

LC Paper No. CB(2)665/01-02 (01)**INFORMATION NOTE****24-hour Operation at Boundary Control Points****1. Background**

1.1 The purpose of this Information Note is to provide Members with information on "24-hour operation at boundary control points". The materials in this Information Note are abstracted from Legislative Council papers, government press releases and newspaper articles.

2. History

2.1 On 9 November 2001, the Chief Secretary for Administration announced the extension of the operating hours at the Lo Wu and Lok Ma Chau boundary control points and stated that 24-hour cross-boundary passenger clearance should be a long-term goal. The history of the operating hours at the boundary control points between HKSAR and Shenzhen since 1994 is summarized below:

Table 1 - The History of the Operating Hours at Boundary Control Points between HKSAR and Shenzhen since 1994

Control points	Lo Wu		Lok Ma Chau			Man Kam To				Sha Tau Kok				
	Passenger		Passenger vehicles		Goods vehicles	Passenger vehicles		Goods vehicles		Passenger vehicles		Goods vehicles		
Date/Time	Open (am)	Close (pm)	Open (am)	Close (pm)	Open/Close	Open (am)	Close (pm)	Open (am)	Close (pm)	Open (am)	Close (pm)	Open (am)	Close (pm)	
3 Nov. 1994	7:00	11:00	7:00	9:00	24 hours (Note 1)	7:00	8:00	7:00	10:00	7:00	8:00	7:00	6:00	
15 Oct. 1998	6:30	11:30		10:00						(Note 2)				(Note 2)
1 Apr. 1999								10:00						8:00
25 Jul. 2001		(Note 3)												
1 Dec. 2001		12:00 mid-night	6:30	12:00 mid-night										

Note 1 Customs clearance has been operating 24-hour since 3 Nov. 1994.

- Note 2 Goods vehicles permitted to use Man Kam To and Sha Tau Kok Crossings are allowed to use the 24-hour Lok Ma Chau control point after the two former crossings are closed at night.
- Note 3 Closing time deferred to 12 midnight on the day before and on Hong Kong public holidays.

3. Collection of Information on 24-hour Operation at Boundary Control Points

3.1 We have approached the Hong Kong-China Relations Strategic Development Research Fund, One Country Two Systems Research Institute and research centres of local universities to see if they have conducted any research on 24-hour operation at boundary control points and the impact of this measure on Hong Kong. Their replies are all negative.

3.2 However, a local newspaper commissioned the Hong Kong Institute of Asia-Pacific Studies, the Chinese University of Hong Kong to conduct a survey on the opinion of the public on the extension of the operating hours at boundary control points to a 24-hour basis. The result of the survey, which was published on 16 August 2001, was that 58% of the 732 respondents were against operating boundary control points on a 24-hour basis whereas 32% were in favour.

3.3 In September 2001, the Hong Kong-China Relations Strategic Development Research Fund conducted a research - "Survey of Opinions of Train Passengers on Mid-term and Short-term Measures to Improve the Boundary Control Points". Included in the questionnaire was a question asking for the views of the respondents on the extension of the operating hours at boundary control points to a 24-hour basis. The result of the survey is that of the 1 002 respondents, 65% supported 24-hour operation of passenger vehicles control point at Lok Ma Chau; and about 60% suggested that the extension of the operating hours at the Lo Wu passenger control point after long holidays was not long enough.

3.4 We have studied newspaper articles and press releases on this subject, and they are summarized in Tables 2 to 3.

Table 2 - Views on the Implementation of 24-hour Operation at Boundary Control Points

Collaboration with the Mainland Authorities
<i>HKSARG</i>
<ul style="list-style-type: none"> • 24-hour operation remains the government's longer-term objective but the move has to be co-ordinated with the Guangdong authority and implemented in line with the wishes of the Central Government to regulate resources to be deployed at the border. • Apart from the likely rise in the number of passengers, the resource implications, physical constraints and economic benefits are all considerations that have to be taken into account. • The alignment of manpower at Mainland control points is important, noting that boundary control in the Mainland involves six different agencies, including customs and the public security authorities.

Table 2 (cont'd)

Collaboration with the Mainland Authorities
<i>Mainland Officials</i>
<ul style="list-style-type: none"> • 24-hour operation at boundary control points is a long-term goal. • Technically, the Shenzhen government can implement 24-hour border crossing anytime. • The implementation needs efforts from both Hong Kong and Shenzhen, and also endorsement from Beijing.
Timing of Implementation
<i>HKSARG</i>
<ul style="list-style-type: none"> • 24-hour border crossing is the government's long-term objective, and cannot be achieved right away. • In the short term, temporary relaxation measures will be introduced, including 24-hour opening at Lo Wu during holidays. • Lok Ma Chau will probably be the first boundary control point to implement 24-hour operation.
<i>Mainland Officials</i>
<ul style="list-style-type: none"> • Improving the border conditions between HKSAR and Shenzhen should be the top priority of the Hong Kong and Shenzhen governments. • The first step is to extend the operation hours of Lo Wu and Lok Ma Chau control points to 12 midnight within this year and to speed up the customs clearance process. • Both governments have to implement 24-hour operation at boundary control points step by step and in accordance with conditions.
<i>Public</i>
<ul style="list-style-type: none"> • 24-hour operation at boundary control points should be implemented as soon as possible - within one to two years. • In view of the unfavourable economic conditions, 24-hour operation at boundary control points should be implemented at a later date - three to five years later. • There is no immediate need for 24-hour border crossing. Instead, the government should consider opening more boundary control points to help ease peak-hour congestion. • 24-hour operation for goods should take precedence over passengers. • There is no urgency for immediate 24-hour operation at boundary control points because not many people cross the border in unsocial hours. • 24-hour operation at boundary control points is not necessary. Extending the operation hours of Lo Wu control point to 2:00 a.m should be able to ease the congestion problem.

