

For information
on 22 July 2013

Legislative Council Panel on Economic Development

REVISION OF POSTAGE RATES AND MISCELLANEOUS POSTAL FEES AND CHARGES

Purpose

This paper informs Members that the Postmaster General (PMG) will adjust a number of principal postage rates from 1 October 2013, and plans to adjust certain postal fees under the Post Office Regulations from 1 December 2013.

Adjustment of Postage Rates and Postal Fees

2. The PMG will adjust the following principal postage rates from 1 October 2013: Local Mail (Letters and Packets), Bulk Local Mail, Local Parcels, Air Mail (Letters and Packets), Bulk Air Mail, Surface Mail (Letters and Packets) and Surface Bulk Bag.

3. Besides, the Post Office (Amendment) Regulation 2013 will be tabled at the Legislative Council for adjusting the following postal fees under the Post Office Regulations (Cap. 98A) from 1 December 2013: postal box/bag rental, redirection of postal packets, registration and compulsory registration and recorded delivery. We aim to table the Post Office (Amendment) Regulation 2013 at the Legislative Council in early October 2013.

4. Details are set out in the attached Legislative Council Brief issued on 11 July 2013.

Advice Sought

5. Members are invited to note the adjustment of principal postage rates and offer views on the planned increase in the postal fees under Cap. 98A.

Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
11 July 2013

LEGISLATIVE COUNCIL BRIEF

Post Office Ordinance
(Chapter 98)

**REVISION OF POSTAGE RATES AND
MISCELLANEOUS POSTAL FEES AND CHARGES**

INTRODUCTION

At the meeting of the Executive Council on 9 July 2013, the Council ADVISED and the Chief Executive ORDERED that the Post Office (Amendment) Regulation 2013, at **Annex A**, should be made under section 3 of the Post Office Ordinance (Cap. 98) to increase the following fees under the Post Office Regulations (Cap. 98A) with effect from 1 December 2013 to broadly recover the cumulative inflation¹ since the respective last adjustments up to end December 2012: postal box/bag rental fees, fees for redirection of postal packets, registration and compulsory registration fees, and recorded delivery fee.

2. Apart from adjusting the postal fees under Cap. 98A, the Postmaster General (PMG) will also increase the following principal postage rates with effect from 1 October 2013 to broadly recover the cumulative inflation since the respective last adjustments up to end December 2012: Local Mail (Letters and Packets), Bulk Local Mail, Local Parcels, Air Mail (Letters and Packets), Bulk Air Mail, Surface Mail (Letters and Packets) and Surface Bulk Bag.

JUSTIFICATIONS

3. The Post Office Trading Fund (POTF) is required by law to operate on a self-financing basis and to achieve a reasonable return on the fixed assets employed. Due to escalating operating costs and since most of the principal postages and a number of postal fees under Cap. 98A² have not been adjusted

¹ As measured by changes in the Composite Consumer Price Index; same below.

² Principal postages refer to postages of traditional services, i.e. Local Mail (Letters and Packets), Bulk Local Mail, Local Parcels, Air Mail (Letters and Packets), Bulk Air Mail, Air Parcels, Surface Mail (Letters and Packets), Surface Parcels and Surface Bulk Bag. Fees under Cap. 98A include, for instance, postal box/bag rental fees, fees for redirection of postal packets, registration and compulsory registration fees and recorded delivery fee, etc.

for more than 10 years, the POTF's financial performance has been deteriorating since 2007-08 and it started to incur an operating loss in 2011-12. The POTF will not be financially viable in the medium term³ if timely adjustments are not made to the principal postage rates and some of the postal fees under Cap. 98A. The factors which have been taken into account are outlined in paragraphs 4 to 10 below.

