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**Panel on Transport
Meeting on 20 April 2021**

**Updated background brief on fare adjustments by
the MTR Corporation Limited**

Purpose

This paper provides updated background information on the Fare Adjustment Mechanism ("FAM") of the MTR Corporation Limited ("MTRCL") and summarizes the major views and concerns expressed by the Panel on Transport ("the Panel") about FAM and fare adjustments by MTRCL in recent discussions.

The Fare Adjustment Mechanism of the MTR Corporation Limited

2. The existing FAM has been put in place since the rail merger in 2007 to replace the fare autonomy MTRCL until then enjoyed.¹ According to the Administration, FAM is an open, objective and transparent mechanism. Under FAM, fare adjustments of MTRCL are made through a direct-drive formula that takes into account economic figures released by the Government. The formula is as follows:

¹ FAM forms part of the rail merger agreement between the Government and MTRCL, and is included in the Operating Agreement signed between the two parties. It is legally binding.

Overall fare adjustment rate =

$$\begin{aligned} & 0.5 \times \text{change in Composite Consumer Price Index ("CCPI")} \\ & \quad (\text{in December of the previous year}) + \\ & 0.5 \times \text{change in Nominal Wage Index (Transportation Section)} \\ & \quad (\text{"NWI(TS)"}) (\text{in December of the previous year}) - \\ & \text{Productivity Factor ("PF")} \text{ the value of which is set at 0\%} \\ & \quad \text{from 2017-2018 to 2022-2023}^2 \end{aligned}$$

Further, MTRCL has agreed to, based on the fare adjustment outcome as per the FAM formula for the six years from 2017-2018 to 2022-2023, lower its fare increase by 0.6 percentage point each year.

3. Pursuant to the Operating Agreement signed between the Government and MTRCL in August 2007, the FAM of MTRCL is to be reviewed every five years. The first review was conducted in 2013.³ The second review is originally planned for completion in 2018, but upon the Government's request in 2016, MTRCL agreed to advance the FAM review one year earlier. The 2017 review outcome is applicable to the fare adjustment of the six-year period from 2017-2018 to 2022-2023.⁴

Outcome of the review on the FAM in 2017

4. Salient points of the FAM review outcome in 2017 include:
- (a) retain the existing direct-drive FAM formula and reduce the fare adjustment rate by 0.6 percentage point;
 - (b) increase the provision for fare concessions under the "Profit Sharing Mechanism" ("PSM") in response to public concern about the correlation between MTRCL's profitability and the implementation of FAM. Details are set out in **Appendix I**.

² Productivity is measured as a ratio between income and cost in MTRCL's transport operation and shared between MTRCL and the passengers. According to the Operation Agreement and the above methodology, in the event that PF value is negative, it should be reset at zero to avoid the situation where fare increase rate according to the FAM formula would be increased as a result of a negative PF value. MTRCL has agreed to, based on the fare adjustment outcome as per the FAM formula for the six years from 2017-2018 to 2022-2023, lower its fare increase by 0.6 percentage point each year to ensure that passengers can still benefit from a moderated fare adjustment to an extent which is consistent with the prevailing PF value of 0.6 percentage point.

³ See THB(T)CR33/1017/99.

⁴ See THB(T)CR19/5591/00.

- (c) increase the provision for fare concessions under "Service Performance Arrangement" ("SPA"). The maximum amount to be given back to passengers for each serious service disruption, as defined as disruptions of 31 minutes or above caused by factors within MTRCL's control, has been increased from \$15 million to \$25 million;⁵
- (d) 3% Rebate – the total amount set aside under PSM and SPA will be used to fund a 3% fare discount per trip for passengers who travel on MTR journeys using Octopus. The scheme will last for at least six months every year to benefit more passengers, without any condition. If the proceeds are insufficient to cover the full period, MTRCL will top up the balance;
- (e) interchange discounts for Green Minibuses – a new discount of \$0.3 for interchange between MTR and Green Minibus routes (over 500 routes in total) will be offered to Octopus users. The new interchange concession is expected to be implemented until June 2023;
- (f) extend monthly pass schemes and related fare promotions – Monthly Pass Extras and MTR City Saver have been extended to June 2023, and the validity of the MTR City Saver was extended from 30 to 40 days to enable more flexible use for passengers;
- (g) retain the affordability cap under FAM – this would ensure that the fare increase pursuant to the FAM formula outcome should not be higher than the change in the Median Monthly Household Income ("MMHI") for the corresponding period; and