Table 2 (cont'd)

Transportation
<i>HKSARG</i>
<ul style="list-style-type: none"> • For safety reasons, train services cannot be provided round-the-clock as daily checks and maintenance of the rail have to be conducted at night. • The transportation network at the restricted area along the boundary in Hong Kong cannot stand the large volume of traffic if the restricted area is opened to other modes of transport than train service.
<i>Public</i>
<ul style="list-style-type: none"> • The Kowloon Canton Railway Corporation (KCRC) says that it cannot provide round-the-clock services from Hung Hom to Lo Wu. It might be possible for two-way traffic between Sheung Shui and Lo Wu on one rail without interruption to the maintenance of the rail. • 24-hour operation for goods should take precedence over passengers.

Table 3 - Views on the Impact of 24-hour Operation at Boundary Control Points on HKSAR

Economy
<i>HKSARG</i>
<ul style="list-style-type: none"> • The freer flow of people and services between Hong Kong and Shenzhen is likely to promote growth of commercial activities and strengthen business ties between the two places. • It will strengthen the role of Hong Kong as a major service center in South China.
<i>Public</i>
<ul style="list-style-type: none"> • It will strengthen the role of Hong Kong as a logistics hub. • It will speed up the convergence of the economy of Hong Kong with that of the Pearl River Delta area. • More Hong Kong residents will work in the mainland, which will enhance both transportation and economic interactions between Hong Kong and the mainland. • Residents living in northern New Territories will spend more money in the mainland. The retailers and property owners in the area will suffer the most. • Hong Kong residents will spend more and invest more in the mainland than do the mainland residents in Hong Kong. As a result, the problem of capital outflow from Hong Kong will worsen.

Table 3 (cont'd)

Property Market
<i>HKSARG</i>
<ul style="list-style-type: none"> Negative impact on 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.
<i>Mainland Officials</i>
<ul style="list-style-type: none"> It will not have any negative effect to the property market on both sides of the border.
<i>Public</i>
<ul style="list-style-type: none"> The property market will adjust itself quickly, and 24-hour border crossing will be more beneficial to the economy of Hong Kong. Among the 60% to 70% decline in home prices in northern New Territories, some 10% has been attributed to the potential effect of 24-hour operation at boundary control points. The effect of 24-hour operation at boundary control points has already been discounted by the market, thus its implementation will not have any impact on the property market. Property prices will drop by some 20% in the New Territories and some 5% to 10% in urban areas. The anticipation of 24-hour border crossing has been depressing the property market. It is better to implement 24-hour operation as soon as possible to remove this psychological barrier. Once the policy is implemented, home prices in northern New Territories will further drop by less than 10%. The second-hand property market will be adversely affected. It may stimulate more Hong Kong residents to buy properties in the mainland.

Table 3 (cont'd)

Retail Market
<i>HKSARG</i>
<ul style="list-style-type: none"> Negative impact on the retail industry in areas close to the border cannot be ruled out, although such impact would only be temporary and is likely to be outweighed by the benefits to the overall economy.
<i>Public</i>
<ul style="list-style-type: none"> Not only retailers in northern New Territories are worried that 24-hour operation at boundary control points will reduce the local consumer market, but many small retailers in eastern Kowloon are also worried. Only shops in northern New Territories operating 24 hours will be affected.
Social
<i>HKSARG</i>
<ul style="list-style-type: none"> There is no consensus on the social implications, and the issues involved are wide-ranging and complex, e.g. extra-marital relationship across the border. The preliminary view is that if the implementation of 24-hour operation is proceeded in a gradual and incremental manner, the local community should be able to adjust over time so that the fabric of our society will not be adversely affected. The problem of drug abuse will not worsen.
<i>Mainland Officials</i>
<ul style="list-style-type: none"> The problem of drug trafficking across border may worsen.
<i>Public</i>
<ul style="list-style-type: none"> Illicit activities, e.g. prostitution and drug trafficking, may increase across the border. Many housewives in Hong Kong are worried that the problem of extra-marital relationship across the border may worsen. The problem of drug abuse among young people crossing the border may worsen. More Hong Kong residents may live in Shenzhen.

Table 3 (cont'd)

Transport
<i>HKSARG</i>
<ul style="list-style-type: none"> • It may not relieve much congestion at boundary control points since the number of people crossing the boundary in unsocial hours is unlikely to be substantial. • The solution lies in expanding the capacity of the boundary control points to deal with peak-hour passenger traffic, and in building more cross-boundary facilities at appropriate locations and supporting them with adequate transportation infrastructure.
<i>Public</i>
<ul style="list-style-type: none"> • 24-hour operation at boundary control points has more symbolic meaning and not much practical implication because not many people will cross the border in the middle of the night. • The government should follow the experience in Lok Ma Chau, using passenger shuttle services in Shak Tau Kok to disperse the congestion in Lo Wu and Lok Ma Chau.

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