

Press Releases

LCQ15: Applications for domestic free television programme service licences

Following is a question by the Hon Claudia Mo and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, at the Legislative Council meeting today (October 9):

Question:

This Council passed a motion last November urging the Government to undertake to issue additional domestic free television programme service licences (free TV licences) by the end of March this year, and the Chief Executive has also indicated earlier that the applications would be handled expeditiously. However, some members of the public have relayed to me that while opening up the domestic free television market has already been a general consensus, the Government has been procrastinating on the issuance of free TV licences as the vetting and approval results are still pending after the applications have been processed for more than two years, and no detailed account of the progress has been made public throughout the period. In this connection, will the Government inform this Council:

(a) of the progress of the issuance of additional free TV licences by the Government since last November; why the vetting and approval of applications has taken such a long time;

(b) given the press report that the Chief Executive (CE) in Council discussed last month the procedure for the issuance of free TV licences, whether the Executive Council Secretariat has provided any information or support to assist the CE in Council in the deliberations on the issue; if so, of the details; and

(c) given that the Communications Authority has ruled earlier that the Television Broadcasts Limited (TVB) violated the competition provisions of the Broadcasting Ordinance (Cap. 562) and has imposed a fine of \$900,000, but some members of the public have queried if the aforesaid ruling can prevent TVB from abusing its dominance, whether the Government will issue additional free TV licence shortly to reverse the situation in which the market is dominated by one television broadcaster; if it will, of the specific timetable; if not, the reasons for that?

Reply:

President,

Hong Kong Television Network Limited, Fantastic Television Limited and HK Television Entertainment Company Limited have each submitted an application for a domestic free television programme service licence (hereinafter referred to as the "three applications"). The former Broadcasting Authority (i.e. the predecessor of the Communications Authority (CA)), after taking into account various relevant factors and in accordance with the Broadcasting Ordinance (Chapter 562) (BO) and established procedures, has earlier completed the assessment of the three applications, and submitted recommendations thereon to the Chief Executive (CE) in Council.

My reply to the three-part question is as follows:

(a)&(b) The Administration has been processing the three applications expeditiously and prudently in accordance with the BO and established procedures. As the Administration has repeatedly explained on various occasions, the processing of the three applications involves complicated issues, including those relating to statutory requirements and procedural fairness, which require time for careful handling. Since the three applications are still being considered by the CE in Council, it is inappropriate at this stage for the Government to respond to the relevant media reports.

(c) It has been the Government's established broadcasting policy to promote the sustainable development of the local broadcasting industry and encourage fair competition, investment and adoption of innovative technologies in the industry, thereby bringing more choices of quality programmes to the public. Such a policy has remained unchanged. Besides, there are provisions in the BO to deal with anti-competitive conduct in the broadcasting industry. Section 13 of the BO stipulates that a licensee shall not engage in conduct which, in the opinion of the CA, has the purpose or effect of preventing, distorting or substantially restricting competition in a television programme service market. Under section 14 of the BO, a licensee in a dominant position in a television programme service market shall not abuse its position. The CA may investigate complaints about anti-competitive conduct, and may impose a fine or other penalties on a licensee found to have contravened the relevant provisions. As mentioned in the question, the CA, after its investigation in accordance with the BO, has earlier found that certain practices of the Television Broadcasts Limited (TVB) have contravened the competition provisions of the BO (CA's Decision). One of the directions given in the CA's Decision is that TVB shall provide a report within four months describing and confirming the steps taken by TVB to comply with the directions of the CA. We believe that the CA will continue to keep track of the television market situation and strictly enforce the competition provisions of the BO so as to ensure that all licensees, especially those in a dominant position, are prohibited from engaging in anti-competitive practices in contravention of the legislation.

As far as the three applications are concerned, the Administration has been, as mentioned above, processing them expeditiously and prudently in strict accordance with the statutory requirements and established procedures. We will announce the outcome as soon as possible after a decision is made by the CE in Council.

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