(a) Increase in Operating Costs

4. Despite that the overall increase in mail traffic has led to a 22% increase in the POTF's operating revenue during the past five years from \$4,115 million in 2006-07 to \$5,014 million in 2011-12, this was insufficient to offset the escalating operating costs, which recorded an increase of 38% during the same period from \$3,668 million in 2006-07 to \$5,064 million in 2011-12. The major cost components pertinent to the operation of the POTF, namely staff costs, air conveyance costs and terminal dues payments⁴, have increased notably. For instance, during the five-year period from 2006-07 to 2011-12, after netting off the impact of traffic changes, staff costs have increased by 19%, air conveyance costs by 23% and terminal dues by 14%. Moreover, the restrictions of the civil service system⁵ and the POTF's obligation to provide universal postal services despite the relentless trend of e-substitution constrain the POTF's flexibility in controlling costs. In 2011-12, civil service staff costs, air conveyance costs and terminal dues payments accounted for some 80% of the POTF's total operating costs. With the expected continued increase in these costs in the coming five years, the POTF's financial performance would rapidly deteriorate if timely adjustments are not made to the principal postage rates and some of the postal fees under Cap. 98A (see paragraph 10).

(b) Cumulative Inflation since the Last Adjustment Exercises

5. In moving the resolution for establishing the POTF in July 1995, the Administration undertook that in order to achieve our postal policy objective of providing an efficient and reliable postal service at reasonable and affordable prices to all users, future postage rate increases would be kept broadly in line with inflation. Most of the principal postage rates have however not been adjusted for more than 10 years, whilst some postal fees under Cap. 98A have

³ The reserves of the POTF amounted to \$1,805 million as at 31 March 2012. The whole reserve would be completely depleted after 2015-16 if we do not make timely adjustments to the principal postage rates and some of the postal fees under Cap. 98A.

⁴ Terminal dues are the charges levied by other postal administrations for the provision of mail delivery service covering all inbound mail types.

⁵ This refers to the inflexibility in reducing the civil service strength as well as the obligation to follow the annual civil service pay adjustment mandated by the Civil Service Bureau without regard to the POTF's own financial position and market pay for employees in the logistics sector.

not been adjusted since the POTF was established on 1 August 1995. The cumulative inflation since the last adjustment of the various principal postages and postal fees under Cap. 98A is summarised below -

	Date of Last Adjustment	Cumulative Inflation since Last Adjustment up to end December 2012
Principal Postages		
Local Mail (Letters and Packets)	April 2002	22%
Bulk Local Mail	April 2002	22%
Local Parcels	September 1996	16%
Air Mail (Letters and Packets)	April 2002	22%
Bulk Air Mail	November 2002	24%
Surface Mail (Letters and Packets)	April 2002	22%
Surface Bulk Bag	August 2006	22%
Postal Fees under Cap. 98A		
Postal box/bag rental, redirection of postal packets, registration and compulsory registration fees	June 1995	25%
Recorded delivery fee	March 1997 (introduction of the service)	13%

(c) Cross-subsidisation among Postal Services

6. At present, Local Mail (Letters and Packets), Bulk Local Mail, Local Parcels, Air Mail (Letters and Packets), Bulk Air Mail, Surface Mail (Letters and Packets), Surface Parcels, Surface Bulk Bag, and various postal services provided under Cap. 98A are operating at a loss. They are subsidised by revenue generated by Air Parcels, competitive mail services such as Speedpost and other non-mail services like philatelic services. In anticipation of an increase in air conveyance costs and terminal dues, the margins of currently profitable services such as Air Parcels and Speedpost provided by the POTF will be further squeezed and cross-subsidisation will become increasingly untenable.

7. The payment system under the Universal Postal Union (UPU) for the delivery of international mail has accentuated the need to reduce cross-subsidisation. Following the resolution of the UPU in October 2012, payments to the major destination postal administrations for international mail from Hong Kong will increase significantly, up to 6% a year starting from 2014, and will hence aggravate the loss incurred by Air Mail. On the other hand, payments from other postal administrations for international mail to Hong Kong are based on our low local postage rates. Moreover, the low local postage rates have encouraged consolidators to recruit overseas mails and post them directly at our local post offices for delivery to local recipients, thus

increasing the loss of Local Mail. There is thus a need to increase the postages of Air Mail and Surface Mail as well as Local Mail to better reflect the costs in service provision.

