



Price Benchmarking




Composite Consumer Price Index (2004 vs. 2014)

Composite Consumer Price Index

 **33%**


衣

Clothing and
footwear

 **32%**


食

Food

 **51%**


住

Housing

 **48%**

行

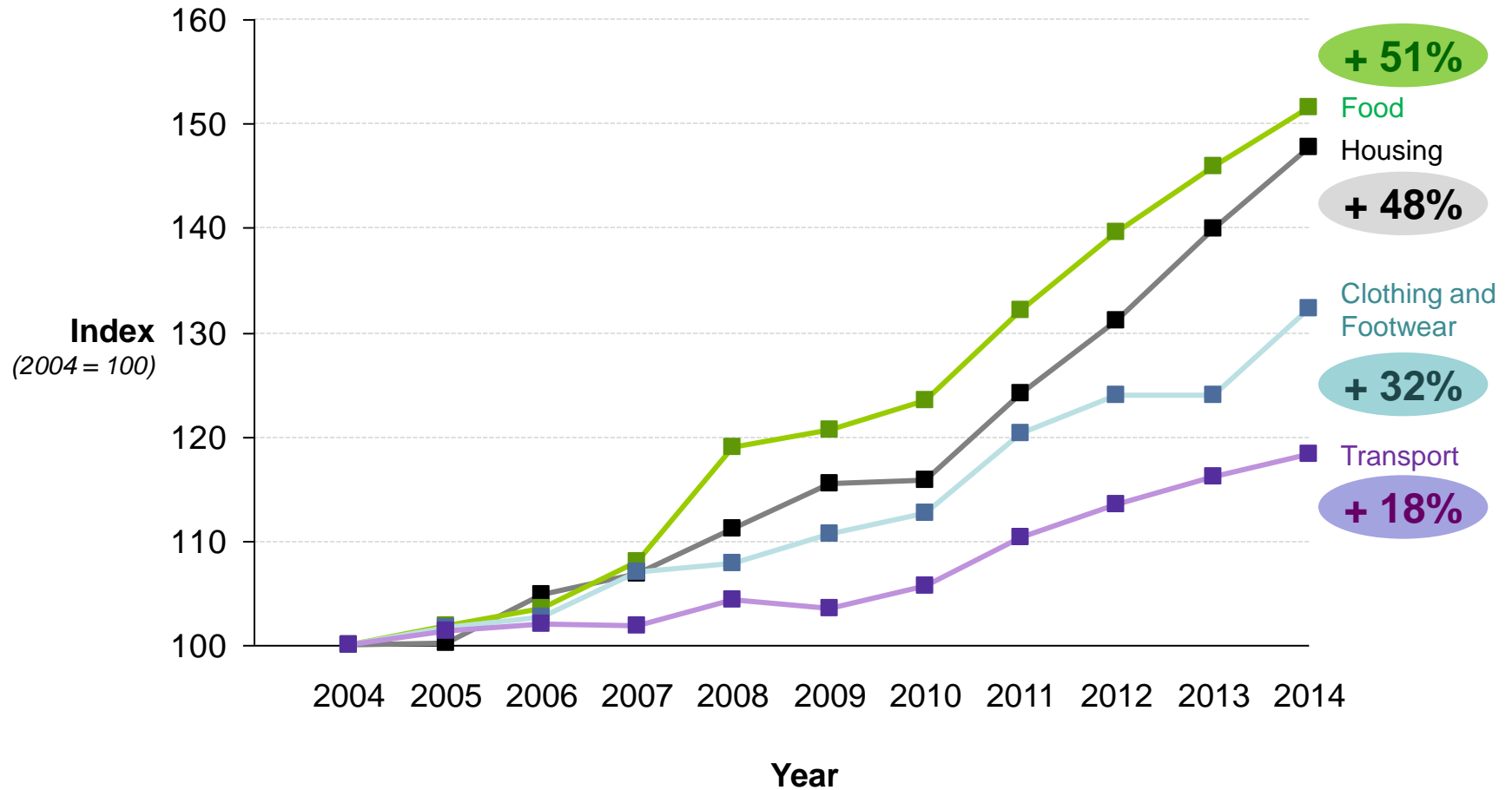
Transport

 **18%**

Source: Government Census and Statistics, Annual and Monthly Digest of Statistics Consumer Price Indices. 2014 figures are based on May14 indices.



Consumer Price Index 2004 - 2014



Source: Government Census and Statistics, Annual and Monthly Digest of Statistics Consumer Price Indices. 2014 figures are based on May 14 indices.



Similarly, costs directly related to mobile business have also been rising sharply

