

For Information**Legislative Council Panel on Transport****Mass Transit Railway (MTR) and
Airport Express Line (AEL) Fares for 2000****Introduction**

This paper informs members of the decision of the MTR Corporation regarding its fares for 2000.

No Change in MTR fares

2. MTR fares were last increased on 1 September 1997 and have stayed unchanged close to three years. Despite a decline in profitability due to strong bus competition and economic downturn, the Corporation has decided that MTR fares will be frozen for a third year in a row, taking into account the prevailing economic conditions for Hong Kong.

Retrofitting of Platform Screen Doors (PSD)

3. An announcement for the retrofitting of PSD to the existing 30 underground stations was made in early 1999. Due to the significant investment, the Corporation proposed last year that passengers help to bear part of the cost by contributing an extra 10¢ for each MTR journey taken.

4. The decision to retrofit PSD received strong support from the public. There was general acceptance on the 10¢ per ride contribution. Surveys of our passengers also confirmed that the public is prepared to partly contribute towards the PSD project.

5. The contract for manufacturing and installing PSD, total \$690 million, was awarded in January 2000 and the contractor completed the preliminary design in May 2000. The second major contract, for the first phase of the modification to the air-conditioning and ventilation system at a total value of \$223 million, was awarded in June 2000. Both these events are major milestones in the project and represent significant financial commitments and expenditures.

6. The Corporation has therefore decided to collect 10¢ from each Octopus journey on the MTR starting from 3 July 2000. It would be impractical to add 10¢ on single journey fares, which at present are set at rounded dollar or 50¢. Single journey fares are higher than the corresponding Octopus fares.

Revision to AEL Fare Discount

7. The AEL fares to the airport announced in May 1998 were \$100 for Hong Kong, \$90 for Kowloon and \$60 for Tsing Yi. A 30% promotional discount off the announced fares was implemented in July 1998 upon the opening of the AEL. Other fare concessions and complimentary services for the AEL were also introduced as follows:

- Half fares for children
- Free same day return
- \$10/\$20 round trip discount
- Free MTR connection for Octopus users
- Free In Town Check In service (ITCI)
- Free hotel shuttle bus service
- Additional 60% discount for Airport Worker Octopus
- Discounted car park rates

8. The 30% promotional discount for the AEL has already been introduced for two years. Having considered the recent economic growth for major countries, increase in tourists to Hong Kong and the current market share of the AEL, the Corporation has decided that the 30% fare discount on the AEL will be adjusted to 10%. All other existing fare concessions and complimentary services will, however, remain unchanged to maintain the attractiveness of the AEL.

9. It is not expected that this change will have any serious impact on the daily lives of the majority of the population.

Summary of MTR and AEL Fares

10. The MTR Corporation's decision on fares for 2000 is summarised as follows:

- (a) a freeze in the general MTR fare.
- (b) 10¢ per ride to be collected from Octopus users on the MTR as a contribution to the retrofitting of platform screen doors.
- (c) an adjustment in AEL fare discount from 30% to 10% with no change in all other fare concessions and complimentary services.
- (d) the changes in (b) and (c) above to take place on 3 July 2000.