For information
on 19 May 2011

Paper for Bills Committee on the Motor Vehicles (First Registration Tax) (Amendment) Bill 2011

Purpose

This paper provides the information requested by Members at the meetings of the Bills Committee on 6 May 2011 and 12 May 2011 respectively in relation to the Motor Vehicles (First Registration Tax) (Amendment) Bill 2011 (the Bill) .

Growth in private cars and traffic congestion

2. As mentioned in our papers previously provided to the Bills Committee, traffic congestion is closely associated with the growth and use of private cars. Some relevant statistics and analyses are as below:

(i) The net increase in licensed private cars (with scrapped private cars excluded) started to show a rising trend in 2004. The growth rate of licensed private car rose from 1.7% (about 5 800 private cars) in 2004 to 2.8% (about 9 700 private cars) in 2006, and had maintained at 3% (about 11 000 to 12 000 private cars) until 2009. Last year, the net increase in private cars surged to 5.4% (about 21 000 private cars), which was a record high in 14 years. Such high growth rate continued in the first two months of 2011, reaching 5.6%.

If the 5.6% growth of the first two months of 2011 continues, it would only take four years to reach a total net increase of 100 000 private cars, which is equal to the cumulative growth in the past 12 years. The above figures reveal that the growth in private cars has clearly deteriorated in recent years.

The net increases and growth rates of licensed private cars between 2004 and 2010 are at **Annex I**.

(ii) The increase in the number of private cars and their growth rate are far higher than those of other vehicles in recent years. Taking 2010 as an example, the net increase in vehicles other than private cars was only 2 600, representing a growth rate of only 1.4%. The relevant figures are provided in Annex I. Due to their rapid growth, the proportion of private cars among the vehicle fleet had increased from 64.7% to 68.3% between 2004 and 2010. The relevant figures are at **Annex II**.

(iii) The overall road usage of private cars (in vehicle kilometrage (VKM)) experienced an average annual growth of 1.5% between 1996 and 2009, which is higher than the 0.4% average annual growth of all other vehicles. Furthermore, as private cars constitute a large part of the vehicle fleet and the proportion is increasing, private cars recorded a total growth of 800 million km in overall road usage between 1996 and 2009, which accounted for 80% of the total growth in VKM of the vehicle fleet.

(iv) It is also observed that the road usage of private cars during peak hours is increasing in recent years. As pointed out by some academics in the paper previously submitted to the LegCo[1], figures reveal that the road usage rate of private cars during peak hour shows a rising trend in recent years, from 41.7% in 2008 to 44.5% in 2009. About 90% of the major routes in Hong Kong also recorded an increase in the proportion of private cars during morning peak hours in 2009 when compared with 2008.

(v) Private cars are a less efficient mode of land transport. Among all passenger journeys taking road based transport modes, around 15% use private cars, while the remainder (i.e. 85%) uses road based public transport, such as franchised buses, light buses, etc. Nonetheless, public transport only has a road usage of 30%, whereas private cars account for 40% of road usage. In other

[1] The reference number is CB(1)2110/10-11(10)

words, the efficiency of public transport as a transportation mode is eight times of the efficiency of private cars.

(vi) Study of the Transport Department (TD)[2] suggested that people with access to private cars made about 60-80% more trips than others; and over half of them used their private cars on at least five days a week.

3. At the same time, TD conducts annual vehicle journey time survey on a total of 60 routes throughout the territory to find out the regional and overall average vehicle speed of Hong Kong. As shown by the survey result in 2010, an overall decline in vehicle journey speed in Hong Kong Island, Kowloon and the New Territories was recorded in 2010 for the first time in five years. The average vehicle journey speed of a number of major sections of many roads of Hong Kong Island and Kowloon during peak hours, including Connaught Road Central, Gloucester Road, Hennessy Road, Waterloo Road, Lung Cheung Road, dropped by over 5%. Major roads in the New Territories, including Tate's Cairn Highway, N.T. Circular Road and Ma On Shan Bypass also recorded a 7% drop in the average vehicle journey speed during peak hours (TD would review the roads covered by the survey every few years with reference to the actual situation of the road network. Since 2005, the selection of roads covered by the vehicle journey time survey has remained unchanged. The relevant statistics are at **Annex III**).

