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## 25 groups eye commercial radio franchise

By OWEN HUGHES

WITH more than two months to go before the closing date for bids, at least 25 groups have already expressed an interest in running Hongkong's second commercial radio station, due to start broadcasting next year.

Mrs Rachel Cartland, Deputy Secretary for Recreation and Culture (Broadcasting and Entertainment) said the branch had already sold 25 copies of their 63-page information kit outlining the Government's conditions.

Bids close on August 31. Mrs Cartland believed a number of other contenders would emerge for the 12-year franchise for the AM channel and two FM channels on offer.

The Executive Council, advised by the Broadcasting Authority and Mrs Cartland's branch, is expected to reach its decision by the end of the year.

The Government could not say which firms were seriously interested in operating the franchise as the \$205 information kits were available to anyone, Mrs Cartland said.

However, three groups have said they are formulating plans - Hutchison Telecommunications, Sir Run Run Shaw's TVE (Holdings), and Rediffusion (Hongkong).

Although neither the bidders nor the Government would put a price on the franchise, it is believed that the successful bidder will have to spend between \$150

million and \$200 million during the 12-year period.

The type of service provided is up to the franchise bidders, but they will have to adhere to a strict code of conditions including broadcasting in English for at least eight hours a day at specified times on one of the FM frequencies, Mrs Cartland said.

Hutchison's director of group planning, Mr Robin Maule, said the company was still negotiating with potential partners for its bid. He added that no one knew if a second commercial radio station would halve the available advertising revenue or double it.

While Commercial Radio claims to have secured 5.3 per cent of the advertising pool, government figures show that that radio's share of advertising tumbled by 39 per cent between 1984 and 1988.

Revenue is likely to be hard hit by the ban on tobacco advertising from December 1, but Mr Maule said: "The interest in trying to get a new station transcends its commercial value - we enjoy doing it."

TVE is believed to have undertaken some preparatory work on the bid.

A senior Rediffusion executive said teams of experts were still working out the technical and programming aspects of its bid.

"There should be a strong interest. Hongkong is an increasingly sophisticated market and I think there is room for another commercial radio station," he added.