

Legislative Council Panel on Economic Development
Meeting on 22 July 2013
Motion moved by Hon TANG Ka-piu in respect of “Revision of postage
rates and miscellaneous postal fees and charges”

At the Legislative Council Panel on Economic Development meeting on 22 July 2013, Hon TANG Ka-piu moved and the meeting passed a motion to urge the Government to enhance the transparency of the postage revision system and to make every possible effort to mediate the impact brought about by postage revisions on the people. We would like to respond as follows.

2. The Post Office Ordinance (Cap. 98) provides that the Postmaster General may, subject to any direction of the Chief Executive in Council, determine the rates of postage to be charged on postal articles. For postal fees under the Post Office Regulations (Cap. 98A), they are adjustable through amendment to the Regulations. The amendment regulation will be tabled at the Legislative Council and subject to negative vetting by Members.

3. The postage rates after adjustment will remain relatively low when compared with those in many other places, and the actual amount of increase is small, e.g. the basic postage for local letters will be adjusted from \$1.4 to \$1.7 with an actual increase of 30 cents only. We therefore expect that the impact of the postage adjustments on the general public will not be significant. On the other hand, as the expenses on postal services provided by the Post Office Trading Fund (POTF) only account for a very small fraction of the total business costs, we expect that the adjustments would not cause undue hardship on most businesses. Yet, we understand that for businesses, particularly small and medium enterprises (SMEs), which rely relatively more on postal service, the impact of the proposed adjustment of postages on them could be larger. In this regard, Hongkong Post (HKP) will provide an one-off concessionary measure to SMEs, by offering a 5% discount for the first \$3,000 of stamps purchased or postage incurred by SMEs during the initial three-month period from October to December 2013 immediately following the implementation of the new principal postage rates. HKP will announce the details later.

4. Whilst HKP would continue its efforts to reduce costs, explore new sources of revenue and enhance productivity, HKP will 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 in order to ensure that the POTF can operate healthily and continue to provide high-quality and reliable postal services to customers.

Commerce and Economic Development Bureau
Hongkong Post
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