4. The low efficiency, rapid growth, increase in proportion among the vehicle fleet and the rising road usage of private cars will directly reduce the overall efficiency of vehicles on roads and affect traffic condition; the resulting negative impact on other road users, i.e. the 7.2 million passenger journeys taking land based public transport other than railways everyday, should not be overlooked.

5. From the traffic management policy perspective, we consider that decisive measures have to be taken to curb private car growth before traffic congestion deteriorates to the point which could hardly be relieved even if more stringent measures are put in place.

[2] The relevant study could be found in the report of TD's Travel Characteristics Study 2002

Vehicle journey speed survey

6. Vehicle journey speed is widely used over the world to reflect the extent of traffic congestion. Cities including Singapore, London in the United Kingdom and Copenhagen in Denmark have all employed vehicle journey speed as an indicator of traffic congestion. TD has all along analysed the traffic congestion in Hong Kong by making use of vehicle journey speed. In the course of the surveys, parameters such as geographical factor and actual traffic situation (e.g. the impact of a traffic light junction on vehicle speed) have been taken into account and thus the survey results could reflect the actual extent of traffic congestion. To ensure that the survey results accurately reflect the real situation, TD will arrange for additional re-runs if the vehicle journey speed is affected by any road works or traffic accident at the time of the survey. The detailed methodology of the survey is at **Annex IV** for reference.

7. On Member's request for the overall vehicle journey speed statistics starting from 1996, we have to emphasize that vehicle journey time surveys before 2005 cover different roads; for example, some roads in the New Territories of which the vehicle speed was relatively higher were not completed and thus were excluded from the survey. As such, it is not appropriate to directly compare those statistics. The statistics for 1996 to 2004 are at **Annex V**.

Other information

8. According to section 6 of the Motor Vehicles (First Registration Tax) Ordinance (Cap.330), where the registration of a motor vehicle that was brought into and kept in Hong Kong for a period of not exceeding 3 months is cancelled on the ground that the vehicle has been sent permanently out of Hong Kong, the Commissioner for Transport shall, on application, certify accordingly and refund the first registration tax (FRT) paid in respect of that vehicle, if any. The number of private cars that were de-registered within three months after their first registration for the reason of having been sent out of Hong Kong permanently in the past three years is as **Annex VI**. The calculation of FRT is explained in **Annex VII**.

9. On the taxes imposed by other cities on private cars, we understand that countries or places will adopt different policies and measures in respect of the importation, registration and licensing of vehicles with reference to their own situation (at **Annex VIII**). Direct comparison between the tax rates is inappropriate.

10. As to the park and ride scheme, in order to encourage motorists living in remote areas to park their cars at facilities adjacent to public transport termini and then transfer to public transport to complete their journey with a view to alleviating the congestion in urban area areas, park-and-ride facilities managed by MTRC and TD that provide hourly incentives for people to switch to public transport after parking have been provided at six rail stations, namely Sheung Shui Station, Kam Sheung Road Station, Choi Hung Station, Hong Kong Station, Kowloon Station and Tsing Yi Station. At present, a total of more than two thousands parking spaces are provided at these facilities. In 2009, some 500 000 passenger journeys benefited from these facilities, out of which about 60% were park and ride users, which was encouraging. As park-and-ride facilities have a positive impact on the reduction of traffic in busy urban areas, we shall continue to provide such facilities where possible.

Transport and Housing Bureau
May 2011

Annex I

Net increase in licensed private cars between 2004 and 2010

Year	Statistics on licensed private cars			Statistics on other licensed vehicles		
	No. of licensed private cars	**Net increase in licensed private cars**	**Net growth rate of licensed private cars**	**No. of other licensed vehicles**	**Net increase in other licensed vehicles***	**Net growth rate of other licensed vehicles***
2004	344 713	5 783	1.7%	188 159	2 836	1.53%
2005	350 753	6 040	1.8%	189 887	1 728	0.92%
2006	360 427	9 674	2.8%	192 553	2 666	1.40%
2007	372 203	11 776	3.3%	192 868	315	0.16%
2008	383 141	10 938	2.9%	191 965	-903	-0.47%
2009	393 812	10 671	2.8%	190 258	-1 707	-0.89%
2010	414 966	21 154	5.4%	192 830	2 572	1.35%

* Negative growth was recorded in 2008 and 2009.