Labour

↑ 33%

Rental

↑ 85%

* Private retail rental

Electricity

↑ ~30%

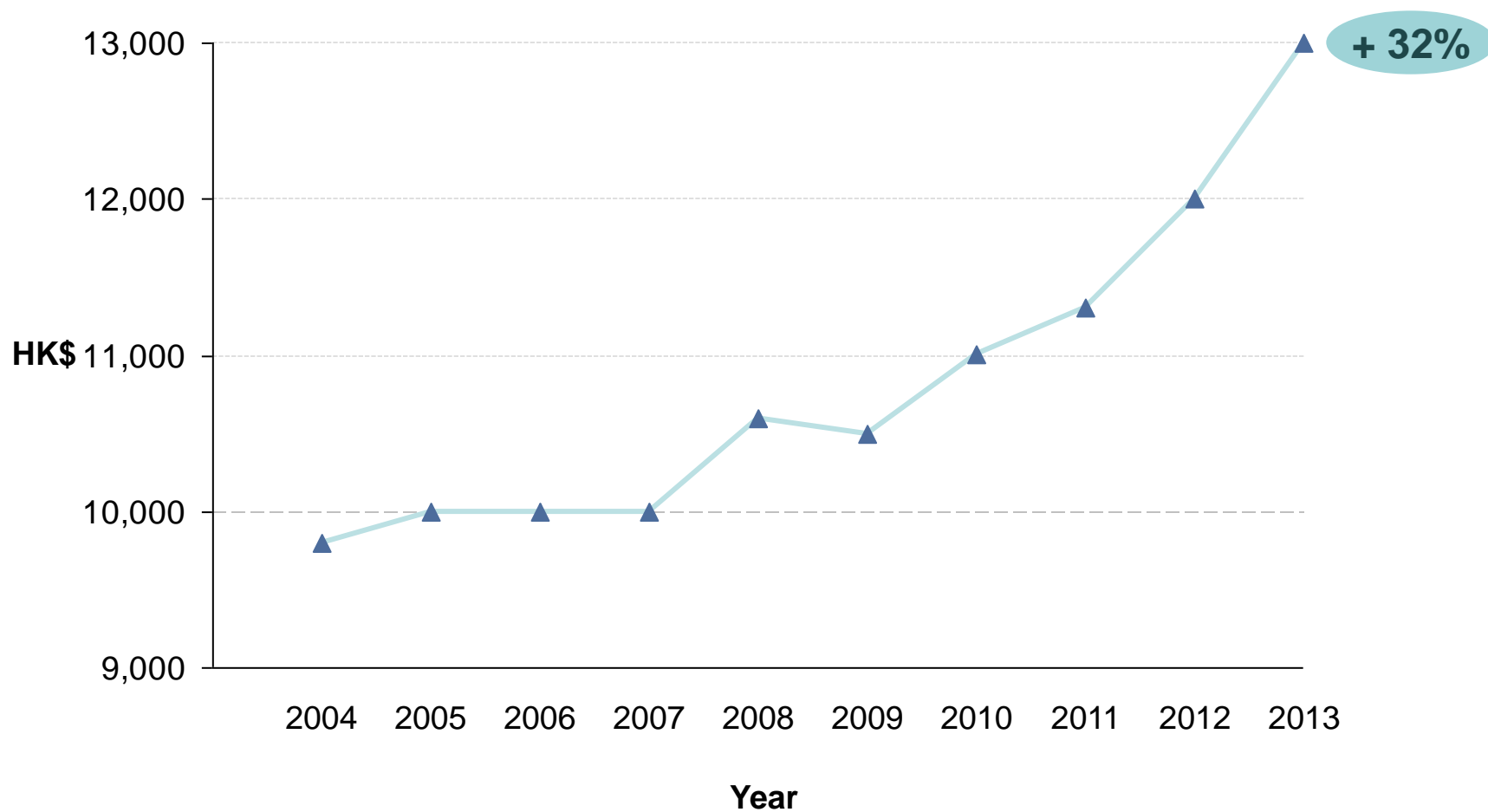
Spectrum*

↑ Up to 520%

*Spectrum Utilization Fee (SUF)



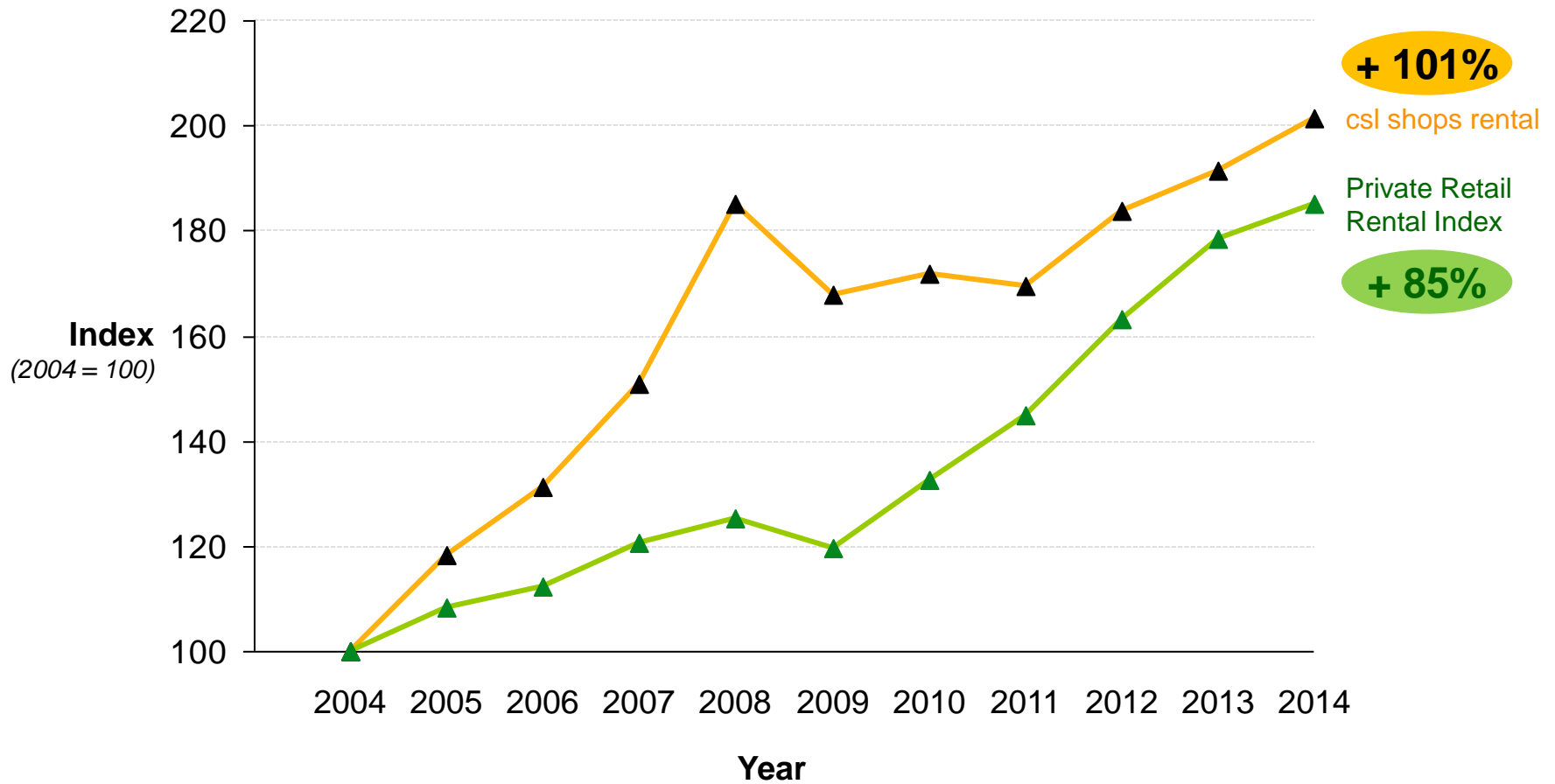
Median Monthly Income of Employed Persons



