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By email (ssylau@legco.gov.hk)

Ms Sophie LAU Clerk to Panel on Transport Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

15 April 2020

Dear Ms LAU,

Legislative Council Panel on Transport Meeting on 17 January 2020 Follow-up items relating to the fuel subsidy and one-off subsidy for the transport trades

Regarding follow-up items relating to the fuel subsidy and one-off subsidy for the transport trades raised by Members at the meeting of the Legislative Council Panel on Transport on 17 January 2020, our reply is as follows.

To help the transport trades to cope with the operating pressure in the prevailing economic environment, the Government announced the introduction of a six-month fuel subsidy or a one-off subsidy to the trades on 22 October 2019. In view of the severe impact of Coronavirus Disease 2019 ("COVID-19") on the transport trades, in the first round of the Anti-epidemic Fund subsequently approved by the Legislative Council ("LegCo") Finance Committee ("FC") on 21 February 2020, we propose to expand the above proposal with a view to providing comprehensive and continuous financial support to various transport trades. The specific measures are as follows:

- (a) Taxis and public light buses ("PLBs") Offer a \$1.0 discount per litre of liquefied petroleum gas ("LPG") for 12 months for LPG taxis and PLBs, and reimburse one-third of the actual fuel cost for 12 months for petrol taxis and diesel PLBs;
- (b) Franchised buses ("FBs"), local ferries and tramways Reimburse one-third of the actual fuel/electricity cost for 12 months (from 1 July 2019 to 30 June 2020) for the five FB companies, 22 franchised and licensed ferry services and Hong Kong Tramways Limited;
- (c) **Non-franchised buses ("NFBs")** Provide a one-off non-accountable subsidy of \$20,000 for each licensed NFB;
- (d) School private light buses ("SPLBs"), hire cars, goods vehicles and local commercial vessels – Provide a one-off non-accountable subsidy of \$10,000 for each goods vehicle, SPLB, hire car and local commercial mechanised vessel, and provide a one-off survey fee subsidy for local commercial vessels; and
- (e) **Cross-boundary ferries** Provide a one-off non-accountable subsidy of \$1 million for each cross-boundary vessel.

The total estimated expenditures for the above measures are around \$3,230 million. The estimated expenditures for the subsidies for taxis and PLBs are around \$810 million and \$260 million respectively, while the estimated expenditures for the subsidies for FBs, local ferries and tramways are around \$500 million, \$70 million and \$6 million respectively. Since the operational environments of various transport trades and the extents to which they are affected by the epidemic in recent months are different, we have proposed the corresponding subsidy measures having regard to the unique situations of individual trades and it may not be appropriate to make a direct comparison between the relevant subsidy rates. Given that the development of COVID-19 and the necessary social distancing measures have worsened the difficulties faced by the passenger transport sector, the Chief Executive announced a series of further support measures on 8 April 2020, including providing financial support to various passenger transport trades (including the affected frontline drivers). The total estimated expenditures for the new round of measures to support the passenger transport sector is around \$3,409.15 million. The Government will seek the relevant funding approval from the FC of LegCo on 17 April 2020 and will introduce the relevant measures promptly after obtaining the funding approval. The details are as follows:

- (a) **FBs, local ferries and tramways** Reimburse 100% of the regular repair and maintenance costs and insurance premium for six months (from 1 April to 30 September 2020) for the FB, local ferry and tramway operators;
- (b) **NFBs, SPLBs and hire cars** Provide an additional one-off non-accountable subsidy of \$30,000 per vehicle to the registered owner of each NFB, SPLB and hire car; and
- (c) Taxis, red minibuses ("RMBs") and green minibuses ("GMBs") – Provide a one-off non-accountable subsidy of \$30,000 per vehicle to the registered owner of taxi and RMB, as well as per GMB to the passenger service licence holder; and a monthly subsidy of \$6,000 for each eligible active taxi and RMB driver for a period of six months (from 1 April to 30 September 2020).

Yours sincerely,

(Nick CHOI) for Secretary for Transport and Housing

c.c.: Commissioner for Transport (Attn.: Ms Anna YEUNG)