Annex II

Proportion of private cars among the vehicle fleet

Year	Total no. of licensed vehicles	Total no. of licensed private cars	Proportion of licensed private cars
2004	532 872	344 713	64.7%
2005	540 640	350 753	64.9%
2006	552 980	360 427	65.2%
2007	565 071	372 203	65.9%
2008	575 106	383 141	66.6%
2009	584 070	393 812	67.4%
2010	607 796	414 966	68.3%

Annex III

1. Statistics on vehicle journey time surveys

Region	Road / Street	Section		Vehicle speed (km/hour)*					
		From	To	2005	2006	2007	2008	2009	2010
Hong Kong Island	Connaught Road C	Des Voeux Road W.	Murray Road	12.5	9.7	8.5	13.8	12.1	11.9
	Connaught Road C.	Murray Road	Des Voeux Road W.	13.6	17.3	14.7	17.7	15.3	14.3
	Gloucester Road	Arsenal Street	Cross Harbour Tunnel Approach Road	22.4	33.3	22.2	36.5	26.6	18.5
	Gloucester Road	Canal Road	Arsenal Street	17.9	24.5	26.2	34.2	34.5	29.6
	Harcourt Road	Arsenal Street	Murray Road	31.8	34.7	22.3	46.2	44.0	40.2
	Hennessy Road	Yee Woo Street	Johnston Road	14.9	15.7	18.3	16.6	16.2	14.4
	Queensway	Murray Road	Queen's Road E	37.6	31.6	29.4	36.2	35.6	23.6
	Queensway	Queen's Road E	Garden Road	36.4	27.0	26.2	33.2	27.2	12.3
	Shai Kei Wan Road	Taikoo Shing Road	Chai Wan Road	20.8	19.6	17.4	14.1	17.6	17.3
	Shai Kei Wan Road	Chai Wan Road	Taikoo Shing Road	14.8	23.4	22.3	14.9	21.0	19.9
Kowloon	Salisbury Road	Under Cheong Wan Road Flyover	Star Ferry Concourse	26.6	18.8	29.5	29.3	28.6	24.3
	Nathan Road	Salisbury Road	Boundary Street	19.3	25.6	18.6	18.5	18.8	17.9
	Nathan Road	Boundary Street	Salisbury Road	18.4	16.8	13.1	15.6	18.8	16.1
	Tai Po Road (Kln Section)	Caldecott Road	Shek Kip Mei Street	40.9	39.6	34.3	40.8	34.3	33.5
	Chatham Road North	Hong Chong Road	San Lau Street	46.3	44.1	47.3	43.8	44.1	37.6
	Chatham Road North	San Lau Street	Hong Chong Road	12.3	11.3	9.7	7.9	10.7	5.8

* Shading indicates that the relevant road recorded a drop in vehicle speed when compared with the previous year.

Region	Road / Street	Section		Vehicle speed (km/hour)*					
		From	To	2005	2006	2007	2008	2009	2010
	Gascoigne Road	Jordan Road	Chatham Road South	10.0	10.5	12.4	12.8	16.0	12.4
	Gascoigne Road	Chatham Road South	Jordan Road	19.5	18.8	14.1	25.1	28.8	21.2
	Kai Fuk Road	Kai Tak Tunnel East Portal	Lai Yip Street	50.5	57.1	60.0	57.4	53.6	47.9
	Kai Fuk Road	Lai Yip Street	Kai Tak Tunnel East Portal	60.8	61.4	63.5	64.4	59.5	46.8
	Ma Tau Chung Road	Ma Tau Kok Road	Sung Wong Toi Road	25.9	20.9	17.7	25.6	15.3	14.1
	Ma Tau Chung Road	Sung Wong Toi Road	Ma Tau Kok Road	17.4	13.7	8.4	17.7	18.2	11.5
	Po Kong Village Road	Choi Hung Road	Tsz Wan Shan Road	11.4	16.9	17.9	12.2	16.8	15.6
	Po Kong Village Road	Tsz Wan Shan Road	Choi Hung Road	21.0	18.9	25.6	18.7	23.5	23.5
	Waterloo Road	Ferry Street	Lung Cheung Road	18.3	19.6	16.3	14.7	17.2	15.2
	Waterloo Road	Lung Cheung Road	Ferry Street	22.5	19.2	21.2	20.9	21.4	17.5
	Lung Cheung Road	Nam Cheong Street	Po Kong Village Road	60.4	58.3	57.8	53.9	53.6	50.2
	Lung Cheung Road	Po Kong Village Road	Nam Cheong Street	49.3	53.2	50.4	52.8	45.1	29.7
The New Territories	Tai Po Road (NT Section)	Caldecott Road	Nam Wan Road	48.4	45.8	47.7	47.1	50.5	46.8
	Container Port Road	Kwai Fuk Road Roundabout	Kwai Wan Street Roundabout	23.0	17.3	20.1	29.4	27.7	24.5
	Container Port Road	Kwai Wan Street Roundabout	Kwai Fuk Road Roundabout	24.4	20.6	18.4	21.1	25.7	25.3

