

ICT Policy and Regulation Development

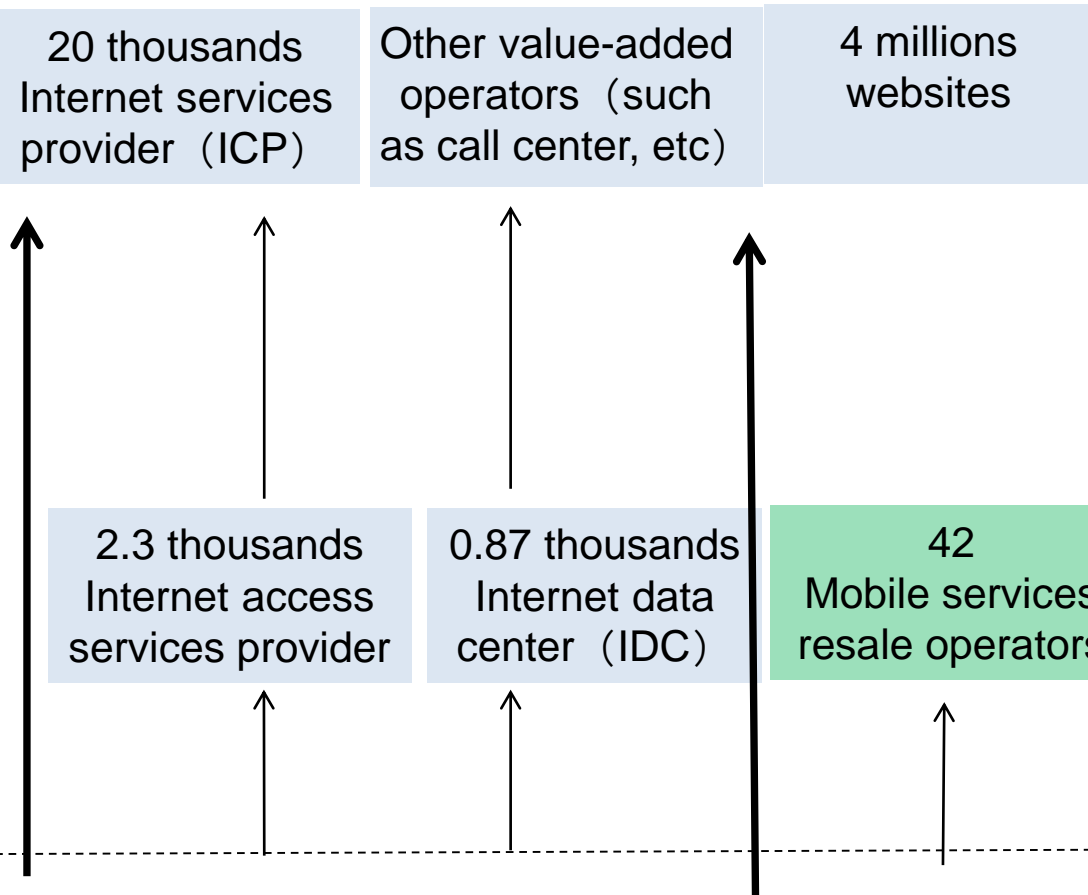
Dr XIE, YI

Vice president, CAICT



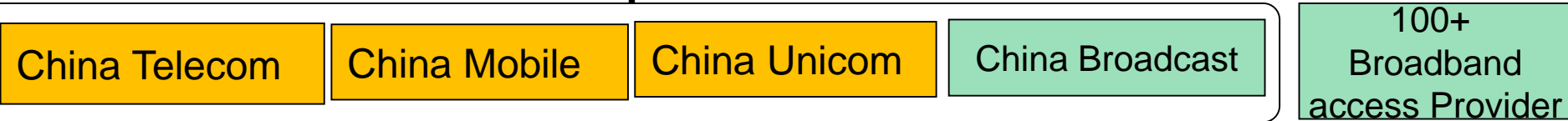
The main players in the ICT services market

the market structure: 4 infrastructure telecom operators+20,000 Value added telecommunication enterprise + 4 million websites