Source: Government Census and Statistics, Hong Kong Annual Digest of Statistics and Quarterly Report on General Household Survey.



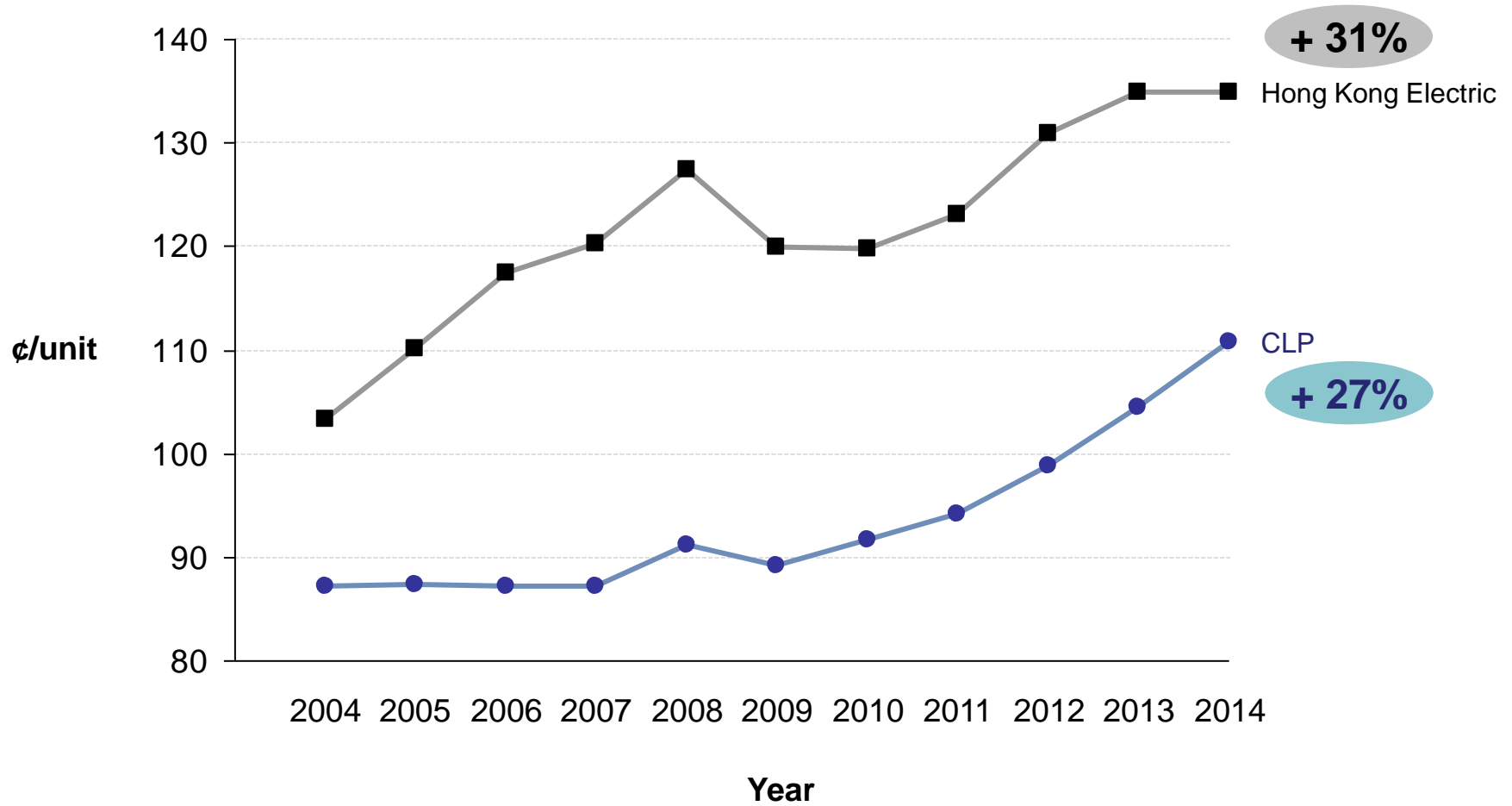
Private Retail Rental Index vs. CSL Mobile Shop Rental