* Shading indicates that the relevant road recorded a drop in vehicle speed when compared with the previous year.

Region	Road / Street	Section		Vehicle speed (km/hour)*					
		From	To	2005	2006	2007	2008	2009	2010
	Kwai Tsing Road	Tsing Yi Heung Sze Wui Rd Roundabout	Kwai King Road	43.1	29.2	28.3	33.6	38.1	30.4
	Kwai Tsing Road	Kwai King Road	Tsing Yi Heung Sze Wui Rd Roundabout	50.5	48.1	49.3	50.7	56.4	46.6
	Route 3	Tai Lam Tunnel South Portal	Shek Wan	74.1	61.6	65.6	66.1	72.7	69.9
	Route 3	Shek Wan	Tai Lam Tunnel South Portal	73.8	73.0	63.2	71.7	76.9	75.5
	Texaco Road	Tsing Tsuen Road	Tai Ho Road North	34.5	28.5	35.2	32.4	27.8	25.9
	Texaco Road	Tai Ho Road North	Tsing Tsuen Road	30.0	15.4	26.7	23.7	26.0	18.4
	Tsing Yi North Bridge	Tsuen Wan - Tsing Yi Interchange	Tsing Yip Street	50.0	46.3	43.6	39.9	42.2	41.4
	Tsing Yi North Bridge	Tsing Yip Street	Tsuen Wan - Tsing Yi Interchange	46.8	34.1	36.2	33.9	37.2	29.4
	Po Lam Road	Anderson Road (East)	Bus Terminus	40.1	32.8	38.3	32.8	33.4	33.3
	Po Lam Road	Bus Terminus	Anderson Road (East)	38.4	39.8	41.6	34.1	29.2	26.6
	Tai Chung Kiu Road	Lion Rock Tunnel Road	Tai Chung Kiu Roundabout	27.4	28.8	25.0	27.5	30.2	27.8
	Tai Chung Kiu Road	Tai Chung Kiu Roundabout	Lion Rock Tunnel Road	31.2	35.6	28.0	24.9	29.1	26.3
	Tuen Mun Road	Bayside Villas (Ka Loon Tsuen)	Fu Tei	83.4	66.5	66.1	79.6	68.6	69.1
	Tuen Mun Road	Fu Tei	Bayside Villas (Ka Loon Tsuen)	67.9	64.0	63.0	77.4	62.4	65.9

* Shading indicates that the relevant road recorded a drop in vehicle speed when compared with the previous year.