(d) Cost Saving, Productivity Improvement and Revenue Generation Measures

8. In the face of the challenges explained above, the POTF has put in sustained efforts in implementing various cost-saving and productivity enhancement measures and exploring new sources of revenue. On cost control, the POTF has continued its efforts to contain air conveyance costs by, amongst others, reviewing the specifications of tender invitation for air conveyance service in order to encourage more competition. It has also been negotiating bilateral agreements with other postal administrations with a view to reducing terminal dues payments. The POTF has also implemented a number of productivity improvement measures, e.g. the new Mechanised Letter Sorting System since June 2009. To enhance operational efficiency, the POTF is also pursuing a number of capital investment projects, including the amalgamation of the International Mail Centre and the General Post Office Sorting Office into the new Central Mail Centre and the setting up of the Integrated Postal Services System for automating counter operations and streamlining back end support functions. The productivity of the POTF⁶ has increased by 14.6% over the past ten years.

9. At the same time, the POTF has endeavoured to partially offset the increase in operating costs by revenue generated from new and enhanced services developed in response to customer needs, e.g. providing services targeting internet traders, launching customised delivery services, making better use of surplus space in branch offices, enhancing direct mail services and revitalising the philatelic market. Furthermore, the POTF has periodically increased the postage rates under the PMG's authority, e.g. postage rates for competitive services such as Speedpost, in order to improve cost recovery and product profitability.

(e) Projected deteriorating financial performance of the POTF

10. Despite the above efforts, in 2011-12, the POTF had an operating loss of \$50 million. The projected operating loss for 2012-13 is around \$110 million⁷. Although the above efforts in cost saving, productivity enhancement and revenue generation will no doubt continue, it is anticipated that the POTF will still incur substantial operating loss in the coming five years if timely

⁶ POTF measures productivity by aggregating the postal traffic handled in a year, converted to the equivalent of a standard local letter, and dividing the sum by the man-hours employed.

⁷ Latest projection which may be subject to further adjustment.

adjustments are not made to the principal postage rates and some of the postal fees under Cap. 98A, resulting in a complete depletion of the reserve (\$1,805 million as at 31 March 2012) after 2015-16.

Revision of Principal Postages and Postal Fees

11. To achieve operating break-even in 2013-14, the POTF has to increase the relevant principal postage rates and postal fees under Cap. 98A by as much as 40%. However, taking into account the projected POTF's financial position with its cost saving and revenue generation measures, as well as the prevailing economic conditions and business environment, and public affordability, we consider that it would be more appropriate to increase the relevant principal postage rates and postal fees under Cap. 98A in 2013-14 to only broadly recover the cumulative inflation since the respective last adjustments, which ranges from 13% to 25% as set out in the ensuing paragraphs.

Principal Postages

12. The PMG will increase the following principal postage rates with effect from 1 October 2013 to broadly recover the cumulative inflation since the respective last adjustments up to end December 2012 –

- (i) the postage rates for Local Mail (Letters and Packets) and Bulk Local Mail be increased by 22% to broadly recover the cumulative inflation since the last adjustment in April 2002 (the revised rates tables are at **Annex B**);
- (ii) the postage rates for Local Parcels be increased by 16% to broadly recover the cumulative inflation since the last adjustment in September 1996 (the revised rates table at **Annex C**);
- (iii) the postage rates for Air Mail (Letters and Packets) and Surface Mail (Letters and Packets) be increased by 22% to broadly recover the cumulative inflation since the last adjustment in April 2002 (the revised rates tables at **Annex D** and **Annex E**);
- (iv) the postage rates for Bulk Air Mail be increased by 24% to broadly recover the cumulative inflation since the last adjustment in November 2002 (the revised rates table at **Annex F**); and
- (v) the postage rates of Surface Bulk Bag be increased by 22% to broadly recover the cumulative inflation since the last adjustment in August 2006 (the revised rates table at **Annex G**).