⁵ The amount to be set aside for fare concession for each serious service disruption under the Service Performance Arrangement:

Equal to or more than 31 minutes but less than or equal to one hour	\$1 million
More than one hour but less than or equal to two hours	\$2 million
More than two hours but less than or equal to three hours	\$3 million
More than three hours but less than or equal to four hours	\$5 million
Each additional hour (or part thereof) exceeding four hours	\$2.5 million
Maximum amount per incident, i.e. covering a disruption of twelve hours or more	\$25 million

- (h) continue to offer other fare concessions, including the "Early Bird Discount Promotion" Programmes.

Adjustments to MTR fares

5. MTRCL adjusts its fares in accordance with FAM in June every year. Since the rail merger in 2007, MTR fares have been adjusted 10 times. Details are as follows:

<u>Year</u>	<u>Overall fare adjustment rate</u>
2008	0%
2009	0%
June 2010	+2.05%
June 2011	+2.2%
June 2012	+5.4%
June 2013	+2.7%
June 2014	+3.6%
June 2015	+4.3%
June 2016	+2.65%
2017	0%
2018	+3.14%
2019	+3.3%
2020	0% ⁶

MTR Fare Concessions amidst COVID-19 pandemic

6. According to FAM, MTRCL shall offer 3% fare rebate from the funds set aside under PSM and SPA to passengers for at least six months every year (i.e. paragraph 4d above). To commemorate the 40 years of commissioning of MTR services, MTRCL had set aside additional resources to offer a "3.3% rebate" promotion to passengers for a total of 40 weeks starting from June 2019. In view of the impact of the COVID-19 pandemic on the community, MTRCL announced in March 2020 that the

⁶ Calculation of 2020 fare adjustment rate is as follows:
(0.5 x Change in CCPI for December 2019 which was 2.9%) + (0.5 x Change in NWI(TS) for December 2019 which was 3.4%) – PF which was 0% - Special annual adjustment of 0.6% = +2.55%.
However, as +2.55% was higher than the year-on-year percentage change in MMHI in the fourth quarter of 2019 at -2.48% which should be deemed as 0% according to the mechanism, the "Affordability Cap" would be triggered. After discussion with the Administration, MTRCL would recoup the overall fare adjustment rate (+2.55%) in two subsequent years (i.e. +1.28% in 2021/2022 and +1.27% in 2022/2023).

"3.3% rebate" would be further extended from end of June 2020 until January 2021, therefore no actual adjustment to MTR fares paid by all passengers in 2020.

7. On 8 April 2020, MTRCL announced that the "3.3% rebate" would be enhanced to "20% rebate for every Octopus Trip" for six months from 1 July 2020 to 1 January 2021, so as to relieve the financial burden of individuals and businesses. Also, from July to December 2020, passengers would enjoy a flat reduction of \$100 for each purchase of "MTR City Saver" and five types of monthly passes. It was estimated that the above fare concessions would worth about \$1.6 billion, and the Administration has agreed to bear half of the total actual revenue forgone with a cap of \$0.8 billion, while MTRCL would shoulder the remainder.

MTR Fare Adjustment for 2021

8. On 29 March 2021, MTRCL announced the reduction in fare by 1.7% under FAM with effect from 27 June 2021.⁷ In addition, MTRCL will introduce measures allowing Octopus and QR code ticket users to save around 5% actual fare expenses from 1 April 2021 till 1 January 2022. As the FAM results in a fare reduction in 2021, the fare adjustment rates of +0.3% and +1.28% to be recouped in 2021 under the "Affordability Cap" arrangements in 2019/2020 and 2020/2021 respectively will be carried forward according to the mechanism. Press release of MTRCL on fare adjustment for 2021 is in **Appendix II** for reference.