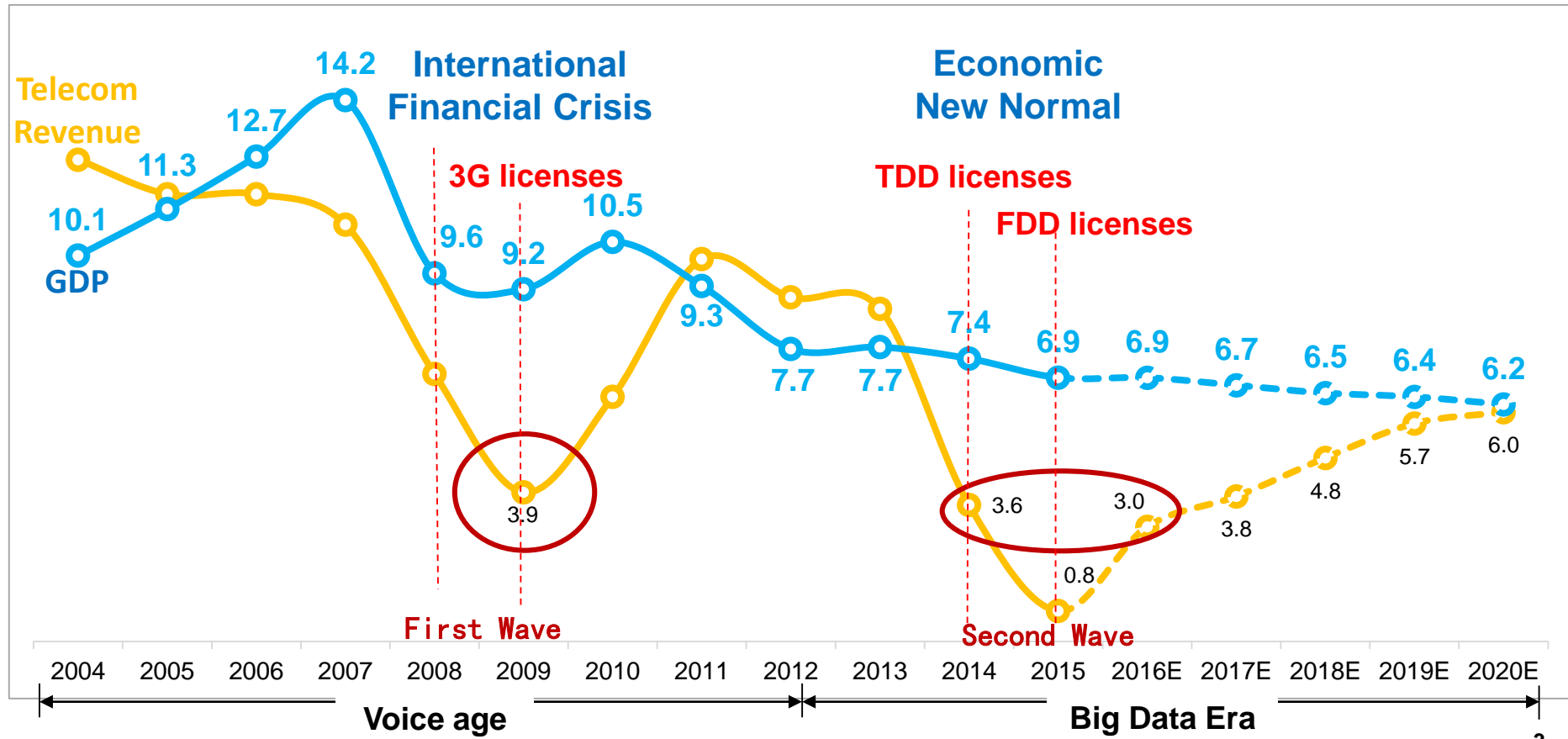
Index Name	Unit	2016.4.30
Total fixed telephone subscribers	million	222.1
Urban telephone users		164.4
Rural telephone users		57.7
Total mobile phone subscribers		1293.8
3G users		251.5
4G users		558.3
Internet broadband access users		271.8
xDSL users		41.5
FTTH/O users		175.7
Mobile Internet users		1019.1
Fixed telephone penetration rate	setper10	16.2
Mobile phone penetration rate	0people	94.1

Source: MII



The telecom industry enters into “new normal status”