Postal fees under Cap. 98A

13. We propose to increase the following postal fees under Cap. 98A with effect from 1 December 2013 to broadly recover the cumulative inflation since the respective last adjustments up to end December 2012 –

- (i) postal box/bag rental fees under Regulation 13(1) and fees for redirection of postal packets under Regulation 32 be increased by 25% to broadly recover the cumulative inflation since the last adjustment in June 1995 (the revised rates tables at **Annex H**);
- (ii) the registration fee under Regulation 16(1) and the compulsory registration fee⁸ under Regulation 17 be increased by 19% to broadly recover the cumulative inflation since the last adjustment in June 1995 whilst taking into account the “guideline maximum amount” set by the UPU⁹ (the revised rates table at **Annex I**); and
- (iii) the recorded delivery fee for postal packets under Regulation 16A(1) be increased by 13% to broadly recover the cumulative inflation since its introduction in March 1997 (the revised rates table at **Annex J**).

14. For illustration purpose, the following table sets out the current and new rates of selected items –

<u>Category</u>	<u>Item</u>	<u>Current</u>	<u>New</u>
Principal postages			
Local Mail (Letters and Packets)	30g or below	\$1.4	\$1.7
Bulk Local Mail	Economy standard mail of 30g or below	\$1.25	\$1.52
Local Parcels	3 kg	\$47	\$55
Air Mail (Letters and Packets)	20g or below (letter) To the Mainland/Zone 1 such as Singapore	\$2.4	\$2.9
	To Zone 2 such as UK	\$3.0	\$3.7
Bulk Air Mail	20g or below (letter) To the Mainland	\$1.3	\$1.6

⁸ According to Regulation 17 of Cap. 98A, unregistered postal packets found to contain banknotes, used or unused postage stamps, cheques payable to bearer or uncrossed postal orders or postal notes shall be subject to compulsory registration and shall be charged a registration fee for each such packet.

⁹ The Universal Postal Union has suggested a maximum amount in respect of the registration fee for postal items. The amount serves as a guideline only. The amount, valued by reference to a basket of foreign currencies, is at present around HK\$15.8.

Category	Item	Current	New
	To Zone 1 such as Singapore	\$1.7	\$2.1
	To Zone 2 such as UK	\$2.3	\$2.9
Surface Mail (Letters and Packets)	20g or below (letter) To the Mainland	\$1.8	\$2.2
	To Zone 1 such as Singapore	\$2.3	\$2.8
	To Zone 2 such as UK	\$2.9	\$3.5
Surface Bulk Bag	1 kg		
	To Zone 1 such as Singapore	\$31	\$38
	To Zone 2 such as UK	\$33	\$40
	Additional rate per item	\$0.8	\$1.0
Postal fees under Cap. 98A			
Postal box/bag rental	Small box (annual fee) (Kowloon Central Post Office)	\$320	\$400
Redirection of a postal packet	Private user; first 3 months	\$100	\$125
Registration and compulsory registration of a postal packet	-	\$13 for registration; \$26 for compulsory registration	\$15.5 for registration; \$31 for compulsory registration
Recorded delivery of a postal packet	-	\$11	\$12.5

15. The one-off increase in the principal postage rates and postal fees under Cap. 98A in 2013-14 would not be sufficient to ensure the longer term financial sustainability of the POTF. In fact, it is expected that the POTF will continue to incur an operating loss, but the balance of the reserve will stay at better levels. Whilst the POTF would continue efforts to reduce costs, enhance productivity and explore new sources of revenue, it is necessary for the POTF to periodically review and adjust the principal postage rates broadly in line with inflation, taking into account other relevant factors such as the POTF's financial position, the prevailing economic conditions and business environment, and the affordability of the public.

One-off Concessionary Measure

16. To provide some time-limited relief to small and medium enterprises (SMEs), we will consider providing a rebate to local SMEs by way of a 5% discount for the first \$3,000 of stamps purchased or postage incurred by local SMEs during the initial three-month period from October to December 2013 immediately following the increase in the principal postage rates. Details will be announced by Hongkong Post later.

