation, to the ICT industry.

We appreciate Governments' consideration of our views in the implementation of the 2007 Digital 21 Strategy Consultation.