

**Paper for Special House Committee Meeting
on 14 December 2001**

**24-hour Passenger and Cargo Clearance
at Boundary Control Points**

Introduction

This paper outlines the Administration's assessment on the provision of 24-hour passenger clearance, and briefs Members on the position regarding cargo clearance, at our Boundary Control Points (BCPs).

Operating Hours for Passenger Clearance at Land BCPs

2. There are at the moment five land BCPs and their operating hours for passenger clearance are tabulated below. While none operates round the clock, the major BCPs at Lo Wu and Lok Ma Chau are open for 17.5 hours every day following the latest extension with effect from 1 December 2001.

Lo Wu	Lok Ma Chau	Man Kam To	Sha Tau Kok	Hung Hom
0630 - 2400	0630 - 2400	0700 - 2200	0700 - 2000	(Mon to Thu) 0730 - 2000 (Fri - Sun) 0730 - 2145

Public Views on 24-hour Passenger Clearance

3. Extending the operation of all or selected BCPs to 24 hours has been a subject of public discussion for quite some time. Community views remain divergent and they relate to both economic and social concerns, as highlighted below -

Pros :

- (a) enable Hong Kong to develop closer economic ties with our hinterland and strengthen our hub status for goods and passengers within the Pearl River Delta;
- (b) facilitate the development of the logistics industry in Hong Kong;

- (c) cater for the emergency travelling needs of both the business community and the general public;
- (d) lay the ground for more Mainland visitors to come to Hong Kong for business and leisure, thus benefiting our economy;
- (e) remove the uncertainty hanging over the property market in northern New Territories; and
- (f) encourage more affluent Mainland residents and investors to acquire local properties or set up companies in Hong Kong.

Cons :

- (a) possible outflow of Hong Kong people and investment to Shenzhen or other nearby cities in the Guangdong Province as more Hong Kong people live across the boundary where cost of living is generally lower;
- (b) property prices of the northern New Territories would be further depressed;
- (c) the local retail, catering and entertainment sectors would lose more of their business to competitors in Shenzhen;
- (d) increase risks to family unity as extra-marital relationships across the boundary might rise; and
- (e) the problem of drug abuse by youth will get worse.

4. There is a lack of a clear community consensus on the need for 24-hour passenger clearance services. Our policy on 24-hour operation of BCPs must take into account the prevailing public views and try to strike a balance among the interests of different sectors.

Administration's Stance on 24-hour Passenger Clearance at Land BCPs

5. On balance, the Administration believes that 24-hour cross boundary passenger clearance should at this stage remain our goal. When we could achieve this depends on the emergence of clearer community support, evidence of real traffic demand, the agreement of the Mainland authorities, resource and other considerations.

6. Pursuant to close consultations between the two sides, both Hong Kong and Mainland authorities have come to the agreement that the gradual extension of the operating hours of our BCPs is a natural development in line with the close social and economic ties as well as increasing flow of people between the two places, and that eventually this should lead to 24-hour clearance. However, the pace at which this goal is to be achieved depends on a careful balance of all the factors at play, including practical needs, the interests of the peoples of the two sides, efficient use of resources as well as socio-economic considerations. A notable phenomenon, for example, is that the growth of cross-boundary passenger traffic has somewhat slowed down in 2001. In the case of Lo Wu, whilst the average growth rate of passenger traffic between 1996 and 2000 had been 15.8%, the growth rate was only 2.8% in the first nine months of 2001. In the case of Lok Ma Chau, the average growth rate between 1996 and 2000 had been 37%, but the rate slowed down to 13.3% in the first nine months of 2001. Members may wish to refer to the graphical illustrations at *Annex* for the growth trends of passenger and vehicle flows across various BCPs.

7. Having recognized 24-hour passenger clearance as a long-term goal, the two sides agreed at the 4th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference held on 25th July 2001 that, as an immediate measure, the operating hours at Lo Wu should be extended for 30 minutes on the day before and during a Hong Kong Public Holiday. Also, as a mid-term measure, the extension should apply daily and the operating hours at Lok Ma Chau should be aligned with those at Lo Wu. The immediate measures were then put in place and operated smoothly during the recent Mid-Autumn/National Day and Chung Yeung Festival holidays. The mid-term measures were introduced on 1 December 2001 with the BCPs at both Lo Wu and Lok Ma Chau operating from 6:30 a.m. to 12:00 midnight on a daily basis.

8. We are closely monitoring the results of the extension. What we have observed so far is that the extended hours may not on their own lead to a corresponding increase in the overall volume of cross-boundary traffic in a day, and that the volume of traffic during the extended hours has so far not been heavy.