LEGISLATIVE TIMETABLE

17. To effect the new postal fees under Cap. 98A, the legislative timetable will be –

Publication in the Gazette of the Post Office (Amendment) Regulation 2013 4 October 2013

Tabling of the Post Office (Amendment) Regulation 2013 9 October 2013

FINANCIAL IMPLICATIONS

18. Increasing principal postage rates with effect from 1 October 2013 and increasing the postal fees under Cap. 98A with effect from 1 December 2013 will bring about additional recurrent operating revenue of around \$340 million in a full year.

ECONOMIC AND PRODUCTIVITY IMPLICATIONS

19. The impact of the postage increase on the Composite Consumer Price Index is immaterial. Moreover, as expenses on postal services provided by the POTF only account for a very small fraction of the overall business costs, the increase in principal postage rates and the postal fees under Cap. 98A is not expected to cause undue hardship on most businesses¹⁰. For businesses particularly SMEs which rely relatively more on postal service, such as printing, publishing, advertising, merchandising, travel agency, wholesale and internet trading, the impact of the increase in postages on them could be larger. However, some of them may switch to electronic means depending on their business needs, and with the continued provision of discounted bulk posting services, there is a choice of service quality that best suits their business needs. The one-off concessionary measure for SMEs would provide some short-term relief. In general, even after the increase, the postage rates in Hong Kong will remain fairly low, compared with the postage rates in other places.

20. The increase in principal postage rates and the postal fees under Cap. 98A will help improve the POTF's financial position and enable the POTF to continue to implement productivity enhancement initiatives by drawing on its reserves.

¹⁰ Based on POTF's total revenue in 2011-12, the percentage share of expenses on postal services provided by the POTF to the total operating expenses of businesses is below 0.3%.

OTHER IMPLICATIONS

21. The increase in principal postages and postal fees is in conformity with the Basic Law, including the provisions concerning human rights. It is estimated that it will lead to reduction in mail traffic, which may lessen the burden on the environment. The postages and postal fees increase has no staffing, sustainability and family implications, and will not affect the current binding effect of Cap. 98.

PUBLIC CONSULTATION

22. We will brief the Legislative Council Panel on Economic Development on the principal postage rate and postal fee adjustments at its meeting on 22 July 2013.

PUBLICITY

23. A press release will be issued on the postages and fees revision, and a spokesman of Hongkong Post will be assigned to answer media enquiries.

BACKGROUND

24. Cap. 98 provides that the PMG may, subject to any direction of the Chief Executive in Council, determine the rates of postage to be charged on postal articles. Fees and charges under Cap. 98A are adjustable through amendment to the Regulations. As regards postages of competitive services (as opposed to traditional services), such as Speedpost, they are adjusted by the PMG from time to time.

25. The POTF was established by a resolution passed by the Legislative Council on 19 July 1995 under the Trading Funds Ordinance (Cap. 430), with the PMG as the general manager. It can retain the revenue generated from its business to cover the cost of service provision on a self-financing basis. Section 6 of Cap. 430 requires the general manager to manage a trading fund with the objectives of –

- (i) providing an efficient and effective operation that meets an appropriate standard of service;
- (ii) within a reasonable time, meeting expenses incurred in the provision of the government service and financing liabilities of the trading fund out of the income of the trading fund, taking one year with another; and

- (iii) achieving a reasonable return, as determined by the Financial Secretary, on the fixed assets employed.

26. In response to the recommendation made by the Director of Audit in his Report No. 54 published in March 2010, the PMG agreed to submit a new package of proposals on postage rates revision taking into account all relevant factors including the POTF's financial position, the prevailing economic conditions, business environment and public sentiments.

ENQUIRIES

27. Enquiries on this brief should be addressed to Miss Kathy Chan, Principal Assistant Secretary for Commerce and Economic Development (Tel: 2810 2958).