Major views and concerns expressed by Panel members

MTR fare adjustment for 2020

9. Having regard to the gloomy economic outlook of Hong Kong brought about by the COVID-19 pandemic, members called on MTRCL to consider lowering the fare to help the community ride over difficult times. Some members suggested MTRCL not to recoup the overall fare adjustment rate of +2.55% in the subsequent years of 2021/2022 and 2022/2023.

10. MTRCL explained that FAM formula took into account objective

⁷ Calculation of 2021 fare adjustment rate is as follows:
(0.5 x Change in CCPI for December 2020 which was -0.7%) + (0.5 x Change in NWI(TS) for December 2020 which was -1.5%) – PF which was 0% - Special annual adjustment of 0.6% = -1.7%.

figures which reflected the local economic conditions, and the fare adjustment to be implemented in 2021/2022 and 2022/2023 would depend on the economic conditions during that period. MTRCL was committed to providing all-round support to different sectors of the community amidst the COVID-19 pandemic, yet the Corporation's transport operation was also hard-hit by the pandemic. Average daily patronage dropped by 40% in the first quarter of 2020, and cross-boundary railway service had been suspended since end January 2020. As fare revenue was an important source of income for enabling MTRCL to continue to provide efficient railway services, an appropriate balance would need to be struck when considering fare concessions.

11. Regarding the recouping of +2.55% fare adjustment rate, the Administration explained that in case the year-on-year change in MMHI value remained negative in the subsequent two years, the adjustment would be further deferred. As the next regular FAM review would be due for completion by 2023, the arrangement for handling the fare adjustment rate rolled over from previous years, if any, would be considered in the course of the review.

12. Noting that the Administration would bear half of the total actual revenue forgone under the "20% rebate for every Octopus Trip" with a cap of \$0.8 billion, some members criticized the Administration of using public funds to subsidize MTRCL. There were also concerns that the subsidy would further aggravate the operating environment of other public transport operators who did not receive subsidy from the Administration for offering fare discount, and that the travel pattern of the public would be distorted in favour of the railway services.

13. In addressing the above concerns, the Administration advised that the threshold of the Public Transport Fare Subsidy Scheme had been temporarily lowered from \$400 to \$200, so that passengers travelling on public transport other than railway would also benefit. It was estimated that the fare burden of commuters would be relieved by 20% to 30%. The Administration would closely monitor the impact on other public transport trades after the 20% fare discount for MTR passengers had been rolled out. To help other transport trades amidst the pandemic, the Administration had committed about \$6.3 billion under the two rounds of Anti-epidemic Fund, of which \$0.8 billion had been earmarked for franchised bus operators.

Other views on mitigating the impact of MTR fare increase

14. Members suggested ways to mitigate the impact of MTR fare increase during previous discussions at Panel meetings, such as deploying

the dividends received by the Government from MTRCL to subsidize/offset MTR fare increase or setting up a fare stabilization fund. Some members considered that the Administration should buy back the shares of MTRCL so as to gain full control of MTR fares.

15. The Administration responded that it had been proactive in reflecting the community concerns to the Board of MTRCL from time to time and closely monitoring MTRCL's service performance. As regards the dividends received from MTRCL, they formed part of the public coffers and the Administration was obliged to ensure the prudent use of the dividends in appropriate areas. In addition, there had been thorough discussions and general consensus in the community towards the listing of MTRCL in 2000 and the rail merger in 2007. Public interests had been protected through the introduction of FAM under the Operating Agreement. As such, the Administration had no plan to buy back MTRCL.

Views on FAM

16. Given that the fare adjustment rate calculated for 2020/2021 according to FAM still stood at +2.55% despite the present economic uncertainties, members considered the existing FAM ineffective in reflecting the prevalent socio-economic situation. Some members urged the Administration to take heed of the views of different sectors of the community when conducting the next regular review on FAM. In view of the worsening unemployment situation, a member enquired whether unemployment rate could be considered as a factor under FAM. MTRCL explained that as it might not be feasible to include too many factors in the FAM formula, MTRCL had decided to offer one-off fare concessions outside existing FAM to benefit MTR passengers of different sectors.

