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Panel on Information Technology and Broadcasting

Meeting on 8 March 2010

Background brief on issues relating to the landing of submarine cables

Purpose

This paper summarizes previous discussions by the Panel on Information Technology and Broadcasting (the Panel) on issues relating to the landing of submarine cables in Hong Kong.

Background

2.   Submarine cables are used to provide external telecommunications services, and are overwhelmingly relied on by the telecommunications industry as well as other service industries (such as financial, trading, logistics, tourism and data-intensive industries) in Hong Kong.   The demand for submarine cable capacity in Hong Kong has been on the rise.

3.   On 26 and 27 December 2006, an earthquake in Taiwan caused serious disruptions to the submarine cables and thus the external telecommunications services including IDD services, roaming services and Internet access to overseas websites. To cope with the serious submarine cable outage, Internet service providers (ISPs) used different means to acquire external network bandwidth to alleviate the problem of capacity loss.   According to the Office of the Telecommunications Authority (OFTA), the ISPs managed to increase the bandwidth progressively since 28 December 2006 and had recovered about 80% of their international bandwidth on 3 January 2007.   As the damaged submarine cable systems were repaired and resumed normal operation progressively by 29 January 2007, the Internet services in Hong Kong resumed normal soon afterwards.

Previous discussions

4.   At the Panel meetings on 15 January 2007, 17 April 2007 and 14 April 2008, members followed up with the Administration on the impact of internet disruptions caused by earthquake damage to submarine cables.   Panel members also exchanged views with the deputations from the telecommunications sector on the restoration capabilities of local operators as compared with those in the neighbouring regions, as well as the contingency measures to be drawn up.   The Panel was pleased to note that OFTA had, in the wake of the incident, immediately established working groups with the industry to review and improve the existing outage reporting mechanisms.   New guidelines were formulated for reporting relevant outages in future with a view to strengthening communications and co-ordination between the operators and OFTA.

5.   The Panel noted that apart from the suggestions to improve the notification system on Internet outage incidents, there were common views among the industry players that the development of additional submarine cables should be enhanced.   In this connection, some Panel members opined that the Administration should formulate long-term measures to enhance capacity of external telecommunications facilities, improve the reliability and resilience of the network infrastructure of Hong Kong, and strengthen collaboration among telecommunications operators as well as inter-governmental cooperation between Hong Kong and regional countries.

6.   The Panel also noted that there were proposals from the submarine cable industry to install new submarine cable systems landing at Hong Kong and that OFTA would undertake to offer possible assistance to the industry, including facilitation of the operator in the development of cable landing stations.   In this connection, members shared the industry's suggestion that the Government and OFTA should provide proactive assistance to local operators as far as practicable.

Recent developments

7.   Recently, other Southeast Asian economies such as Malaysia and Singapore have been aggressively developing their telecommunications infrastructure to support the growth of their service industries.   In view of the developments in the industry and in the region, there is a pressing need for Hong Kong to uplift its competitiveness in attracting the landing of new submarine cables.   To maintain Hong Kong as the telecommunications hub in the Asia-Pacific region, the Administration has been striving to create a regulatory environment that is conducive to further investments.

8.   In his Policy Agenda in 2009-2010, the Chief Executive indicated that the Administration would review the procedure for landing submarine cables in Hong Kong to make it simpler and speedier for interested parties to install new submarine cables, with a view to encouraging the landing of more submarine cable networks in Hong Kong.   In this connection, OFTA commissioned a consultancy study in late 2009 to assess the economic benefits of, and recommend measures to facilitate the landing of new submarine cables in Hong Kong.   The study is targeted for

completion by end March 2010 and a meeting with the industry has been held.

Latest position

9.   The Administration will brief the Panel at its meeting on 8 March 2010 on the findings and recommendations of the consultancy study, the feedback of the industry, and the way forward.

Relevant papers

Information paper provided by the Administration for Information Technology and Broadcasting Panel meeting on 15 January 2007
http://www.legco.gov.hk/yr06-07/english/panels/itb/papers/itb0115cb1-697-1-e.pdf

Minutes of Information Technology and Broadcasting Panel meeting on 15 January 2007
http://www.legco.gov.hk/yr06-07/english/panels/itb/minutes/itb070115.pdf

Information paper provided by the Administration for Information Technology and Broadcasting Panel meeting on 17 April 2007
http://www.legco.gov.hk/yr06-07/english/panels/itb/papers/itb0417cb1-1298-10-e.pdf

Minutes of Information Technology and Broadcasting Panel meeting on 17 April 2007
http://www.legco.gov.hk/yr06-07/english/panels/itb/minutes/itb070417.pdf

Information paper provided by the Administration for Information Technology and Broadcasting Panel meeting on 14 April 2008
http://www.legco.gov.hk/yr07-08/english/panels/itb/papers/itb0414cb1-1200-3-e.pdf

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 14 April 2008
http://www.legco.gov.hk/yr07-08/english/panels/itb/papers/itb0414cb1-1200-4-e.pdf

Minutes of Information Technology and Broadcasting Panel meeting on 14 April 2008
http://www.legco.gov.hk/yr07-08/english/panels/itb/minutes/itb080414.pdf

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