Commerce and Economic Development Bureau
11 July 2013

**Post Office Ordinance
(Chapter 98)**

**REVISION OF POSTAGE RATES AND
MISCELLANEOUS POSTAL FEES AND CHARGES**

ANNEXES

- Annex A - Post Office (Amendment) Regulation 2013
- Annex B - Revised postage rates of Local Mail (Letters and Packets) and Bulk Local Mail
- Annex C - Revised postage rates of Local Parcels
- Annex D - Revised postage rates of Air Mail (Letters and Packets)
- Annex E - Revised postage rates of Surface Mail (Letters and Packets)
- Annex F - Revised postage rates of Bulk Air Mail
- Annex G - Revised postage rates of Surface Bulk Bag
- Annex H - Revised Postal Fees under the Post Office Regulations (Cap. 98A): Annual fees for letting private boxes or providing private bag service and fees for redirection of postal packets
- Annex I - Revised Postal Fees under the Post Office Regulations (Cap. 98A): Registration fee and compulsory registration fee for postal packets
- Annex J - Revised Postal Fees under the Post Office Regulations (Cap. 98A): Recorded delivery fee for postal packets

Post Office (Amendment) Regulation 2013

(Made by the Chief Executive in Council under section 3 of the Post Office Ordinance (Cap. 98))

1. Commencement

This Regulation comes into operation on 1 December 2013.

2. Post Office Regulations amended

The Post Office Regulations (Cap. 98 sub. leg. A) are amended as set out in sections 3 to 7.

3. Regulation 13 amended

(1) Regulation 13(1)(a)—

Repeal

“650”

Substitute

“815”.

(2) Regulation 13(1)(a)—

Repeal

“500”

Substitute

“625”.

(3) Regulation 13(1)(a)—

Repeal

“270”

Substitute

“340”.

(4) Regulation 13(1)(b)—

Repeal

“320”

Substitute

“400”.

(5) Regulation 13(1)(b)—

Repeal

“270”

Substitute

“340”.

(6) Regulation 13(1)(c)—

Repeal

“320”

Substitute

“400”.

(7) Regulation 13(1)(c)—

Repeal

“270” (wherever appearing)

Substitute

“340”.

4. Regulation 16 amended

Regulation 16(1)—

Repeal

“\$13”

Substitute

“\$15.5”.

5. **Regulation 16A amended**

Regulation 16A(1)—

Repeal

“\$11”

Substitute

“\$12.5”.

6. **Regulation 17 amended**

Regulation 17—

Repeal

“\$26”

Substitute

“\$31”.

7. **Regulation 32 amended**

(1) Regulation 32(a)—

Repeal

“\$100”

Substitute

“\$125”.

(2) Regulation 32(a)—

Repeal

“\$300”

Substitute

“\$375”.

(3) Regulation 32(b)—

Repeal

“\$250”

Substitute

“\$315”.

(4) Regulation 32(b)—

Repeal

“\$750”

Substitute

“\$940”.

Clerk to the Executive Council

COUNCIL CHAMBER

2013

Explanatory Note

The purpose of this Regulation is to increase certain fees stated in, and chargeable under, the Post Office Regulations (Cap. 98 sub. leg. A). Those fees are—

- (a) the annual fees for private boxes or private bag services;
- (b) the registration fee for postal packets;
- (c) the recorded delivery fee for postal packets;
- (d) the compulsory registration fee for unregistered postal packets found to contain certain articles; and
- (e) the fees for redirecting postal packets.