Source: Government Rating and Valuation Department. 2014 figures are based on May 14; internal CSL data



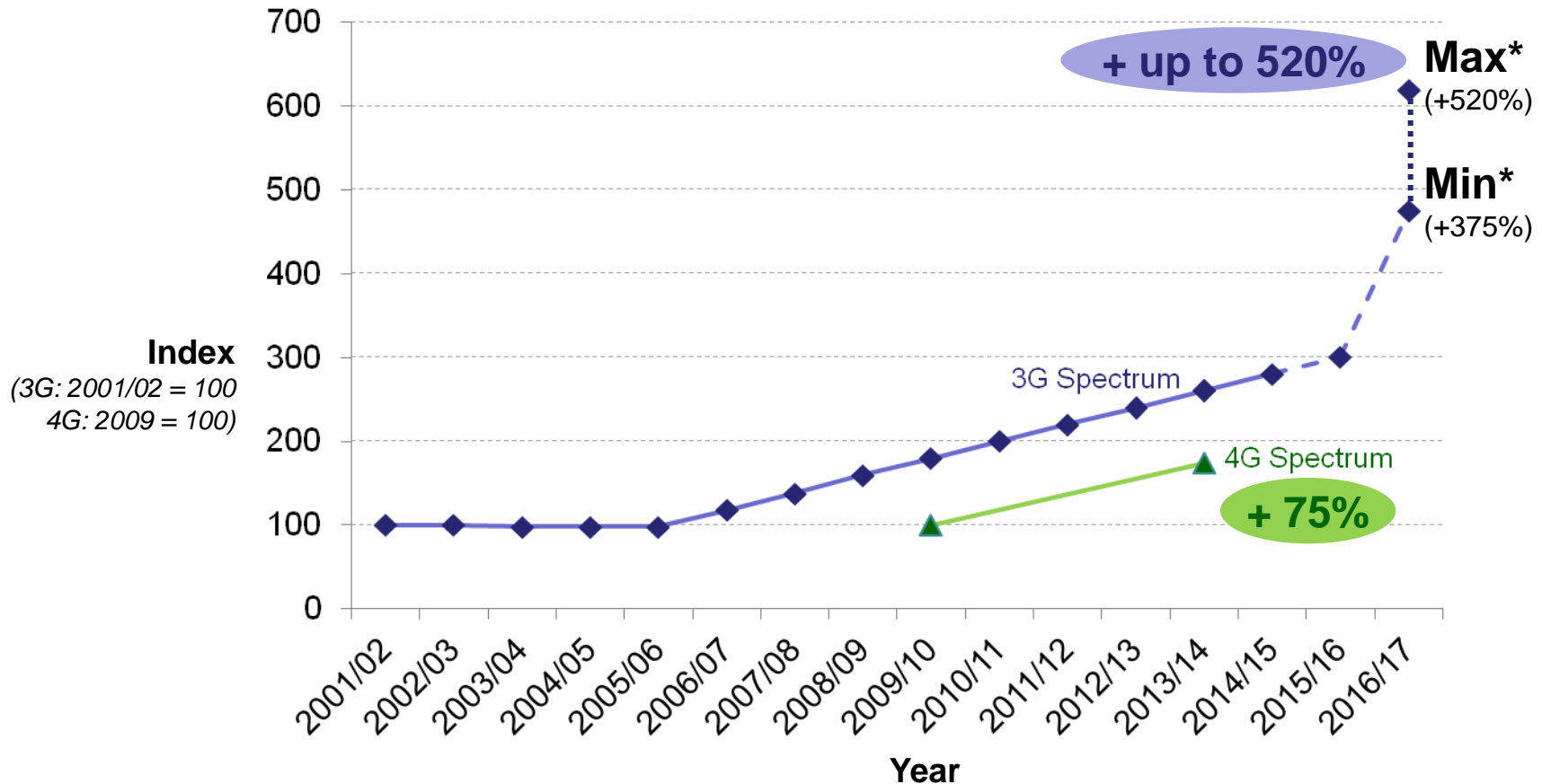
Electricity Price Per Unit



Source: Government Environment Bureau, Future Fuel Mix for Electricity Generation Consultation Document 2014



