



News Release

New Surveys Reveal Massive Size and Scope of Hong Kong's Spam Problem:
Solutions needed to address what could be costing the economy up to HK\$ 10 billion in
lost-productivity and other costs to Fight Spam

Industry Leaders Host Forum to Consider the Topic "Spam: to regulate or not"

Hong Kong, January 13, 2004 – Today, at a forum exploring whether spam should be regulated by law in Hong Kong, two new surveys were released that for the first time quantitatively document the growing seriousness and costs of unsolicited bulk e-messages to consumers and businesses in Hong Kong, as well as revealing public opinion on the issue.

The first survey, conducted by the Hong Kong Internet Service Providers Association (HKISPA), gathered data from eleven ISPs which represent over 90% of Internet users in Hong Kong, revealed that 50% of all e-mail in Hong Kong is spam, with a significant 5% of the unsolicited mail originating in Hong Kong itself, and a further 20-40% from other Asian sources (mainly China). Applying international research figures to the Hong Kong data, calculations of the potential economic lost to the Hong Kong economy could be as much as HK\$ 10 billion per year, with lost productivity alone at HK\$ 6 billion per year. Commenting on the survey results, HKISPA Chairman York Mok noted: "These numbers reveal that computer users in Hong Kong suffer from the harmful effects of spam to the same degree as consumers and businesses in other parts of the world and that action is needed to address the problem."

The second survey, conducted online by the office of Mr. Sin Chung Kai, represents the views of a cross section of nearly 100 members of the Hong Kong public. Almost 60 percent of respondents said that over a quarter of the messages in their private email accounts is unsolicited, and more than 80 percent of respondents said that unsolicited e-messages annoy them. Although many of respondents said they had already adopted some type of anti-spam measures, the vast majority (more than 80 percent) agreed the government should regulate unsolicited e-mail activity.

Of those supporting government intervention, 70 percent favor the introduction of anti-spam legislation in Hong Kong, indicating that respondents do not consider the technology now available to combat spam to be an adequate answer to the problem and that a more comprehensive solution, including some form of regulation, is needed. Of those respondents who did not favor regulatory measures, many expressed a concern that government intervention may limit freedom of speech and the free flow of information in society.

The Forum, jointly organized by the Hong Kong Internet Service Providers Association, the Hong Kong Anti-Spam Coalition (whose membership includes Microsoft and TimeWarner, as well as the ADMA and HKISPA), and The Office of Mr. Sin Chung Kai - Legislative Councillor (IT), attracted nearly 200 participants from industry, media, government and academia. At the Forum, the Hong Kong Anti-Spam Coalition released a White Paper, calling on the Hong Kong SAR Government to begin public consultation on potential spam legislation and outlining what coalition members identified as the core elements of an effective legislative regime.

"It's clear that Hong Kong people, businesses, and society are suffering significant financial costs and annoyance from spam," said Mr. Sin Chung Kai, Legislative Councillor (IT). "Legislation is not the only ingredient to the solution, but we're hearing increasing opinions and evidence to suggest that it's time the Hong Kong SAR Government began investigating the regulatory options."

"The interests of Hong Kong ISPs are completely aligned with those of our business and individual Internet users," said HKISPA Chairman York Mok. "The same torrent of unsolicited e-mail that hampers productivity and costs money to our customers also puts a heavy burden on ISPs. We're committed to pursuing all possible technology, legislative and education solutions."

"The data from these recent surveys are dramatic, quantifiable indications that the spam problem and its impact on Hong Kong's computer users and business society are very significant and greater than previously imagined," said Jeff Bullwinkel, Microsoft's Director of Corporate Affairs for the Far East Region and a representative of the Hong Kong Anti- Spam Coalition. "Now is the time to begin public consultation on possible spam legislation in Hong Kong to ensure that the SAR is in line with global best practice on techniques to fight spam." Mr. Bullwinkel added that "strong anti-spam legislation – such as that already adopted by numerous countries with developed information economies – is necessary to deter spammers, to facilitate enforcement in appropriate cases, and to prevent individual markets from becoming safe havens for spamming activity."

The full results of the surveys and white paper can be found on the web at:

<http://www.asiadma.com/adma/resources/researchlist.asp>

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About the HKISPA

The Hong Kong Internet Service Providers Association (HKISPA) was formed in 1989 and has as its membership the majority of ISPs in Hong Kong. The mission of the HKISPA includes: acting as a discussion forum on Internet related matters, the promotion of Internet development in Hong Kong, promotion of fair competition and codes of practice, and working with government agencies and the public on Internet related issues. More information can be obtained at www.hkispas.org.hk

About The Office of Mr. Sin Chung Kai - Legislative Councillor (IT)

SIN Chung Kai was elected to represent the Information Technology Functional Constituency in Legislative Council since 1998. With his Digital Hong Kong 2005 as the blueprint, SIN Chung Kai endeavored to transform Hong Kong into a world-class digital city that enjoys freedom, human rights, rule of law, fair competition, democracy and economic prosperity.

He is currently the Chairman of Panel on Information Technology and Broadcasting of the Legco.

About the Anti-Spam Coalition

The Hong Kong Anti-Spam Coalition was formed during the summer of 2003. The coalition brought together a group of concerned industry participants such as the Hong Kong Internet Service Providers Association (HKISPA), the Asia Digital Marketing Association (ADMA) and business leaders from a variety of organisations including Microsoft, Time Warner and MessageLabs. The Coalition aims to make a real difference to consumers, businesses and government by bringing together powerful local market knowledge and contacts to foster effective industry self-regulation, legislative solutions, information sharing, and other global best anti-spam practices.

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