Revised postage rates of Local Mail (Letters and Packets)
and Bulk Local Mail with effect from 1 October 2013

Local Mail (Letters & Packets)

Weight	Current Postage (\$)	New Postage (\$)
30g	1.4	1.7
50g	2.2	2.7
100g	3.0	3.7
150g	3.7	4.5
200g	4.0	4.9
250g	4.4	5.4
500g	8.2	10.0
1 Kg	16.4	20.0
2 Kg	28.0	34.2

Local Mail (Letters & Packets) Bulk Economy

Class	Weight	Current Postage (\$)	New Postage (\$)
Standard	30g	1.25	1.52
	50g	1.84	2.26
Non-Standard	30g	1.29	1.57
	50g	1.94	2.38
	100g	2.52	3.11
	150g	3.07	3.73
	200g	3.32	4.07
	250g	3.61	4.43
	500g	6.90	8.41
	1 Kg	11.00	13.41
2 Kg	22.00	26.87	

Local Mail (Letters & Packets) Bulk First Class - Standard

Weight	Current Postage (\$)	New Postage (\$)
30g	1.30	1.58
50g	2.00	2.45

Revised postage rates of Local Parcels
with effect from 1 October 2013

Local Parcels

Weight	Current Postage (\$)	New Postage (\$)
1Kg	27.0	rate removed
2Kg	37.0	rate removed
3Kg	47.0	55.0
4Kg	57.0	66.0
5Kg	67.0	78.0
6Kg	77.0	89.0
7Kg	87.0	101.0
8Kg	97.0	113.0
9Kg	107.0	124.0
10Kg	117.0	136.0
11Kg	127.0	147.0
12Kg	137.0	159.0
13Kg	147.0	171.0
14Kg	157.0	182.0
15Kg	167.0	194.0
16Kg	177.0	205.0
17Kg	187.0	217.0
18Kg	197.0	229.0
19Kg	207.0	240.0
20Kg	217.0	252.0

Revised postage rates of Air Mail (Letters and Packets)
with effect from 1 October 2013

Air Mail (Letters and Packets)

Type	Zone	Weight	Current Postage (\$)	New Postage (\$)
Letter & Postcards	Aerogramme	-	2.3	2.3
	Zone 1	20g	2.4	2.9
		30g	4.5	5.5
		Each additional 10g	1.2	1.5
	Zone 2	20g	3.0	3.7
		30g	5.3	6.5
		Each additional 10g	1.3	1.6
	Mainland, Macau & Taiwan	20g	2.4	2.9
		30g	4.5	5.5
		Each additional 10g	1.2	1.5
Second Class Air Mail	Zone 1	20g	1.9	2.3
		30g	3.1	3.8
		Each additional 10g	0.8	1.0
	Zone 2	20g	2.5	3.1
		30g	4.1	5.0
		Each additional 10g	1.0	1.2
	Mainland, Macau & Taiwan	20g	1.9	2.3
		30g	3.1	3.8
		Each additional 10g	0.8	1.0

Revised postage rates of Surface Mail (Letters and Packets)
with effect from 1 October 2013

Surface Mail (Letters and Packets)

Type	Zone	Weight	Current Postage (\$)	New Postage (\$)
Letter & Postcards	Zone 1	20g	2.3	2.8
		50g	4.4	5.4
		100g	5.8	7.1
		250g	11.6	14.2
		500g	22.6	27.6
		1kg	39.6	48.3
	Zone 2	20g	2.9	3.5
		50g	5.0	6.1
		100g	6.6	8.1
		250g	13.1	16.0
		500g	24.8	30.3
		1kg	42.9	52.3
	Mainland, Macau and Taiwan	20g	1.8	2.2
		50g	3.0	3.7
		100g	5.7	7.0
		250g	11.4	13.9
		500g	22.1	27.0
		1kg	38.5	47.0
Printed Papers	Zone 1	20g	1.9	2.3
		50g	4.1	5.0
		100g	5.2	6.3
		250g	10.6	12.9
		500g	19.8	24.2
		1kg	35.2	42.9
		2kg	51.7	63.1
		3kg	77.6	94.7
		4kg	103.5	126.3
	5kg	129.4	157.9	
	Zone 2	20g	2.5	3.1
		50g	4.4	5.4
		100g	5.6	6.8
		250g	11.4	13.9
		500g	20.9	25.5
		1kg	37.4	45.6
		2kg	55.0	67.1
		3kg	82.5	100.7
		4kg	110.0	134.2
	5kg	137.5	167.8	
	Mainland, Macau and Taiwan	20g	1.5	1.8
		50g	2.4	2.9
		100g	3.3	4.0
		250g	6.9	8.4
500g		12.9	15.7	
1kg		22.0	26.8	
2kg		33.0	40.3	
3kg		49.5	60.4	
4kg		66.0	80.5	
5kg	82.5	100.7		
Small Packets	Zone 1 / Zone 2	20g	5.6	6.8
		50g	5.6	6.8
		100g	5.6	6.8
		250g	11.4	13.9
		500g	20.9	25.5
		1kg	37.4	45.6
	Mainland, Macau and Taiwan	20g	5.6	6.8
		50g	5.6	6.8
		100g	5.6	6.8
		250g	11.4	13.9
		500g	20.9	25.5
		1kg	37.4	45.6
2kg	55.0	67.1		