Spectrum Utilization Fee (SUF) Per MHz



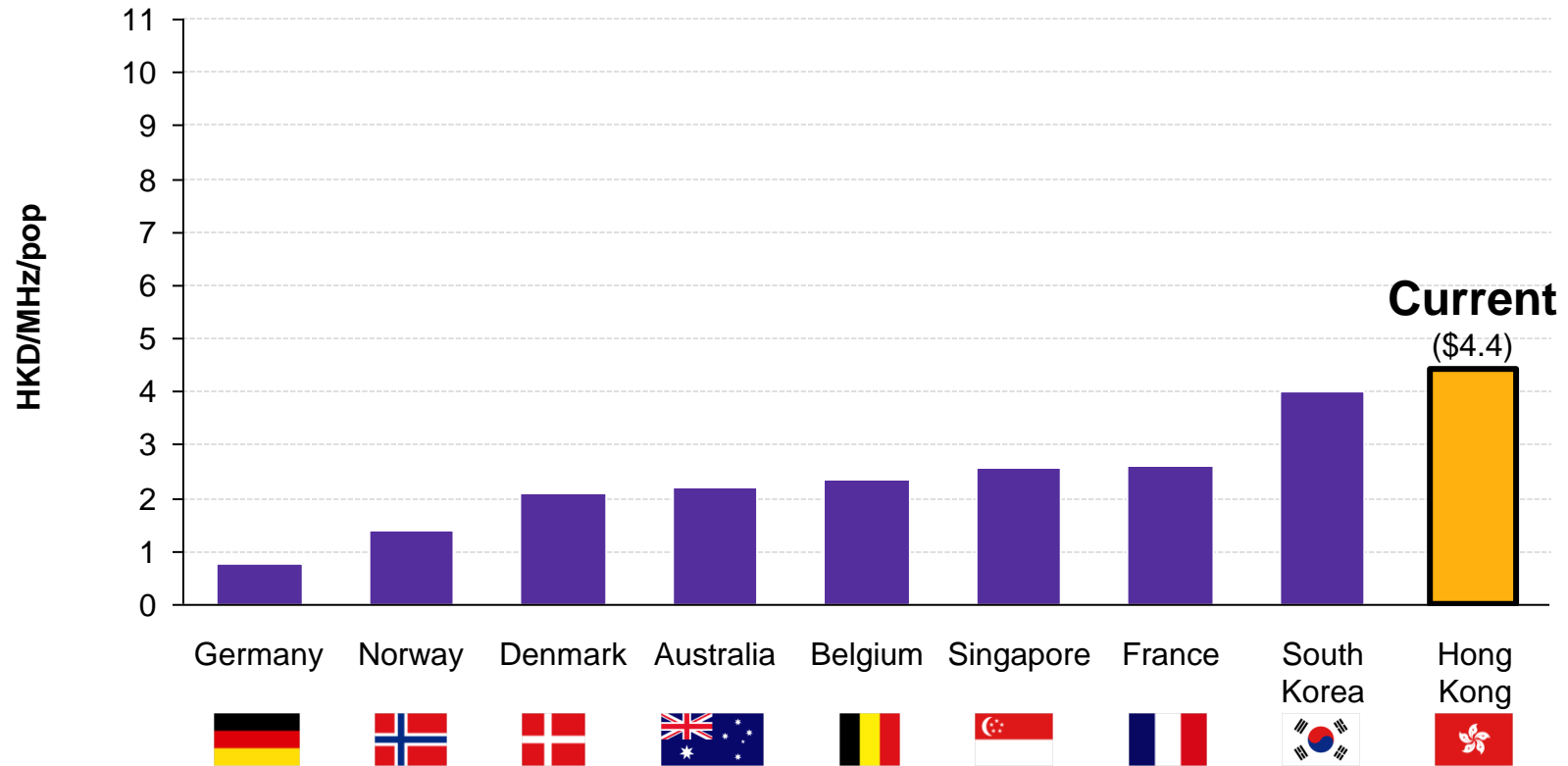
Note:

- (1) 4G Spectrum cost is based on 2009 and 2013 auctions, which is a lump sum payment for 15 years of use.
- (2) The current 3G spectrum cost is an annual payment, and has factored in the tax allowance given to SUF payment.

* In 2016/17, the renewed 3G cost is a lump-sum payment. The actual SUF payable will be determined via auction, subject to the minimum/maximum figures indicated in the graph. The SUF/MHz is converted to equivalent annuity based on 3.6% interest rate.



