

LC Paper No. CB(1)1318/09-10  
Meeting of the Information Technology and  
Broadcasting Panel of the Legislative Council

# Landing of Submarine Cables

8 March 2010



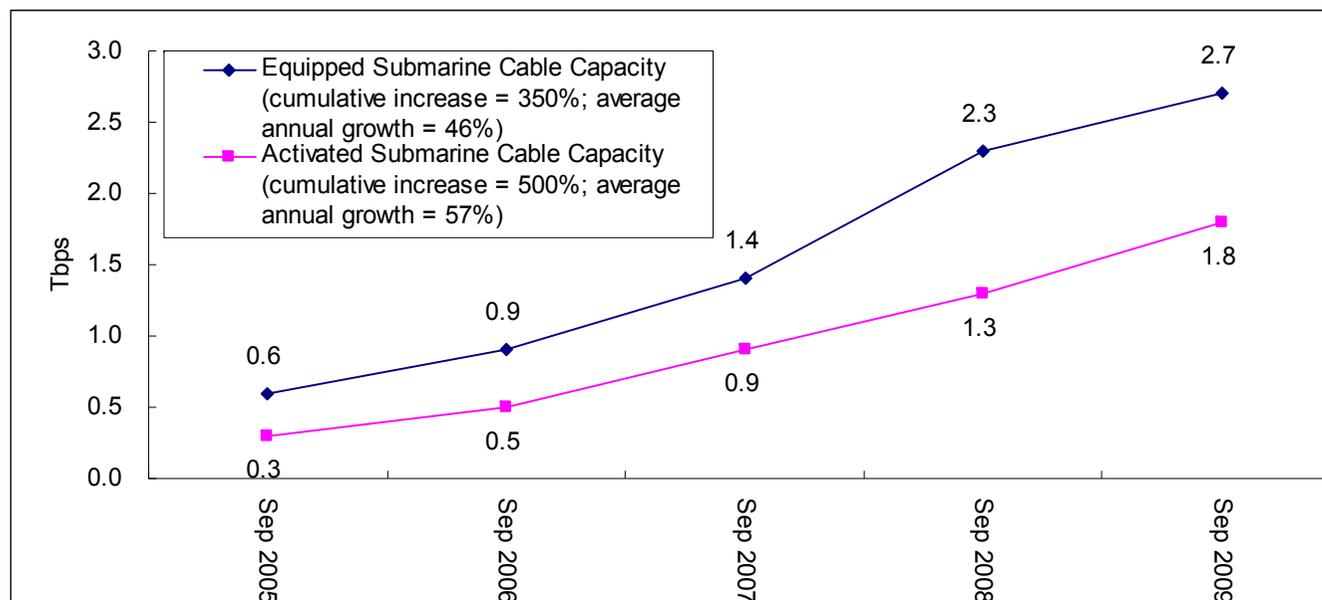
## Introduction

- **Submarine cables are a major component of external telecommunications networks**
- **External telecommunications networks provide necessary connections for:**
  - ▶ IDD, international private leased circuits, email, social networking portal and Internet surfing
  - ▶ Daily operation of financial, trading, logistics, tourism and data-intensive industries
- **In Hong Kong, over 70% of external telecommunications capacity is provided by submarine cables (with overland cables and satellite links accounting for the rest)**

# Need for More Submarine Cables (1/3)

## (1) To meet increasing demand for submarine cable capacity

- ▶ increasing bandwidth requirements for business
- ▶ popularity of bandwidth-hungry applications over the Internet
- ▶ rapid growth of external traffic between the Mainland and Southeast Asian countries routing through Hong Kong





## Need for More Submarine Cables (2/3)

**(2) Additional submarine cables running along diversified routes will enhance network redundancy and resilience**

**Frequent natural disasters**

December 2006

**Strong earthquakes occurred in the Luzon Strait**

- 6 out of 7 submarine cables were damaged

August 2009

**Underwater landslides caused by typhoon Morakat and strong earthquakes in the Luzon Strait**

- 6 out of 8 submarine cables were damaged



## Need for More Submarine Cables (3/3)

### **(3) To strengthen Hong Kong as a telecommunications hub in the region**

- **Other economies in the region (e.g. Malaysia and Singapore) have been aggressively developing themselves as telecommunications hubs in the region**
- **Attracting multinational content providers for setting up regional centres in Hong Kong**



## Consultancy Study

- In his Policy Agenda in 2009-10, the Chief Executive indicated that the Administration would review the procedure for landing submarine cables in Hong Kong with a view to making it simpler and speedier for interested parties to install new cables with or without affiliated data centres.
- OFTA engaged a consultant in late 2009 to identify measures that would be required to facilitate the landing of new submarine cables



## Factors that Submarine Cable Owners will consider in choosing Landing Points

- **Strategic factors**

- ▶ regional demand for bandwidth
- ▶ geographical location and business environment of the landing point
- ▶ presence of other submarine and overland cable systems for interconnection

- **Regulatory factors**

- ▶ government policies and regulatory framework
- ▶ user-friendly administrative processes

# Strengths, Constraints, Opportunities and Threats of Hong Kong

|  |   |
|--|---|
| <b>Strengths</b> <ul style="list-style-type: none"><li>• Geographical location</li><li>• Pro-business environment</li><li>• Financial hub</li><li>• Technology savvy consumers</li></ul> | <b>Opportunities</b> <ul style="list-style-type: none"><li>• High growth of Mainland and Southeast Asia</li><li>• Interconnection with more overland cables from the Mainland</li></ul> |
| <b>Constraints</b> <ul style="list-style-type: none"><li>• Time to deal with various government departments</li><li>• Limited choice of cable landing stations</li></ul>                 | <b>Threats</b> <ul style="list-style-type: none"><li>• Competitive landing points in the Mainland, Singapore and Taiwan</li></ul>   |



## Recommendations (1/5)

### Increasing the transparency of application processes

- **OFTA plans to launch a dedicated web page providing the industry with relevant information**
  - ▶ existing submarine cable landing stations (SCLS) in Hong Kong and potential sites for SCLS
  - ▶ Information note on necessary statutory approvals
  - ▶ Contacts of relevant government departments and parties
- **OFTA will offer a single-point-of-contact service**
  - ▶ applicants may submit their applications together with necessary information to OFTA which will coordinate with relevant government departments



## Recommendations (2/5)

*Enhancing coordination within Government to expedite approval processes*

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- **Establishing an ad-hoc working group with representatives from relevant government departments and parties to deal with applications**
    - ▶ Enhancing collaboration and coordination among various parties
    - ▶ Reducing the time required to process the applications



## Recommendations (3/5)

Ensuring close and timely collaboration to facilitate cable repairs

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- OFTA has issued an information note aiming to help the submarine cable operators to understand more about the application procedures and requirements
  - OFTA will closely liaise with the relevant departments with a view to speeding up the vetting process of temporary operating licence for cable repair vessel and employment visa for personnel on board the vessel



## Recommendations (4/5)

Considering relaxation of lease conditions of existing SCLS in TKOIE

- OFTA is working with Hong Kong Science and Technology Parks Corporation, for exploring shared use of existing SCLS and any new SCLS at TKOIE

## Recommendations (5/5)

Use of the designated land in Chung Hom Kok Teleport

- Coastal lots will be introduced to parties interested in landing new submarine cables in Hong Kong



## Way Forward

- **OFTA will review the consultancy report and further study with the relevant stakeholders as to how the recommended measures should be taken forward**
- **Views from Members are sought**



**Thank You**