17. Some members were disappointed with the outcome of the second FAM review conducted in 2017 which made no change to the FAM formula but only minor patch-ups introduced, such as a reduction in the fare adjustment rate by 0.6 percentage point from 2017-2018 to 2022-2023. They considered that the FAM formula should be linked to profits and service performance of MTRCL and suggested conducting a review on FAM afresh. In this connection, the Panel passed several motions at the meetings on 28 April 2017 and 17 May 2019⁸ respectively, urging the Administration and MTRCL to incorporate profit and service performance factors into the FAM formula. They opined that the FAM formula should take into account all the income of MTRCL, including its regular non-fare box revenue and its profits derived from property development rights

⁸ Due to insufficient time, handling of the motions raised at the meeting on 26 April 2019 was carried over to the meeting of 17 May 2019.

granted for railway projects. A member also suggested replacing the change in NWI(TS) by the change on growth in real wages for all employees in Hong Kong in the formula to more accurately reflect wage changes.

18. The Administration explained that pursuant to the Operating Agreement between the Administration and MTRCL, the latter was required to review FAM every five years. The last review on FAM taken in 2017 was applicable to the period between 2017-2018 and 2022-2023, and might be subject to an earlier review if situation warranted.

Profit Sharing Mechanism and Service Performance Arrangement

19. At the Panel meeting on 18 May 2018, members noted that the maximum amount per incident of serious service disruption to be set aside for fare concession had been increased from \$15 million to \$25 million, but as service disruption lasting for more than eight hours was rather rare, it was unlikely that MTRCL would be penalized the maximum amount. Members suggested increasing the penalty level per incident of train service disruption for various durations in order to achieve the intended deterrent effect. Other members opined that SPA was only a short-term palliative to reduce railway service disruptions, and MTRCL should attach importance to improving its maintenance of railway systems by applying advanced technology in the long term, such as drawing reference to the Mainland's experience in installing detectors to enable timely detection of irregularities in the railway network for taking prompt actions.

20. The Administration considered that the existing level of penalty per incident of train service disruption under SPA appropriate. Heavier penalties might put undue pressure on MTRCL's frontline staff. Notwithstanding this, the Administration noted members' suggestion and would consider this in future FAM reviews. As regards the issue of railway safety, MTRCL responded that the company had spent a significant amount of resources on maintaining, upgrading and renewing railway assets, and had been making use of advanced technology in railway maintenance.

21. On members' concern over the remuneration of the senior management of MTRCL, the Administration has advised that the remuneration of MTRCL's staff at directorate level and above was already linked with the service performance of MTRCL.

Fare concessions

22. At the Panel meeting on 26 April 2019, members opined that the "Early Bird Discount Promotion Programme" should be further enhanced for better management of passenger flow to alleviate crowdedness in trains during peak hours. Considerations could be made to adopting a more flexible fare structure with fare differential of over 50% between peak and non-peak hours so as to bring about change in travelling habit. The Panel has passed two motions suggesting MTRCL to offer greater discount during non-peak hours and to encourage private enterprises to promote flexitime for their employees to dovetail with the initiative.

23. In response to the above suggestions, MTRCL explained that the effectiveness of fare concessions in alleviating crowdedness during peak hours was not apparent. In addressing the issue of train compartment congestion, MTRCL has taken a number of measures, such as increasing train frequency and providing real-time information on train service to passengers through mobile applications.

24. Members also pointed out that the single journey fares for the West Rail Line and Tung Chung Line were more than double that of East Rail Line, and enquired if Day Pass would be introduced for the two railway lines. They considered that fare differential among the three railway lines should be addressed in the long-run. A motion was passed at the meeting on 17 May 2019 in this regard.

25. MTRCL replied that the company had comprehensively enhanced the monthly passes to address the need and affordability of frequent medium- and long-distance MTR passengers. MTRCL would review the effectiveness of the fare promotions from time to time and introduce suitable schemes as far as possible.

26. Several suggestions were noted during previous discussions of the Panel regarding fare concessions, including sharing a specified proportion, say 30%, of profits earned by MTRCL with the passengers and offering more concessions for a longer period. Some members were of the view that instead of spending resources to manage the various fare promotional schemes to benefit selected groups of passengers, MTRCL could simply lower the rate of fare increase so as to benefit all passengers.

