



TVB Network Vision surrenders pay TV licence

(10 January 2017) TVB Network Vision (TVB NV) today informed the government and the Communications Authority of its decision to surrender the Domestic Pay TV Programme Service Licence.

Rampant online piracy, proliferation of OTT services and downturn of Hong Kong's economy in recent years are reasons for discontinuing the pay TV business.

“Since launching on 18 February 2004, the pay TV service has been operating in the red. The accumulated losses over the years run into more than \$2.2 billion. TVB NV has tried every effort to keep the service going despite difficulties. But the deteriorating business and operating environment in recent years have rendered the pay TV business not commercially viable,” a TVB NV spokesman said.

“Regrettably, the government has done little to address the issues, particularly online piracy and some of the regulatory provisions which do not keep up with the times, and foster an environment that supports sustained development of the TV industry.”

“Virtually all the contents provided by TVB NV have been pirated and made available on a large number of illicit websites, apps and set-top-boxes which led to increasing subscriber churn rate,” the spokesman said.

“The proliferation of OTT services are competing for eyeballs and advertisers. OTT service providers, however, are not subject to the stringent regulatory provisions in the same way as we are under the Broadcasting Ordinance. The weak economic outlook and continued falling retail sales have resulted in significant drop in advertising revenue.”

Special packages are being offered to existing TVB NV subscribers to migrate to the newly launched myTV SUPER, the users of which have now exceeded 2.3 million. TVB NV subscriptions will not be renewed on expiry and the pay TV service will be curtailed once surrender of the licence is accepted by the government.

The licence was first granted on 5 December 2000 to Galaxy Satellite Broadcasting Limited to operate a pay TV service, which was renamed TVB Network Vision in March 2013. The licence was renewed for a further period of 12 years effective from 23 February 2013.

The government granted four licences, including Galaxy Satellite Broadcasting, in December 2000 in a bid to open up the pay television market. Hong Kong Network TV, TV Plus and Yes TV surrendered their licences in April 2001, April 2004 and July 2004 respectively.