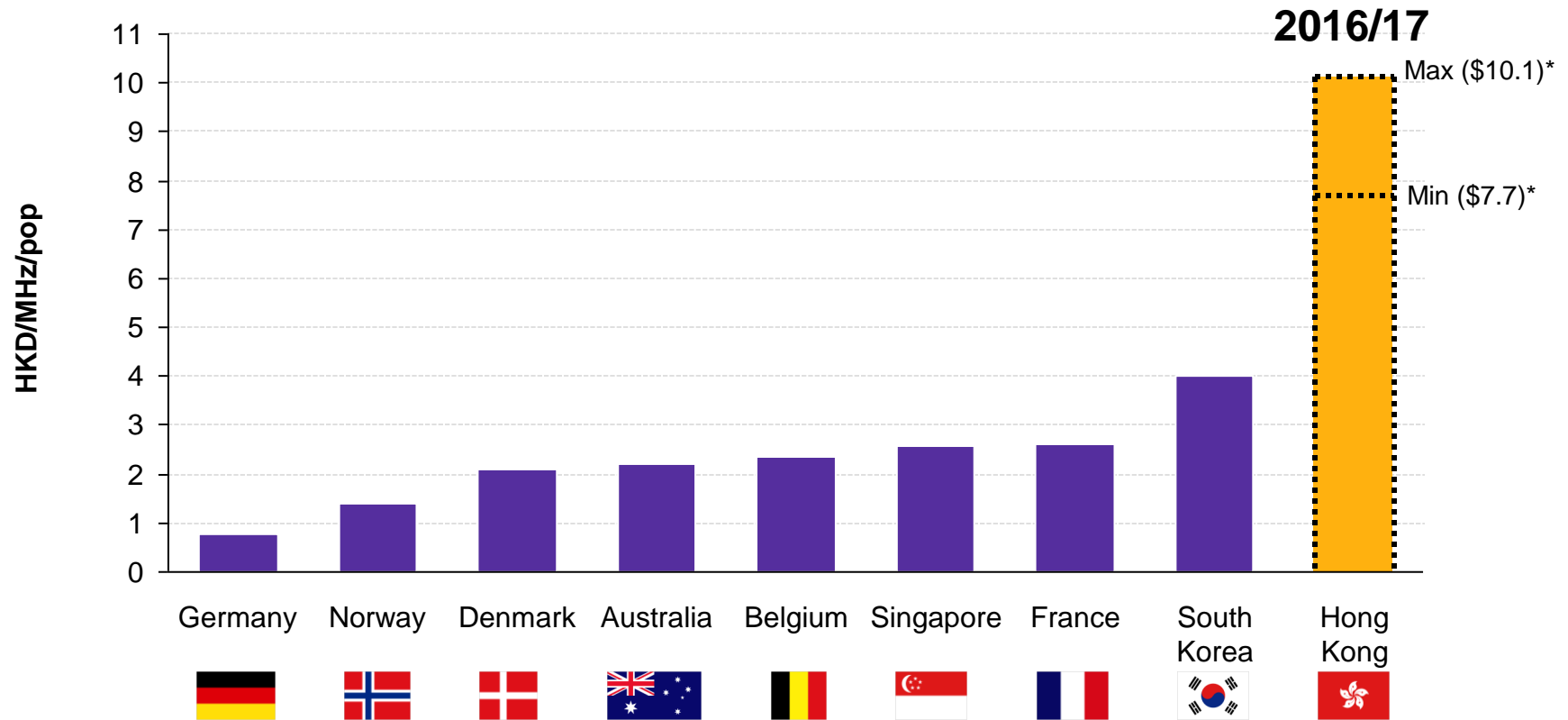
3G Spectrum Utilization Fee (SUF) Per MHz Per Population



Source: Plum Consulting; Comparing the cost of 2.1 GHz band spectrum auctions in high income countries. Values have been normalised to 15 year licence duration. Other countries data are based on recent auctions.



3G Spectrum Utilization Fee (SUF) Per MHz Per Population



Source: Plum Consulting; Comparing the cost of 2.1 GHz band spectrum auctions in high income countries. Values have been normalised to 15 year licence duration. Other countries data are based on recent auctions.

* Hong Kong data is based on 2016/17 actual SUF payable, which will be determined via auction, and subject to the minimum/maximum figures indicated in the graph



Data you can get with ~HK\$250 in 2004, 2009 and 2014

2004

\$250



100KB

2009

\$279



512,000KB
(5,000 times)

2014

\$260



5,242,880KB
(50,000 times)



Voice entitlements in 2004, 2009 and 2014

2004

\$250

100KB

+ 1,400 mins

2009

\$279

512,000KB
(5,000 times)

+ 1,500 mins

2014

\$260







5,242,880KB
(50,000 times)

**+ Unlimited
Voice Call**

Comparing the past and current csl SIM plans at ~\$250 level. 2004 Plan: \$250 for 100KB; 2009 Plan: \$279 for 500MB; 2014: \$260 for 5GB. Tunnel fee inclusive, if applicable. Voice entitlement refers to Basic Minutes.