27. In response, the Administration advised that MTRCL had been introducing different concession schemes from time to time in response to different market situations. Passengers might choose the most suitable fare concessions having considered their individual travel patterns. MTRCL supplemented that it had considered a basket of factors and made the best endeavours to strike a reasonable balance amongst interests of all stakeholders.

28. Regarding interchange concessions, the Administration advised that apart from offering interchange discounts in its own railway network, MTRCL also launched interchange discount schemes in collaboration with different public transport operators from time to time, having regard to the needs of the public. At the Panel meeting on 28 April 2017, members urged MTRCL to put more efforts into studying and considering the extension of the interchange discounts to bus routes operated by franchised bus companies such as Citybus Limited and New World First Bus Services Limited. A motion was passed in this regard.

Relevant papers

29. A list of relevant papers is in **Appendix III**.

Latest development

30. The Administration will brief the Panel on MTR fare adjustment for 2021 at the Panel meeting to be held on 20 April 2021.

Council Business Division 4
Legislative Council Secretariat
14 April 2021

Appendix I

Existing arrangement of “Profit Sharing Mechanism”

The MTRCL will set aside the amount to be shared with passengers each year under different profit levels according to a pre-determined tiered table. Details of the pre-determined tiered table are as follows:

<u>Underlying Business Profit in previous Year</u>	<u>Amount for Fare Concessions</u>
Below \$5 billion	0
\$5 billion to <\$6 billion	\$75 million
\$6 billion to <\$7 billion	\$100 million
\$7 billion to <\$8 billion	\$125 million
\$8 billion to <\$9 billion	\$150 million
\$9 billion to <\$10 billion	\$175 million
\$10 billion to <\$11 billion	\$200 million
\$11 billion to <\$12 billion	\$225 million
\$12 billion to <\$13 billion	\$250 million
\$13 billion to <\$14 billion	\$275 million
\$14 billion to <\$15 billion	\$300 million
>=\$15 billion	\$325 million

Note: The underlying business profits include profits from all MTRCL businesses, i.e. profits from Hong Kong transport operations, Hong Kong station commercial business, Hong Kong property rental and management businesses, property developments, as well as profit from the Corporation’s overseas ventures. Profit arising from investment property revaluation is excluded.



新聞稿

Press Release

PR019/21
29 March 2021

MTR Fares in 2021/22 Comes to 1.7% Reduction Passengers Enjoy 5% Fare Saving starting from April 2021 under MTR Promotions

The MTR Corporation today (29 March 2021) announced the reduction in fare by 1.7% under the Fare Adjustment Mechanism (FAM) with effect from 27 June 2021. In view of the impact of pandemic to the economy, the Corporation will introduce measures allowing Octopus and QR code ticket users to save around 5% actual fare expenses from 1 April 2021 till 1 January 2022, which together with fare reduction and various fare promotions were estimated to be over \$900 million.

Following the announcement by the Government of the year-on-year change in the Nominal Wage Index (Transportation Section) for December 2020, the overall adjustment rate of MTR fares in 2021/22 under the FAM should be -1.7% (Appendix 1). Since the adjustment rate is negative, a fare reduction will take effect in late June this year accordingly. The last fare adjustment dates back to June 2019.

Not only that MTR is effecting a fare reduction, the Corporation will offer various fare promotions, as follows:

- The Corporation will provide “5% Rebate for Every Trip” from 1 April to 26 June 2021, which will be applicable to all MTR passengers[^] travelling by Octopus or QR code tickets.
- The Corporation will top-up the committed rebate for every trip under FAM (“Profitability-Linked Arrangement” and “Service Performance-Linked Arrangement”) from 27 June until 1 January 2022, which together with the fare reduction in late June, allows passengers to continue to save around 5% on the actual fares till 1 January 2022. Such arrangement applies to both Octopus and QR code ticket users.
- There will be a reduction on the prices of “MTR City Saver”, “Monthly Pass Extra” and “Tuen Mun – Nam Cheong Day Pass” starting from July 2021. Passengers can also enjoy a \$50 flat reduction for every purchase of “Monthly Pass Extra” from July to December 2021, and of “MTR City Saver” from 1 July 2021 to 1 January 2022 (Appendix 2).
- The 35% off “Early Bird Discount Promotion” will be extended for another year until 31 May 2022.

