

**Business Facilitation Advisory Committee
Wholesale and Retail Task Force**

Subsidy Scheme for Encouraging Early Deployment of 5G

Purpose

This paper briefs members on the Subsidy Scheme for Encouraging Early Deployment of 5G (“the Scheme”) administered by the Office of the Communications Authority (“OFCA”).

Background

2. On 5 May 2020, OFCA launched the Scheme under the second round of the Anti-epidemic Fund.

3. The Scheme aims to encourage various sectors, through the provision of financial incentives, to deploy 5G technology early to foster innovation and smart city development, and to improve efficiency of their operations and quality of their services that will contribute to enhancing Hong Kong’s overall competitiveness. Under the Scheme, the Government will subsidise 50% of the actual costs directly relevant to the deployment of 5G technology in an approved project, subject to a cap of \$500,000. In July 2021, the Government increased funding earmarked for the Scheme from \$50 million to \$100 million. The deadline for application has now been extended to 31 July 2022. Around 200 qualified projects will be subsidised.

Eligibility and Essential Requirements

4. To be eligible for the Scheme, entities should be –
- (a) registered in Hong Kong under the Business Registration Ordinance (Cap. 310); or
 - (b) incorporated and registered in Hong Kong under the Companies Ordinance (Cap. 622); or

- (c) established in Hong Kong by relevant ordinances as statutory bodies; or
- (d) a University Grants Committee-funded institution, or self-financing degree-awarding institution registered under the Post-Secondary Colleges Ordinance (Cap. 320); or
- (e) a charitable organisation registered under Section 88 of the Inland Revenue Ordinance (Cap. 112); or
- (f) a school registered under the Education Ordinance (Cap. 279) or a school entirely maintained and controlled by the Government; or
- (g) a government department.

5. Further, an applicant must have substantive business or operation in Hong Kong before 1 January 2020 and is still in operation at the time of application. Each applicant shall be eligible to receive subsidy under the Scheme for one project only.

6. For the consideration of assessment, the applications must fulfil all of the following essential requirements –

- (a) 5G technology must be deployed and is the primary enabler in the project;
- (b) There are substantive benefits (e.g. improvements in efficiency, productivity, quality of service and/or other relevant key parameters) to be brought to the business/sector concerned in Hong Kong through the deployment of 5G technology in the project, in comparison to the deployment of previous generations of mobile technologies (3G/4G technologies); and
- (c) There are sufficient features and extents of innovation or cross-sectoral synergy.

7. Successful applicants, namely the grantees, shall complete the project and submit a completion report and audited accounts of the project to OFCA within two months after project completion or 30 November 2022, whichever is earlier.

8. Details of the Scheme, including application guidelines, frequently asked questions and aspects of approved projects are available on the Scheme's webpage (www.ofca.gov.hk/5g-subsidy).

Latest Progress

9. Since its launch, the Scheme has been well received with enthusiastic responses. As at 1 November 2021, a total of 115 applications have been approved, covering a wide range of applications which include augmented reality (“AR”) / virtual reality (“VR”) based building information model for construction sites, construction site management and support, remote technical support and round-the-clock monitoring system for elevators, photogrammetry, real-time detection of unauthorised access to tunnels, AI wildfire detection, remote advice and training for surgical operations, AR/VR based interior design, customer traffic flow analysis, etc.

Way Forward

10. Members are invited to note the content of the paper.

**Office of the Communications Authority
November 2021**