

政府總部
運輸及房屋局

運輸科
香港添馬添美道 2 號
政府總部東翼



Transport and
Housing Bureau
Government Secretariat

Transport Branch
East Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong

Our ref. : THB(T) CR 19/5591/00
Your ref. :

Tel no. : 3509 8159
Fax no. : 2537 5246

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

26 May 2020

Dear Ms LAU,

2020 MTR fare adjustment

At its meeting on 24 April 2020, the Panel on Transport requested the Transport and Housing Bureau (“THB”) to provide supplementary information regarding the captioned subject. The supplementary information provided by the MTR Corporation Limited (“MTRCL”) is enclosed for the Secretariat’s reference.

Yours sincerely,

(Veronica TSE)
for Secretary for Transport and Housing

c.c.: MTR Corporation Limited

(Attn.: Mr Y C CHAN)

Supplementary information on 2020 MTR fare adjustment

Expenditure and revenue for Hong Kong transport operations

Regarding the expenditure and revenue for Hong Kong transport operations of the MTRCL in 2019, the expenditure on train operations (including depreciation, amortisation and variable annual payment) rose substantially by 17.3% to about \$20.5 billion. In the same year, the total revenue for Hong Kong transport operations slightly increased by 2.3% to about \$19.9 billion (see the breakdown below), which could not offset the increase in expenditure.

	Revenue (\$ million)
Domestic service	12,714
Cross boundary service	3,164
Express Rail Link (Hong Kong Section)	2,098
Airport Express	1,011
Light Rail and bus	677
Intercity	175
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	19,839
Others	99
Total	<hr/>
	19,938

Financial impact of public order events (“POEs”) on the MTRCL

The continuous large-scale POEs taking place since the latter half of last year have had an unprecedented impact on the services of MTR. Since August last year, with violent confrontations escalating, the MTR network, including various railway lines and multiple station facilities were heavily vandalised, causing significant damage to MTR property and posing serious threat to the safety of MTR passengers, staff and the railways. According to the estimation as at December 2019, the POEs taken place in the latter half of 2019 had an adverse impact of \$2.3 billion on the performance of the MTRCL (including the expenditure of about \$600 million for reinstating vandalised facilities¹, other impacts on the revenues for transport operations, station business and property leasing business, and the expenditure for employing additional manpower during the said period, etc.).

MTR Corporation Limited **May 2020**

¹ Not yet taking into account the repairing cost for serious destruction and damage of University Station at East Rail Line, exit A1 of Tsim Sha Tsui Station as well as two seriously burned trains.