The Corporation will bear over \$900 million in total in 2021/22, including over \$200 million for passengers’ fare saving under fare reduction at 1.7% this year, over \$500 million for the series of fare promotions and over \$200 million for the special fare arrangements under the pandemic. The Corporation will also continue to offer over \$1.7 billion-worth on-going fare concessions every year to customers from different walks of life, e.g. MTR Student Travel Scheme, etc. In total, the Corporation will bear a sum of \$2.6 billion for all fare concessions, promotions and reduction this year.

-more-

"We truly feel that both MTR and Hong Kong people have been hard hit by and have been facing continuous unprecedented challenges amid the pandemic over the past year. The patronage decreased for more than 30% last year due to less commuting, stalled commercial activities and school closures, etc., resulting in an annual financial loss for the Corporation. Notwithstanding the difficulties, as a Hong Kong-rooted corporation, MTR is dedicated to keeping Hong Kong moving and riding out the tough times together with the public through different measures and promotions. There would have been no actual fare increase for Octopus passengers since January 2019. The FAM calculation has resulted in a fare reduction this year, which clearly indicates that the mechanism is objective and transparent, and reflects the recent local economic conditions. We hope that the Hong Kong economy will be back on the right track after the pandemic dies down," said Ms Jeny Yeung, Commercial Director of MTR Corporation.

The Census and Statistics Department of the Government published the year-on-year change in the Composite Consumer Price Index for December 2020 (-0.7%) on 21 January 2021 and the year-on-year change in the Nominal Wage Index (Transportation Section) for December 2020 (-1.5%) today. According to the FAM Formula, after the special annual adjustment of -0.6% offered by the Corporation, the fare adjustment rate for the year 2021/22 should be -1.7%. (Ref. Steps 1 & 2 in Appendix 1)

FAM adopts a direct-drive formula that adjusts fares in accordance with the economic figures released by the Government. The mechanism is open, objective and transparent that tracks MTR fare adjustments with economic conditions and wage levels. An "Affordability Cap" has been introduced into FAM since 2013. As the FAM results in a fare reduction this year, the fare adjustment rates of +0.3% and +1.28% to be recouped this year under the simplified "Affordability Cap" arrangement in 2019/20 and 2020/21 respectively will be carried forward according to the mechanism.

The Corporation will now work out the actual changes to individual fares using the overall fare adjustment rate of -1.7%. A formal announcement of new MTR fares will be made at a later date, after completing all required administrative procedures including the submission of two independent experts' certificates to the Government verifying compliance with the FAM.

-End-

Remarks:

^All Octopus or QR code ticket users travelling on MTR lines (including trips to and from Lo Wu and Lok Ma Chau Stations, except Airport Express), and all Octopus users travelling on Light Rail and MTR buses will enjoy the "5% Rebate for Every Trip" from 1 April to 26 June 2021.

About MTR Corporation

Every day, MTR connects people and communities. As a recognised world-class operator of sustainable rail transport services, we are a leader in safety, reliability, customer service and efficiency.

MTR has extensive end-to-end railway expertise with more than 40 years of railway projects experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development.

With more than 40,000 dedicated staff*, MTR carries over 13 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and the Mainland of China. MTR strives to grow and connect communities for a better future.

For more information about MTR Corporation, please visit www.mtr.com.hk.

*includes our subsidiaries and associates in Hong Kong and worldwide

Calculation of 2021/22 Fare Adjustment Rate

Step 1: Applying the FAM Formula

Year-on-year % change in Composite Consumer Price Index for December 2020 -0.7%	Year-on-year % change in Nominal Wage Index (Transportation Section) for December 2020 -1.5%	Productivity Factor# 0%	Fare Adjustment Rate based on FAM Formula
$(-0.7\% \times 0.5)$	+	$(-1.5\% \times 0.5)$	-
		0%	=
			-1.1%

#A productivity factor of 0% will be used in the FAM formula for 2017/18 to 2022/23.