Our plan prices are also low when compared with the rest of the world

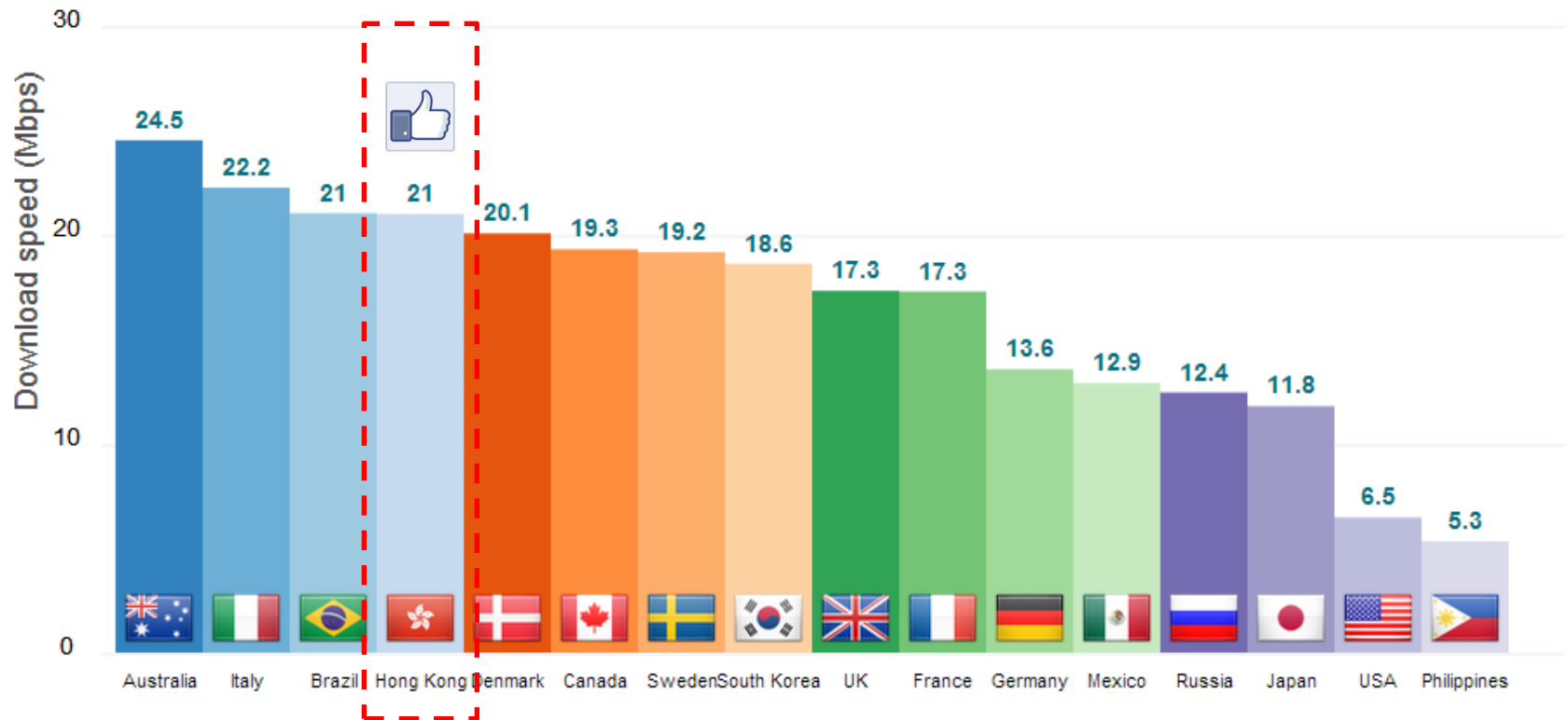
	1GB	2GB	5GB	10GB
	\$200	\$230	\$260	\$400
USA 	\$388 (AT&T)	\$504 (AT&T)	\$736 (AT&T, 4GB)	\$891 (AT&T)
UK 	\$236 (Vodafone)	\$266 (O2, 3GB)	\$412 (Vodafone)	\$544 (Vodafone, 9GB)
Australia 	\$218 (Optus, 500MB)	\$327 (Optus)	\$437 (Optus)	<i>No plan</i>
South Korea 	\$234 (KT Olleh, 750MB)	\$284 (KT Olleh, 1.5GB)	<i>No plan</i>	\$426 (KT Olleh)
Japan 	<i>No plan</i>	\$474 (DoCoMo)	\$589 (DoCoMo)	\$933 (DoCoMo)

Source: Respective operators' websites as of 11 July 14. The following exchange rates are applied to convert the price equivalent to HK\$1: US\$0.129; £0.075; A\$0.138; 131.6Won; ¥13.07. The prices listed include the basic plan charge plus any additional charge as required by the plans (e.g. tunnel fee)



Despite its lowest prices in the world, network speed in Hong Kong is among the top

