

23 July 2007

Honourable Albert Jinghan Cheng JP
Chairman
Panel on Information and Technology
Legislative Council
3rd Floor Citibank Tower
3 Garden Road
Hong Kong

Dear Mr Chairman:

Korea and BWA

Per your request at the BWA part of the IT panel last week, I wanted to provide you with additional information regarding the Korean experience with Broadband Wireless Access.

1. Korea is generally an early adopter of 'high tech' telecoms services, sometimes with Government 'encouragement' and/or subsidies.
2. The Government awarded BWA Licences to 3 operators in early 2005. These licencees were: SK Telecom, Hanaro Telecom Inc and KT Corp. The licence fee was US dollar 116.5m each.
3. In April 2005 Hanaro (the second largest Korean ISP) announced its decision to return its BWA (WiBro in Korea) license.
4. Network rollout occurred in the 2005/2006 time period.
5. To date, take up has been very disappointing. The service has limited handsets for consumers and it is not well differentiated from 3.5G services. According to KT Corp's press release in November 2006; it only had 1,300 WiBro customers.

I hope the above information is of assistance. PCCW interprets the Korean experience to be one of 'technology before markets' not unlike the early years of 3G; a result that Hong Kong need not emulate with BWA. Thus we see no need to rush, and certainly no need to rush before the WRC meeting later this year.

Yours sincerely,



Stuart Chiron
Director of Regulatory Affairs