Administration's Assessment of Likely Implications of 24-hour Cross Boundary Passenger Clearance

9. The review of 24-hour passenger clearance has been a continuous process, taking into account the outcome of various recent measures to extend opening hours. Two specific studies by the Administration are underway -

- (a) **Study on Socio-economic impact:** the Central Policy Unit is studying the social and economic impact of introducing 24-hour passenger clearance at the land BCPs. In this context, we will be consulting the business community and stakeholders of the sectors concerned. There will also be a household survey to gauge the views of the general public. The Study findings will be available in mid-2002.
- (b) **Cross Boundary Travel Survey :** the Planning Department is conducting the Cross Boundary Travel Survey 2001 which focuses on cross boundary travel pattern (such as trip purpose, destination and frequencies). The information gathered would be used for cross-boundary trip projection and planning for infrastructural facilities. We expect the Survey to complete in early 2002.

10. Pending the outcome of the above and any other studies that may be carried out by the Administration and others in future, our preliminary assessment of the economic, social, transportation and security implications of 24-hour cross-boundary passenger clearance are as follows:

- (a) **Economic** - further extension of cross-boundary passenger clearance up to 24-hours will facilitate freer flows of people and services and is likely to be conducive to the growth of commercial and business ties between the two places and further strengthen the role of Hong Kong as a major services centre in South China. On the other hand, the prospect of some negative impact on certain specific sectors such as retail and property prices in areas close to the boundary cannot be ruled out, although such impact would only be temporary and is likely to be outweighed by the benefits to the overall economy. In addition, the extent of any negative impact may also vary depending on the number and choice of control points providing 24-hour cross-boundary clearance.
- (b) **Social** - there is no consensus on the social implications of 24-hour cross-boundary passenger clearance and the issues involved are wide-ranging and complex. For example, some people are worried that the increased convenience resulting from longer passenger clearance hours could pose risks to family unity as Hong Kong people might find it easier to develop extra-marital relationship across the boundary, whilst some dismiss this as far-fetched. Our

preliminary view is that provided we do it in a gradual and incremental manner, in accordance with the approach adopted by ourselves and the Mainland authorities so far in dealing with this question, the community should be able to adjust to the change over time without any significant adverse effect on our social fabric.

- (c) **Transportation** - 24-hour passenger clearance in itself will not help much to solve the problem of congestion during peak hours at our Control Point, since the opening of the boundary during the unsocial hours will unlikely to divert more traffic from the peak hours. In the final analysis, the solution to congestion lies in expanding the capacity and further improving the efficiency of our control points to deal with peak hour passenger traffic and in building more cross-boundary facilities at appropriate locations with adequate supporting transportation infrastructure. With this in mind, we are expanding existing facilities at both Lo Wu and Lok Ma Chau and proceeding at full steam with the construction of the Shenzhen Western Corridor and the Lok Ma Chau Spur Line.

- (d) **Security** - we do not expect 24-hour opening will have any major impact on law and order in Hong Kong, as we believe the number of people crossing the boundary after midnight is unlikely to be substantial. However, 24-hour passenger clearance would entail the allocation of more manpower resources to our law enforcement agencies to cover the extended hours in order to ensure the integrity of our immigration and customs controls. We have to ensure that scarce manpower and other resources are deployed optimally (e.g. to strike the best balance between (i) longer operating hours at BCPs but fewer BCPs and (ii) shorter hours but more BCPs) and that overall security is not compromised.

11. In the light of the above analyses, the Administration considers that our immediate task is to enhance the clearance efficiency of all BCPs during peak hours and festive days to meet demand, and to improve the customer service at all BCPs to make cross-boundary travel as hassle-free as possible.

24-hour Cross Boundary Cargo Clearance

12. The operating hours at the five BCPs for cargo clearance are tabulated below. With effect from 3 November 1994, the Lok Ma Chau BCP has been operating round-the-clock for cargo clearance.

Lo Wu	Lok Ma Chau	Man Kam To	Sha Tau Kok	Hung Hom
N.A.	24 hours	0700 - 2200	0700 - 2000	N.A.

13. With effect from 1 December 2001, we have opened up three more southbound lanes (originally only one) and one more northbound lane (originally only one) for use by goods vehicles from 10:00 p.m. to 12:00 mid-night (all lanes are open prior to 10:00 p.m.). The arrangement of opening one southbound and one northbound lane between 12:00 mid-night and 07:00 a.m. remains unchanged.

14. We have received the assurance of Mainland authorities that their customs at Huanggang would provide 24-hour clearance for cargo onboard all incoming and outgoing goods vehicles provided that the applicable customs declaration procedure for such cargo has been duly completed in advance. In this connection, Mainland authorities have introduced a new customs declaration procedure whereby a declaration can be made three days in advance of cargo clearance at the three BCPs at Huanggang, Man Kam To and Sha Tau Kok. In addition, to facilitate the flow of cargo through Huanggang, the closing of the business hours of the Customs Declaration Office at Huanggang has been deferred from 8:00 p.m. to 10:00 p.m. We would continue to closely liaise with Mainland authorities on further measures to facilitate cross boundary cargo flow.

**Hong Kong Guangdong Cooperation Coordination Unit
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