HOW SPEEDS COMPARE

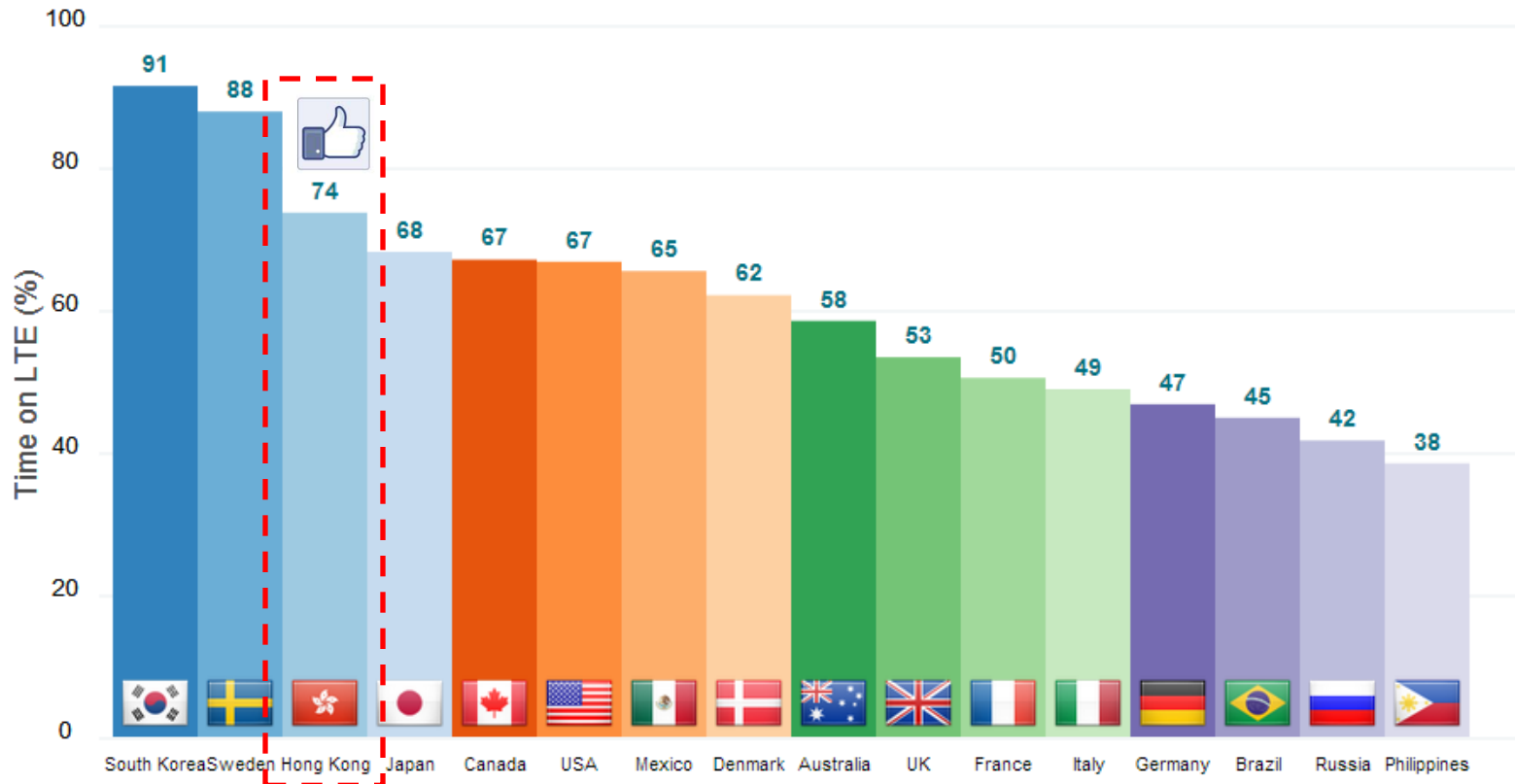




Coverage is also top-ranked in the world

TIME ON LTE *

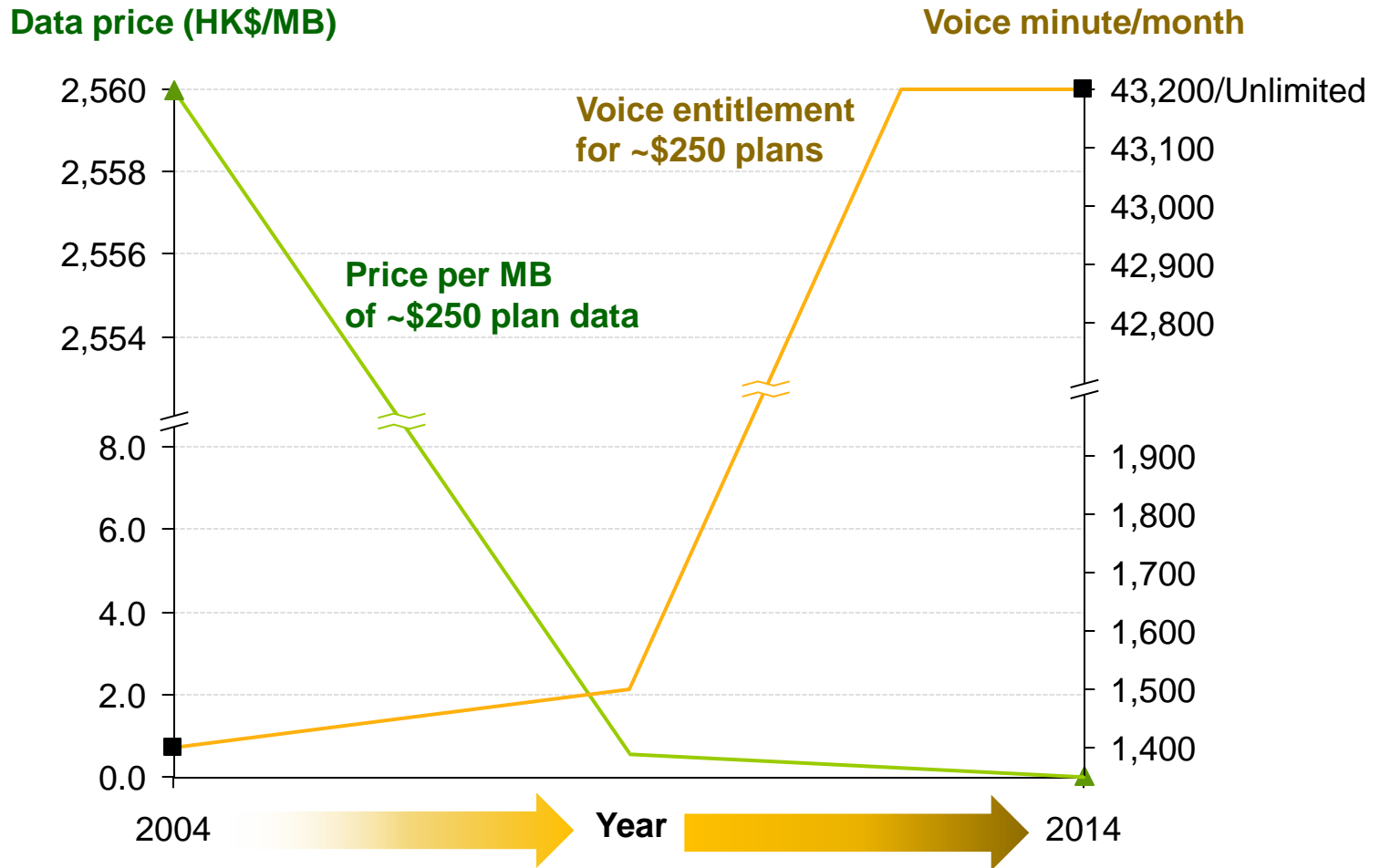
Time on LTE by country and network



* Time on LTE is a measurement of the average percentage of time LTE users are able to have LTE network coverage when they use their LTE-enabled devices. This reflects how extensive and comprehensive the LTE network in a particular market is.



A great deal for consumers...



... but inevitably operator costs (particularly spectrum) have to be passed on



THE END