Revised postage rates of Bulk Air Mail
with effect from 1 October 2013

Bulk Air Mail

Zone	Weight		Current Postage (\$)	New Postage (\$)
Zone 1	20g	Per item	1.7	2.1
	30g	Per item	2.4	3.0
	40g	Per item	2.7	3.3
	50g	Per item	3.0	3.7
	30g - 50g	Per kg	75.0	per kg rate removed
	100g	Per kg	70.0	87.0
	Over 100g	Per kg	65.0	81.0
Zone 2	20g	Per item	2.3	2.9
	30g	Per item	2.9	3.6
	40g	Per item	3.2	4.0
	50g	Per item	3.5	4.3
	30g - 50g	Per kg	95.0	per kg rate removed
	100g	Per kg	90.0	112.0
	Over 100g	Per kg	85.0	105.0
Mainland, Macau & Taiwan	20g	Per item	1.3	1.6
	30g	Per item	1.8	2.2
	40g	Per item	2.0	2.5
	50g	Per item	2.3	2.9
	30g - 50g	Per kg	57.0	per kg rate removed
	100g	Per kg	53.0	66.0
	Over 100g	Per kg	49.0	61.0

Revised postage rates of Surface Bulk Bag
with effect from 1 October 2013

Surface Bulk Bag

Zone	Item/Weight	Current Postage (\$)	New Postage (\$)
Zone 1	Rate per kg	31.0	38.0
	Additional rate per item	0.8	1.0
	Minimum average rate per item	2.4	2.9
Zone 2	Rate per kg	33.0	40.0
	Additional rate per item	0.8	1.0
	Minimum average rate per item	2.5	3.1

Revised Postal Fees under the Post Office Regulations (Cap. 98A)
with effect from 1 December 2013

Annual fees for letting private boxes or providing private bag service
(Regulation 13(1))

		Current Fee (\$)	New Fee (\$)
General Post Office	Large Box	650	815
	Small Box	500	625
	Private Bag	270	340
Tsim Sha Tsui Post Office	Large Box	650	815
	Small Box	500	625
	Private Bag	270	340
Kowloon Central Post Office	Small Box	320	400
	Private Bag	270	340
Other Post Offices	Large Box	320	400
	Small Box	270	340
	Private Bag	270	340

Fees for redirection of postal packets
(Regulation 32)

		Current Fee (\$)	New Fee (\$)
First 3 months	Private user	100	125
	Business user	300	375
Each succeeding 12 months	Private user	250	315
	Business user	750	940

Revised Postal Fees under the Post Office Regulations (Cap. 98A)
with effect from 1 December 2013

Registration fee under Regulation 16(1) and compulsory registration fee under Regulation 17 for postal packets

	Current Fee (\$)	New Fee (\$)
Registration Fee	13.0	15.5
Compulsory Registration Fee	26.0	31.0

Revised Postal Fees under the Post Office Regulations (Cap. 98A)
with effect from 1 December 2013

Recorded delivery fee for postal packets
(Regulation 16A(1))

	Current Fee (\$)	New Fee (\$)
Recorded delivery fee	11.0	12.5