

Telecommunications Regulatory Affairs Advisory Committee

Progress of Implementation of the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas

PURPOSE

This paper briefs Members on the latest progress of the implementation of the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (“Scheme”).

BACKGROUND

2. The Scheme was launched by the Government in 2018 and implemented by the Office of the Communications Authority (“OFCA”) to provide fixed network operators (“FNOs”) with financial incentives for them to extend fibre-based networks to villages in remote areas.

3. The Scheme targets remote villages where at the time when the Scheme was launched, villagers could only subscribe to broadband services delivered over copper-based networks at a speed of 10 Mbps or below and located far away from the existing fibre-based backbone networks of FNOs. The Scheme covers 235 villages across nine districts in the New Territories and outlying islands (namely North, Sai Kung, Tai Po, Sha Tin, Yuen Long, Tuen Mun, Tsuen Wan, Kwai Tsing and Islands), benefitting approximately 110,000 villagers in total. These 235 villages are grouped under six projects based on their geographical distribution. The six projects had been awarded to two FNOs through tender exercises and their details, including the areas covered, number of villages and the selected FNOs, are summarised at **Annex**.

LATEST STATUS OF IMPLEMENTATION

Progress of network rollout

4. The subsidised fibre-based networks are being extended to 235 villages in phases from 2021 to 2026. In addition to the construction of fibre-based lead-in connections to the vicinity of the entrances of the villages concerned as specified in the tender documents, the selected FNOs have additionally committed to providing high-speed broadband services at a speed of 1000 Mbps or above to a majority of those villages and setting up Wi-Fi hotspots in open space of the villages for the provision of free Wi-Fi services.

5. The Scheme has achieved remarkable results including the completion of three submarine fibre cables connecting Lamma Island, Cheung Chau and Peng Chau respectively in May last year. At present, the Scheme has already extended fibre-based networks to connect more than 180 villages, supporting provision of high-speed broadband services to the villagers. The newly-built fibre-based networks can also be used as backhaul for mobile networks, enabling provision of high-speed and innovative mobile services including 5G services to the areas concerned. To promote market competition, the selected FNOs are required to allow other interested FNOs to share the use of at least half of the capacity of the subsidised network facilities (including fibre-based lead-in connections and submarine fibre cables) for provision of high-speed broadband services to the villages concerned, thereby offering more choices to the villagers.

6. OFCA will continue to ensure completion of rollout of fibre-based networks by 2026 to all remaining villages covered in the Scheme. We will also continue to encourage the FNOs to share use the network facilities under the Scheme so as to maximise the benefits to the public at large.

Publicity of the Scheme

7. With support from OFCA and the two selected FNOs, the Information Services Department published a featured video titled “Seamless Connectivity” on news.gov.hk in April 2024, showcasing the benefits of improved broadband services resulting from the new fibre-based networks

built under the Scheme. For example, the Scheme has improved educational facilities of a school in remote area by creating a playful and interactive learning environment using online technologies.

CONCLUSION

8. In conclusion, the Scheme not only enables residents of villages in remote areas to enjoy faster and more reliable broadband services, it also provides the necessary infrastructure for other telecommunications services, such as 5G and Wi-Fi services, benefitting villagers and visitors and promotes the smart city development of Hong Kong.

VIEWS SOUGHT

9. Members are invited to note the content of this paper and may visit OFCA's website for more information of the Scheme.

**Office of the Communications Authority
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Details of the Six Projects

Project	Selected FNO	Areas Covered	No. of Villages
1	HGC Global Communications Limited (“HGC”)	North District	60
2	Hong Kong Telecommunications (HKT) Limited (“HKT”)	Part of Tai Po District and part of Sai Kung District	30
3	HGC	Part of Sha Tin District, part of Tai Po District, Yuen Long District, Tuen Mun District, Tsuen Wan District and Kwai Tsing District	44
4	HGC	Part of Sha Tin District and part of Sai Kung District	34
5	HKT	Lamma Island	13
6	HKT	Lantau Island, Cheung Chau and Peng Chau	54