Region	Road / Street	Section		Vehicle speed (km/hour)*					
		From	To	2005	2006	2007	2008	2009	2010
	Tsuen Wan Road	Kwai Chung Road	Chai Wan Kok	61.1	56.7	58.6	59.5	54.4	57.3
	Tsuen Wan Road	Chai Wan Kok	Kwai Chung Road	51.7	46.2	49.1	59.1	43.0	54.3
	Yuen Long Highway	Tuen Mun Road	Pok Oi	53.8	71.9	59.8	62.7	58.5	63.2
	Yuen Long Highway	Pok Oi	Tuen Mun Road	60.1	69.4	62.7	66.6	67.7	68.1
	Lion Rock Tunnel Road	Lung Cheung Road	Sha Tin Road	48.9	48.3	54.8	49.8	56.3	55.4
	Lion Rock Tunnel Road	Sha Tin Road	Lung Cheung Road	27.9	25.8	26.1	27.3	26.0	26.6
	Castle Peak Road	Tuen Mun Road	Sam Shing Street	37.2	38.3	46.7	40.4	37.8	37.0
	Tate's Cairn Highway	Chak Cheung Street	Toll Plaza	51.4	23.9	24.7	49.4	36.8	27.3
	Tolo Highway	Yuen Chau Tsai Interchange	Ma Liu Shui Int (Chak Cheung Street)	71.8	73.3	80.0	80.3	77.2	75.0
	N.T. Ciruclar Road	Fanling Roundabout	Au Tau	67.6	64.4	67.9	62.6	66.9	57.2
	Sai Sha Road	Ma On Shan Road	Tai Mong Tsai Road	43.8	46.0	50.5	46.8	44.6	42.4
	Ma On Shan Bypass	Diverging Point to Sai Sha Road	Ma On Shan Road	74.2	77.6	68.7	69.3	70.5	63.4
	Sha Tin Wai Road	Sha Tin Road	Tai Chung Kiu Road	25.9	26.0	20.0	29.1	25.2	23.7
	New Clear Water Bay Rd	Clear Water Bay Road (East)	Clear Water Bay Road (West)	22.0	35.3	27.7	36.7	40.9	29.9
	Clear Water Bay Road	Hiram's Highway	New Clear Water Bay Road	54.9	50.9	48.7	49.2	55.3	47.5

* Shading indicates that the relevant road recorded a drop in vehicle speed when compared with the previous year.

2. Overall vehicle journey speed

Year	Vehicle journey speed (km / hour)		
	Hong Kong Island	Kowloon	The New Territories
2005	20.9	25.6	40.9
2006	22.0	26.0	41.4
2007	19.6	25.0	42.9
2008	21.5	24.7	44.2
2009	21.3	24.9	42.9
2010	19.8	23.7	39.9

Annex IV

Car Journey Time Survey Methodology

- Journey time is the average observed time taken to travel along a section of the road network. From the journey time data, journey speed which is the effective speed including any stopped times of the vehicle on a trip for each section of road, can be derived.
- Moving car method (Transport Planning Design Manual Vol. 8, Section 3.4) is adopted for the survey, whereby surveyor and driver travel on a test vehicle. The driver of the test vehicle attempts to simulate an "average" vehicle in the traffic stream, by equating the number of vehicles that overtake the test car, and the number of vehicles that the test car overtakes. Initially, 4 runs are conducted for each selected route for measuring the car journey times between the pre-determined checkpoints along the selected route. Additional runs are conducted if the number of runs conducted is less than the number of runs required until 8 runs are conducted. The total number of runs required (n) is based on the following statistical test:

$$n = t^2 x \frac{s^2}{d^2}$$

- Where n = total number of runs required

  t = t value

  s = standard error

  d = marginal error

  A marginal error of ±10% at 90% level of confidence has been adopted for existing area-wide car journey time surveys.

  The survey period is between September and December on normal weekdays during morning peak hours 08:00-09:30.

- Prior to the commencement of the survey, the surveyor and driver will conduct pre-survey route drive to familiarise themselves with the route to be surveyed.

- During the survey, the driver of the test vehicle is instructed to drive

at a similar speed to the surrounding traffic, hence, the measured journey time can be taken as an estimation of the traffic stream as a whole.

- The role of the surveyor in the test vehicle is to record the journey time as well as any abnormal traffic conditions (e.g. traffic congestion caused by an accident). The surveyor is equipped with the survey route map and a survey form for recording the arrival time at each checkpoint, which were usually taken as the middle of the junctions.

- After each survey, the data are analysed and checked in accordance with quality assurance procedures. All collected data are checked for consistency, completeness and accuracy. Thorough checking against the record sheets will be performed by independent checker for correctness in editing, coding and tabulation before carrying out statistical analysis to ensure that input data are error-free. The distances of each survey route are obtained by measuring the distances between each checkpoint from the latest survey plans.

