



2020 MTR Fare Adjustment

Legislative Council Panel on Transport
April 2020

2020/21 MTR Fare Adjustment

Step 1 – Basic calculation applying the FAM formula

Year-on-year % change in Composite Consumer Price Index for Dec 2019 +2.9%	Year-on-year % change in Nominal Wage Index (Transportation) for Dec 2019 +3.4%	Productivity Factor
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$$(+2.9\% \times 0.5) + (+3.4\% \times 0.5) - 0\% = +3.15\%$$

Step 2 – Taking into account the special adjustment

less 0.6%

$$= +2.55\%$$

Step 3 – Taking into account the Affordability Cap

Comparing with the Year-on-year change in MMHI in the fourth quarter of 2019 -2.48%

=

0%

Affordability Cap

- Introduced in the 2013 FAM Review, care about public affordability
- Making reference to the MMHI

Affordability cap (-2.48%)

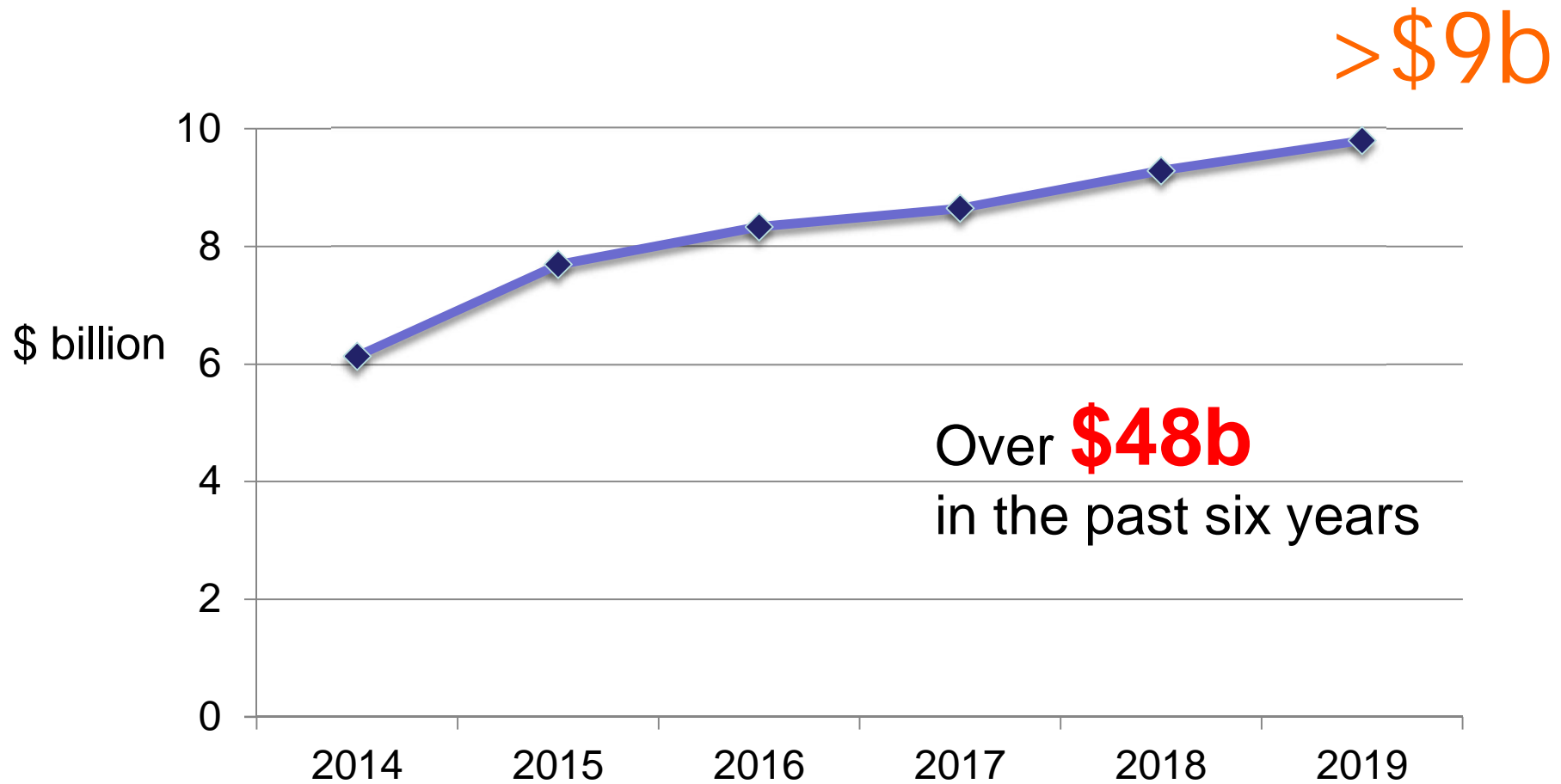
Fare adjustment rate (0%)

