

**Speaking Notes on Expenditure on Transport  
for Secretary for the Environment, Transport and Works  
at the Special Meeting of the Finance Committee  
on 25 March 2003**

Chairman,

I am glad to be here today to brief you on the part of the 2003-04 Estimates which relates to the transport portfolio.

I will first outline our key areas of work for the next year, and then explain the provision in the policy area of transport in the Estimates. After that, together with the Permanent Secretary for the Environment, Transport and Works, the Commissioner for Transport and the Director of Highways, we will answer questions that you might wish to raise.

The top priorities in transport for the coming year include the following:

- (i) To complete as soon as possible the study on the process for adjustments of public transport fares;
- (ii) To complete as soon as possible the study jointly conducted with the Financial Services and the Treasury Bureau on the pros and cons of the merging of the MTR Corporation Limited and the Kowloon-Canton Railway Corporation;
- (iii) To implement the various high priority railway projects such as the Shatin to Central Link and the Kowloon Southern Link, and to explore further with the MTR Corporation Limited the West Hong Kong Island Line and South Hong Kong Island Line projects;
- (iv) To implement the various road construction projects, including the Shenzhen Western Corridor and the Deep Bay Link, construction of which will commence in the middle of this year;
- (v) To implement the various infrastructural projects to enhance our link with the Pearl River Delta Region. In addition to the Shenzhen Western Corridor, construction of the Sheung Shui to

Lok Ma Chau Spur Line project is underway, and we are planning for the construction of another vehicular bridge connecting Huanggang and Lok Ma Chau. We will also continue the joint study with the Mainland authorities for the land transport link between Hong Kong and Pearl River West as well as the Guangzhou-Shenzhen-Hong Kong Express Rail; and

- (vi) To continue to monitor the service level and improve the coordination of public transport services.

#### Provision for 2003-04

Given the current stringent financial conditions, there would likely be concern about possible cuts on important transport infrastructure or services. Let me assure you, in no uncertain terms, that our strenuous efforts to reduce expenditure will not affect any of the major transport infrastructure or services. A safe, reliable and efficient transport system is the blood stream of the operation of our economy.

For 2003-04, the provision in the policy area of transport is \$9.495 billion, representing a real growth of 24% over the revised estimate for last year.

#### Non-recurrent expenditure

The provision for non-recurrent expenditure is \$6.41 billion, representing an increase of \$1.463 billion over the revised estimate for last year, or a growth of 36.8% in real terms. The increase in funding is necessary to finance a number of major infrastructural projects including the construction of the Shenzhen Western Corridor and the Deep Bay Link, improvement to Castle Peak Road, widening of Yuen Long Highway, construction of Route 9 and Chok Ko Wan Link Road on North Lantau.

The provision for Major Systems and Equipment and Computerisation for 2003-04 has been increased by \$145 million, which will mainly be used for the following purposes:

- (a) the procurement of new parking meters that accept reloadable smart cards;
- (b) the Transport Information System;
- (c) the replacement of the Vehicles and Drivers Licensing Integrated Data (VALID) III System; and
- (d) the replacement of various systems and equipment in tunnels (such as lighting systems, traffic light signal displays and air-conditioning systems.)

### Recurrent Expenditure

The provision for recurrent expenditure for 2003-04 is about \$3.1 billion, representing an increase of \$35 million over the revised estimate for last year, or a growth of 3.2% in real terms. The additional fund will be used mainly for maintaining and improving the transport system including:

- (a) additional electricity requirement for street lighting, traffic signals and ventilation equipment at bus termini; and
- (b) additional maintenance requirements arising from the commissioning of new highway projects.

### Conclusion

I now welcome your questions on this part of the Estimates.

Environment, Transport and Works Bureau  
24 March 2003