

Successful conclusion of auction of radio spectrum in 900 MHz and 1800 MHz bands

The Office of the Communications Authority (OFCA) announced today (December 18) that a total of 120 MHz of spectrum, comprising 50 MHz of spectrum in the 900 MHz band and 70 MHz of spectrum in the 1800 MHz band, was successfully auctioned off to four mobile network operators (MNOs) at total spectrum utilisation fees (SUF) of \$6 billion.

The Communications Authority (CA) decided in December 2017 to adopt a hybrid administratively assigned cum market-based approach for re-assigning a total of 200 MHz of radio spectrum in the 900 MHz and 1800 MHz bands in view of the expiry of the existing assignment terms between November 2020 and September 2021. 80 MHz of the spectrum in the 1800 MHz band was administratively re-assigned to four incumbent spectrum assignees (viz China Mobile Hong Kong Company Limited (CMHK), Hong Kong Telecommunications (HKT) Limited (HKT), Hutchison Telephone Company Limited (HTCL) and SmarTone Mobile Communications Limited (SmarTone)) in September 2018. The assignment of the remaining 120 MHz of spectrum in the 900 MHz and 1800 MHz bands was determined by the auction completed today.

Four bidders, all incumbent spectrum assignees, took part in the auction which commenced yesterday (December 17), and came to a satisfactory conclusion after a total of 16 bidding rounds today. The provisional successful bidders, the radio spectrum under bidding and the SUF determined in the auction are in the Annex.

"Together with 20 MHz of the spectrum administratively re-assigned to each of the four incumbent spectrum assignees earlier, CMHK, HKT, HTCL and SmarTone would respectively be assigned 50 MHz, 60 MHz, 40 MHz and 50 MHz of spectrum in the 900 MHz and 1800 MHz bands for a new term of 15 years after expiry of the existing assignments. Each provisional successful bidder is required to submit a letter of credit by March 20, 2019, to guarantee payment of the SUF concerned before the actual re-assignment of the spectrum takes effect," a spokesman for OFCA said.

"Some of the spectrum in the 900 MHz and 1800 MHz bands will change hands in the new assignment term. The incumbent spectrum assignees will have a transitional period of about two years to reconfigure their existing networks and/or roll out additional network infrastructure. OFCA will co-ordinate with them to ensure a smooth changeover during the run-up to the commencement of the new assignment term," the spokesman added.