- Any anomalous survey result (e.g. taken during traffic accidents with prolonged journey time) identified would be superseded by additional re-run.

- A total of 60 routes in the Territories are surveyed in each year. The survey data (journey time recorded and distance travelled) obtained for the 28 routes in Urban Area and 32 routes in the New Territories are used to derive the Regional Average Speeds.

Annex V

Overall vehicle journey speed between 1996 and 2004*

Year	Vehicle journey speed (km / hour)		
	Hong Kong Island	**Kowloon**	**The New Territories**
1996	19.2	23.9	36.9
1997	21.2	27.7	35.9
1998	20.9	28.6	44.9
1999	20.5	27.8	44.6
2000	20.8	27.6	43.2
2001	21.8	26.8	44.8
2002	22.2	27.6	44.6
2003	21.7	27.6	42.8
2004	21.8	26.5	41.6

***** The vehicle journey time surveys before 2005 cover different roads; for example, some roads in the New Territories of which the vehicle speed was relatively higher were not completed and thus were excluded from the survey. As such, it is not appropriate to directly compare the 1996 – 2004 statistics with the figures of the surveys conducted from 2005 onwards.

Annex VI

Numbers of private cars that were de-registered within three months after their first registration for the reason of having been sent out of Hong Kong permanently in the past three years

Year	No. of private cars
2008	718
2009	812
2010	2 042

Annex VII

Calculation of First Registration Tax for Motor Vehicles

Relevant legislations:

- Motor Vehicles (First Registration Tax) Ordinance (Cap.330)
- Motor Vehicles (First Registration Tax) (Depreciation) Regulations (Cap.330A)

Calculation of First Registration Tax (FRT)

1. Motor vehicle imported for selling purposes

- According to Section 4A of the Motor Vehicles (First Registration Tax) Ordinance, a registered distributor shall, before offering a motor vehicle for sale for use in Hong Kong or distributing a motor vehicle for use in Hong Kong, publish in writing a retail price of each model of the motor vehicles offered for sale or distributed by him.
- The registered distributors are required to submit a copy of the retail price list to the Customs and Excise Department (C&ED) for approval not less than 7 days before the publication.
- C&ED will assess the provisional taxable value of the motor vehicle and issue a "Notification of Motor Vehicle Provisional Taxable Value" to the registered distributor based on the approved published retail price.
- In accordance with Section 4B of the Motor Vehicles (First Registration Tax) Ordinance, where C&ED is of the opinion that:

  (a) the published retail price of an element of a motor vehicle does not reflect the market value of that element of the motor vehicle; or

  (b) the values of the elements of the motor vehicle are constructed in a way to avoid the payment of first registration tax

  C&ED may reject the published retail price for the motor vehicle concerned and may assess a retail price that would reflect the market value of the elements of the motor vehicle.

2. Motor vehicle imported for non-selling purposes

- For a motor vehicle (new or used) imported into Hong Kong for non-selling purposes, there would not be any published retail price, and the taxable value shall be-

  (a) the declared value under section 4D of the Motor Vehicles (First Registration Tax) Ordinance (i.e. the full price paid for the purchase of the vehicle); or
  (b) where C&ED is not satisfied that the declared value reflects the market value of the motor vehicle, including the incidental freight and insurance, such other value as C&ED may determine having regard to the age of the motor vehicle, the retail price in the place of origin of the motor vehicle, including the cost of all materials and work necessary to put the vehicle into the state necessary to meet first registration requirements; or
  (c) for home-delivery used vehicles (i.e. the vehicle is registered in the name of the importer in a place outside Hong Kong before its importation), the declared value less depreciation prescribed under the Motor Vehicles (First Registration Tax) (Depreciation) Regulations.

Process at Transport Department (TD)

- When submitting an application to TD for first registration of a motor vehicle, the applicant is required to produce the "Notification of Motor Vehicle Provisional Taxable Value" as approved by C&ED.

- Licensing Office of TD shall calculate the first registration tax for a motor vehicle as the amount equal to the percentage, specified in column 3 of the Schedule of Motor Vehicles (First Registration Tax) Ordinance, of the taxable value of the motor vehicle for that class of motor vehicle as at the date of first registration of the motor vehicle.

