# 商務及經濟發展局通訊及創意產業科

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### COMMUNICATIONS AND CREATIVE INDUSTRIES BRANCH

#### COMMERCE AND ECONOMIC DEVELOPMENT BUREAU

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## BY HAND AND BY EMAIL

28 March 2017

Dr Hon Elizabeth QUAT, JP
Chairman
Panel on Information Technology and Broadcasting
Legislative Council
Room 606, Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Chairperson,

# Review of the Development of Digital Audio Broadcasting in Hong Kong

I write to inform you that at the meeting of the Executive Council on 28 March 2017, the Council advised and the Chief Executive ordered that –

- (a) digital audio broadcasting ("DAB") services should be discontinued in Hong Kong; and
- (b) DAB services provided by Radio Television Hong Kong should be terminated within six months, or as soon as practicable thereafter, from the date of the Chief Executive in Council's decision.

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I enclose at **Enclosure** a bilingual copy of the relevant Legislative Council brief and press release for your reference. Thank you for your attention.

Yours sincerely,

Since Ho

( Miss Susie HO )
Permanent Secretary
for Commerce and Economic Development
(Communications and Creative Industries)

Encls.

c.c. Clerk to Panel

## Government announces discontinuation of digital audio broadcasting services in Hong Kong

The Chief Executive (CE) in Council, after considering the report of the Review of the Development of Digital Audio Broadcasting (DAB) in Hong Kong (the Review), today (March 28) decided that DAB services should be discontinued in Hong Kong, and DAB services provided by Radio Television Hong Kong (RTHK) be terminated within six months, or as soon as practicable thereafter.

A spokesman for the Commerce and Economic Development Bureau said, "In accordance with the market-led approach, DAB services were introduced in Hong Kong in 2010 to address the then local market interest in the development of the services and to cope with the trend of broadcasting technology development in the world."

"We have all along been maintaining this approach. The same approach is used in reaching the decision for discontinuance of the DAB services in Hong Kong."

The spokesman said that in response to local market interest and taking into account the development of DAB services overseas at the time, the Government granted licences in 2011 to three commercial operators. However, the retreat of the three commercial DAB operators in short period of time due to difficulties in their operation and the lack of a critical mass of audience demonstrated the exhaustion of interest in the services. Currently, RTHK is the only operator providing DAB services as the public service broadcaster in Hong Kong, running a total of five DAB channels.

On the future of the DAB services provided by RTHK, the Review pointed out that in the absence of participation of commercial operators, it would not be realistic from a policy perspective to rely solely on RTHK to operate alone on the DAB platform, or to task RTHK to develop a critical mass of audience on its own.

The Review also mentioned that the fast development of the Internet and mobile applications have replaced traditional sound broadcasting services to a certain extent. The wider environment is not conducive to a revival of the DAB market. In fact, since 1990s, there have been mixed results in the development of DAB services overseas. There has been stable development in some overseas countries, but there are also examples of termination of DAB services after launch.

The spokesman noted that upon the decision of the termination of DAB services provided by RTHK, the Director of Broadcasting will consult the relevant stakeholders to formulate detailed plans for programming changes so as to accommodate programmes currently broadcast on RTHK's DAB channels on its AM/FM analogue platform, and to ensure that RTHK continues to adhere to the programming objectives as stipulated in the Charter of RTHK and that RTHK's public purposes and mission as a public service broadcaster are properly fulfilled.

The spokesman said it is estimated that RTHK will be able to complete its programming change and terminate its DAB services in about six months' time.

Ends