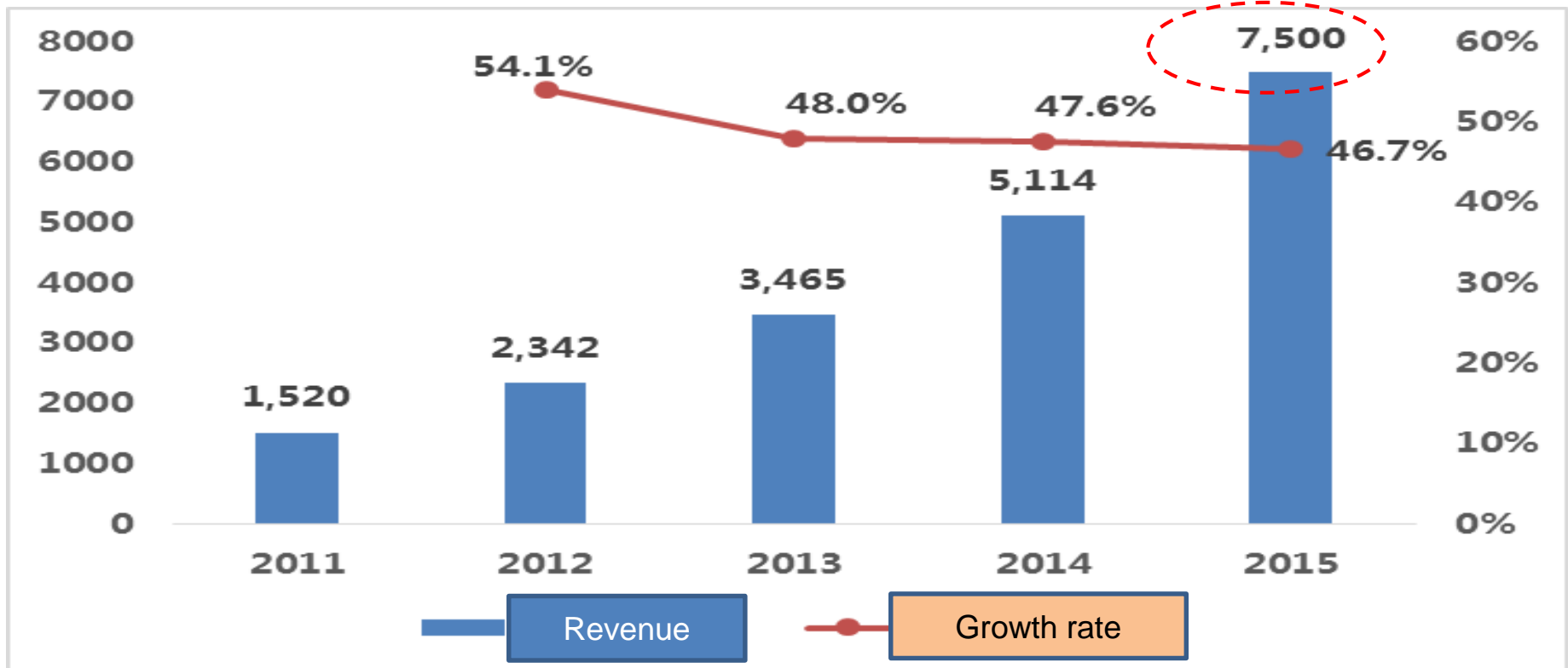
- From 2011 to 2015, the growth rate of telecom industry revenue continues to decline.
- The growth rate of telecom industry revenue is far lower than the GDP growth rate in 2015.



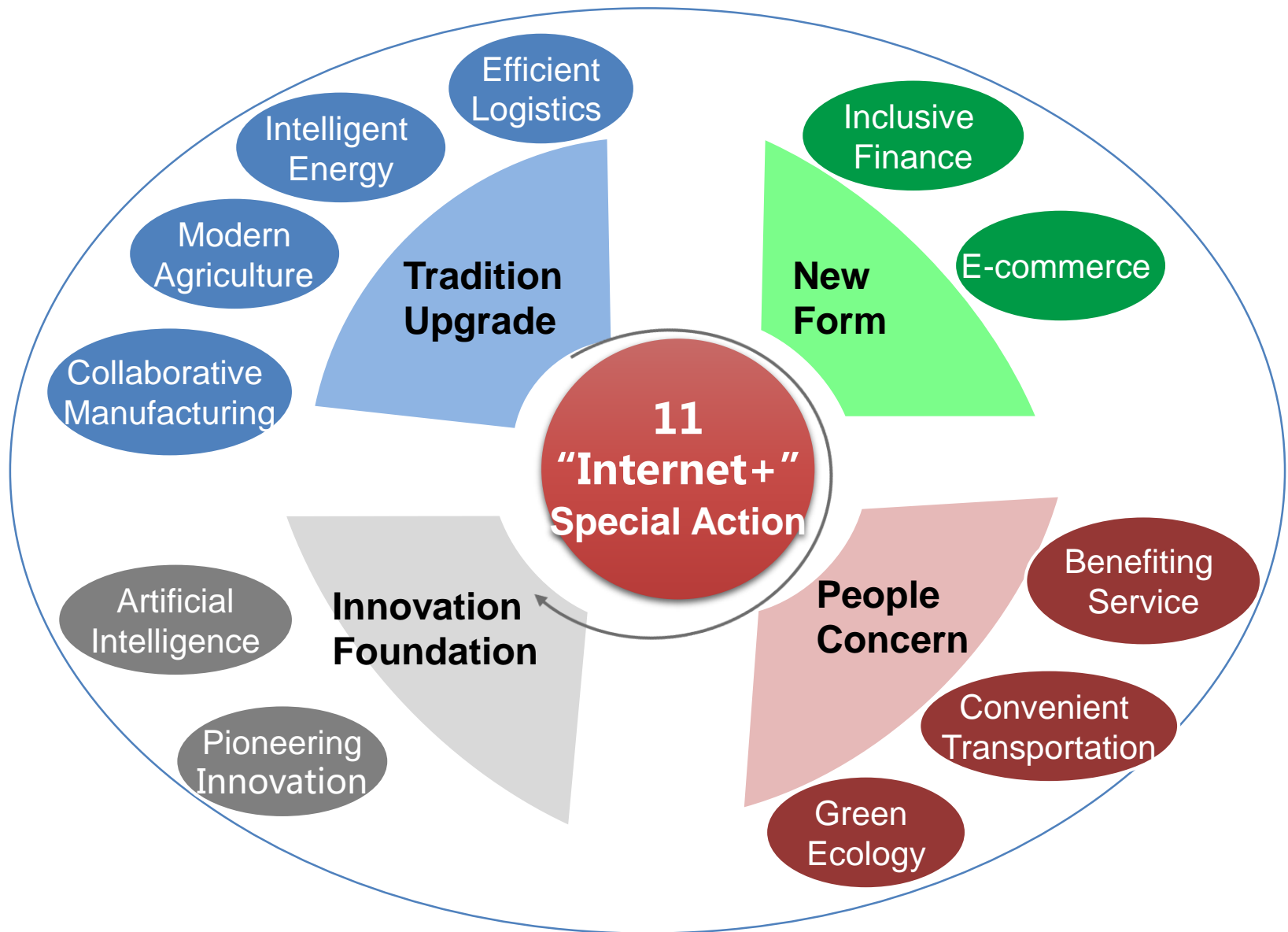
Rapid growth of the Internet service industry