Deemed as 0%

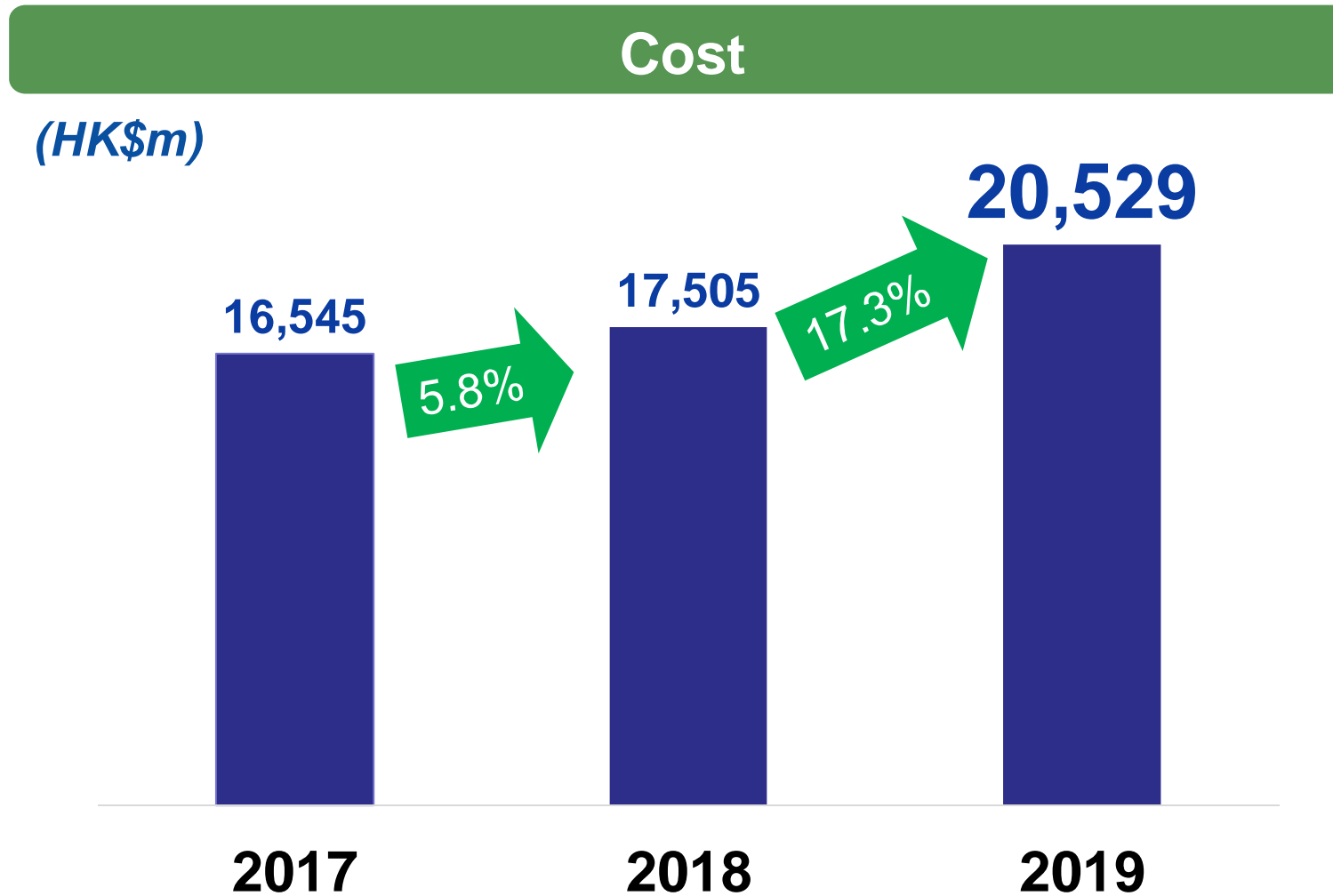
+2.55% fare adjustment → recouped in
2021/22 (+1.28%) and
2022/23 (+1.27%)

Simplified
arrangement

Continuous Investment in Asset Maintenance and Renewal



Increasing Railway Operating Costs



Octopus fares **remain unchanged** for two consecutive years

“Profit Sharing Mechanism”: **\$200m**

“Service Performance Arrangement”: **\$86.5m**

**Until
1 Jan 2021**

✓ Octopus users will enjoy ~~3%~~ rebate ~~until June 2020~~
3.3%



Expected to benefit approx.
**4 million passenger
trips** per day

“Monthly Pass Extras”, “Day Pass” and “MTR City Saver”

✓ Prices remain unchanged since Jan 2019



Passengers taking medium-to-long haul trips: Monthly passes

One-off Special Fare Concessions

20% rebate For **6** months

\$1.6b

Fight the Virus Together
Support Hong Kong Together

One-off Special Fare Concessions (con't)

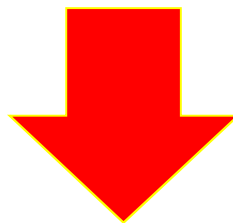
MTR 港鐵
心繫生活每一程

錦上路
Kam Sheung Road

全月通加強版
5款覆蓋4條新界路線 任搭無上限 連接車程兼享75折*

東鐵綫(普通等)及馬鞍山綫	西鐵綫		東涌綫	
上水/烏溪沙 — 尖東 \$485	屯門 — 南昌 \$515	屯門 — 紅磡 \$600	東涌 — 南昌 \$405	東涌 — 香港 \$635

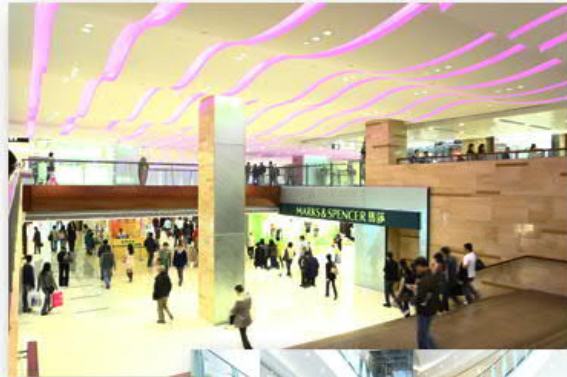
Reduced **\$100**
Discount 15-25%



MTR 港鐵
心繫生活每一程

港鐵都會票
覆蓋64個市區車站
40日內搭40程只需\$435

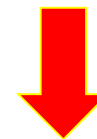
Rental relief measures for MTR mall and shop tenants



February to April 2020

Small to medium tenants:

Half-month rent reduction



Large corporate tenants:

Offer appropriate support on an individual basis