Annex VIII

Measures adopted by other cities on the importation, registration and licensing of private cars

New York, the United States

- The registration fees for most types of vehicles depend on the weight of the vehicle. The registration fees range from US$26 to US$140. When the owner registers a vehicle for the first time, the total fees normally include: the sales tax, a vehicle plate fee (US$25.00) or registration transfer fee, a title certificate fee (US$50.00), and vehicle use taxes in some counties.
- Residents of New York City and several counties must also pay a vehicle use tax when they register a passenger vehicle or renew a passenger vehicle registration.
- Foreign-made vehicles imported into US are subject to customs duty of 2.4% to 25%, depending on the class of the vehicles.
- Sales tax ranging from less than 1% to over 10% is also levied.

London, the United Kingdom

- The vehicle first registration fee is the fee charged by the Government of the United Kingdom on the first registration of a vehicle and the applicable fee is currently £55.00.
- Vehicle Excise Duty (also called VED, vehicle tax, car tax and road tax) is a road tax levied on vehicles in the form of an excise duty which have to be paid by most types of vehicles that are used (or parked) on the "public roads" in the United Kingdom. Vehicles that have paid the tax would be issued a vehicle licence (tax disc) as proof of payment which should be displayed on the vehicle. Vehicles registered on or after 1 March 2001 are also charged in accordance with their theoretical carbon dioxide emission rates per kilometer, ranging from £20 to £950. For vehicles registered before 1 March 2001, the excise duty depends on the respective engine sizes, ranging from £125 to £205.
- Value Added Tax (VAT) is normally charged when a vehicle is imported into UK.

Singapore

- In Singapore, the following taxes will be charged on buying / owning a private car:

  (i) The Additional Registration Fee (ARF) is a tax imposed upon the registration of a vehicle. The amount of the tax is a specified percentage of the Open Market Value (OMV) of the vehicle concerned. At present, the ARF rates range from 100% to 130% of the OMV.

  (ii) All vehicles are required to have a valid vehicle licence (i.e. Road Tax) for their use on the roads. Vehicle licences valid for either 6 or 12 months and have to be renewed when they expire. Vehicle owners have to meet certain requirements (e.g. obtain motor insurance coverage for the new license period, pass the periodic vehicle inspection, etc.) in order to renew the vehicle licences. The amount of road tax depends on engine capacity of the vehicle concerned.

  (iii) Customs duty of 20% of the OMV will be levied.

  (iv) Goods and Services Taxes (GST), 7% at present, is also charged on goods and services provided locally and on imported goods.

- In Singapore, those who want to purchase a private car have to obtain a Certificate of Entitlement through auction in order to obtain a quota for vehicle. The price of the Certificate is determined by auction. Taking the figures for February 2011 as examples, a Certificate for 1600cc or below costs 42,999 Singapore dollars (around 262,000 HK dollars); whereas that for above 1600cc costs 62,000 Singapore dollars.

Tokyo, Japan

- There are 3 types of taxes for buying and owning a vehicle in Japan:

  (i) Acquisition tax this is charged at the time of the purchase and the rate varies according to the age of the car. The rate on new vehicles is 5%.

  (ii) Vehicle Tax is an annual tax charged in April every year. The tax amount is determined by the engine size of the vehicle concerned. For example, a vehicle with a 2.0 liter engine has to pay 39,500 yen each year.

(iii) Weight tax is charged when a vehicle undergoes “Shaken” inspection. Vehicles up to 1.5 tones will be charged 37,800yen every 2 years. Vehicles over 1.5 tones such as mini-vans and SUV's will be charged 50,400yen every 2 years.

- “Shaken” inspection is the official vehicle inspection that every car has to go through after three years of their first registration, and every two years thereafter.
- There is no vehicle licence fee.
- Imported vehicles are subject to Customs Duty and Consumption tax.

Beijing and Shanghai, China

- In the Mainland, all vehicles have to be registered before use. The registration fee in Beijing is RMB 480.
- There is no vehicle licence fee.
- Imported vehicles are generally subject to Customs Duty.
- Value Added Tax (VAT) ranging from 13% to 17% is normally required for imported goods.
- At present, both Beijing and Shanghai have measures to contain private car growth, such as to restrict private car number by quota, auction of vehicle licence, etc.