- The total revenue of internet reach 750 billions RMB.
- Four compound annual growth rate is higher than 50%.

Unit: 0.1 billion



1. ICT Policy Development: “Internet +” Plan



2. Promote Telecom Universal Services

- Implementation of the Telecommunications Universal Service Compensation Mechanism (TUSCM)
- First National Finance supported broadband universal service in 2015.

Broadband access to the village task

- ❑ Among 50,000 no wideband access villages, more than 98% in mid-western region
- ❑ Within 150,000 need updating villages, more than 80% in mid-western region

Organization mode of TUSCM

- ❑ Through competitive bidding ways to improve the efficiency of the use of financial funds
- ❑ Encourage private capital to participate in rural broadband construction, operation and maintenance

3. Open MVNO to private operators

- Pilot Proposal of Mobile Virtual Network Operate was published in 2013.
- Up to now, there are 42 companies involved in the pilot.

key content

- Only open for private company in China
- Application process and condition referred to value-added telecommunications business license
- Need to sign a business contract with the infrastructure enterprise

4. Regulate Competition Behavior in Internet Market

- More drastic competition occur in Internet market , meanwhile the internet supervision system lags behind.

- ① Imperfect of market order, intellectual property rights and other innovative protection system
- ② Lack of technical systems to monitor, discover and collect the illegal behaviors of enterprises
- ③ Thin of industry self regulatory organization, lack of authority and capability from third party
- ④ Lack of coordination mechanism with the judiciary and other relevant regulators

To develop the dispute resolution procedures of internet information service market

To construct multi-level restraint mechanism

To strengthen the responsibility of the player

5. Strengthen Intelligent Terminal Supervision

- Smart phone has brought unprecedented challenges to the Internet Management, over 1 billion terminals all the places using million internet applications, must be strengthen the supervision before/after the market.

1 Strengthen rule

2 Increase the development and implementation of technical standards

3 Increase supervision on the preset software of intelligent terminal

4 Increase investigation and punishment on illegal charges



6. Personal Information Protection Standards

- In recent years, user information leakage events happened frequently, causing continue social concerns.
 - Communication information fraud crime cases frequently with changeable ways
 - Collect user's location information by intelligent mobile phone
 - APP software excessive collection of user information
 - Stealing user's personal information

- Series of standards have been introduced.
 - General Technical Requirements and Management Requirements for Protecting Personal Electronic Information of Telecom and Internet users
 - Testing Requirements
 - Definition and Classification Guide

Research in ITU-D SG1 2014-2018 Q6/1

- Question 6/1: Consumer information, protection and rights: Laws, regulation, economic bases, consumer networks
- CAICT proposed a document, titled on Consumer Protection in The Convergent Era: User Dominant Right is Rising Up, in ITU-D Study Group 1 Rapporteur Group Meetings.
 - It discloses the appearance and characteristics of the rise of user dominant right with the progress of communication industry
 - And proposes to enhance the protection of consumer benefits via the way of institution innovation and regulation improvement
- CAICT will host an expert group meeting of ITU-D SG1 in Chongqing on July 11, 2016 accompany with Chongqing University of Posts and Telecommunications, including regional seminars and visits.
 - Conference will focus on the era of digital integration
 - and discuss on the theme of protection the rights and interests of telecommunication users

Thank you!
