

9 March 1988

10pc rise in phone charges predicted

BY LINDA YEUNG

HONGKONG phone subscribers face a 10 per cent increase in charges in July if the Government approves an application by the Hongkong Telephone Company.

The increase was needed to meet rising operational costs in telephone services, managing director Greg Crew said after officiating at the opening of the Admiralty Exchange Centre.

He expected the rise to come into effect by July, pending approval from the Executive Council.

Deputy Postmaster-General Henry Wise said the Post Office had proposed a study on whether the operation of telephone services should continue to be a monopoly in future.

At present, the Hongkong Telephone Company has the exclusive franchise which expires in 1995.

Initially, the proposed study will be undertaken by a team comprising staff from the Post Office, the Economic Services Branch and the Legal Department as well as telecommunications experts from overseas.

Mr Wise estimated that the study would cost about \$3 million and would span three years.

"It is possible that the rights of operation will be shared by some other companies instead of a sole proprietor.

"The team will also look into the development of a second telecommunications network," he said.

He added that the Post Office planned to evaluate the scheme of control that governs financial operations of Hongkong Telephone.

"The scheme needs to be revised from time to time due to technology changes," he explained.

The Admiralty Exchange occupies a total floor area of 6,500 square metres and can supply telephone services for more than 140,000 lines in Central district.

The \$5 billion installation provides an integrated digital network that makes faster, and a greater variety of service possible.

Mr Crew said all exchanges in Hongkong would be digitalised by 1993.