



24 November 2014

The Chairmen  
Panel on Transport and  
Subcommittee on Matters Relating to Railways  
Legislative Council  
Legislative Council Road  
Central, HONG KONG

Dear Sirs,

Railway Development Strategy – 2014  
Tung Chung West Extension

Please refer to the issue of “Railway Development Strategy – 2014” published by the Transport and Housing Bureau (THB) in September 2014 on the framework and planning for future expansion of Hong Kong’s railway network up to 2031.

We wish to draw your attention to the section on Tung Chung West Extension, extending the Tung Chung Line westwards by 1.5 km from the current Tung Chung MTR Station to a new station at Yat Tung Estate, to be named “Tung Chung West Station”.

According to THB, the current population of Tung Chung West is approximately 40,000; and taking reference from the passenger statistics of Route 38 of New Lantao Bus Company (1973) Limited (NLB), which is a circular route plying between Yat Tung Estate and Tung Chung MTR Station, the total passenger journey for 2013 was 10,135,081, bringing about a daily average of 27,767 passengers travelling towards both directions.

For the first 8 months of 2014, the total passenger journeys for this route were 6,644,476, with a daily average of 27,685 passengers carried. Due to stagnant population growth, there has been no increase in the daily passenger journeys of this route, which remains the vital link between Yat Tung Estate and Tung Chung MTR Station.

-1-



According to the same document, it was revealed that the construction cost of this section of 1.5 km railway plus the ancillary facilities would be HKD6 billion. On average the cost of construction for each metre would become HKD4 million.

Cost of construction notwithstanding, in our opinion, the capital cost could not justify the passenger demand, as each day there could only be less than 30,000 passengers travelling on this section of the MTR Extension from Tung Chung, and probably with two waves of passengers daily, i.e. Tung Chung bound in the morning and Tung Chung West bound in the evening.

Even with further residential housing development (both public and private) in Tung Chung West, the cost to beneficiary ratio is so high that it could cast doubt towards the issue of prudent public spending, as only less than 20,000 people will be benefited from the construction of the MTR Extension each day, without much prospect for further expansion.

Therefore we urge the Panel and the Committee to consider carefully whether this section of railway expansion is of vital need and taxpayers' money should be spent indiscriminately in subsidizing a section of 1.5 km of railway, of which its construction costs could not be recovered in view of low patronage.

Yours faithfully,  
For and on behalf of  
NEW LANTAO BUS CO. (1973) LTD.



Matthew L.P. Wong  
Managing Director