Step 2: After counting the Special Annual Adjustment

Fare Adjustment Rate based on FAM Formula	Special Annual Adjustment	Fare Adjustment Rate Calculated for 2021/22
-1.1%	-	0.6%
		=
		-1.7%

Appendix 2

Prices of "MTR City Saver", "Monthly Pass Extra" & "Tuen Mun – Nam Cheong Day Pass"

	Starting from 1 July 2021		
Type	Original Price ¹	New Price after Adjustment ²	Promotional Price ³
MTR City Saver	\$445	\$435	\$385
Tuen Mun – Nam Cheong Day Pass	\$29	\$28	N/A

	Starting from July 2021		
Type	Original Price ¹	New Price after Adjustment ²	Promotional Price ³
Sheung Shui/Wu Kai Sha – East Tsim Sha Tsui Monthly Pass Extra	\$500	\$485	\$435
Tuen Mun – Nam Cheong Monthly Pass Extra	\$530	\$515	\$465
Tuen Mun – Hung Hom Monthly Pass Extra	\$615	\$600	\$550
Tung Chung – Nam Cheong Monthly Pass Extra	\$415	\$405	\$355
Tung Chung – Hong Kong Monthly Pass Extra	\$655	\$635	\$585

Remarks:

1. The earlier announced price change of the "Monthly Pass Extra", "MTR City Saver" and "Tuen Mun – Nam Cheong Day Pass" in 2019 will be effective on the original price starting from July 2021.
2. There will be a reduction on the prices of "Monthly Pass Extra", "MTR City Saver" and "Tuen Mun – Nam Cheong Day Pass" starting from July 2021.
3. Passengers can enjoy a \$50 flat reduction for every purchase of "Monthly Pass Extra" from July to December 2021, and of "MTR City Saver" from 1 July 2021 to 1 January 2022.

Fare adjustments by the MTR Corporation Limited

List of relevant papers

Date	Meeting	Paper
23.4.2010 (Item VI)	Panel on Transport	Agenda http://www.legco.gov.hk/yr09-10/english/panels/tp/agenda/tp20100423.htm Minutes (LC Paper No. CB(1)2320/09-10) http://www.legco.gov.hk/yr09-10/english/panels/tp/minutes/tp20100423.pdf
9.6.2010	Council Meeting	Question No. 6 – MTR fares and station facilities http://www.info.gov.hk/gia/general/201006/09/P201006090142.htm
29.6.2010 (Item I)	Panel on Transport	Agenda http://www.legco.gov.hk/yr09-10/english/panels/tp/agenda/tp20100629.htm Minutes (LC Paper No. CB(1)442/10-11) http://www.legco.gov.hk/yr09-10/english/panels/tp/minutes/tp20100629.pdf
16.3.2011	Council Meeting	Question No. 6 – MTR fare structure and fare concessions http://www.info.gov.hk/gia/general/201103/16/P201103160128.htm
15.4.2011 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr10-11/english/panels/tp/agenda/tp20110415.htm Minutes (LC Paper No. CB(1)2544/10-11) http://www.legco.gov.hk/yr10-11/english/panels/tp/minutes/tp20110415.pdf

Date	Meeting	Paper
11.5.2011	Council Meeting	Question No. 14 – Fare concessions offered by MTR for cross-boundary students http://www.info.gov.hk/gia/general/201105/11/P201105110106.htm
16.5.2011 (Item I)	Panel on Transport	Agenda http://www.legco.gov.hk/yr10-11/english/panels/tp/agenda/tp20110516.htm Minutes (LC Paper No. CB(1)340/11-12) http://www.legco.gov.hk/yr10-11/english/panels/tp/minutes/tp20110516.pdf
8.6.2011	Council Meeting	Question No. 3 – MTR services and fares http://www.info.gov.hk/gia/general/201106/08/P201106080147.htm
2.11.2011	Council Meeting	Question No. 2 – Measures to alleviate the burden of travelling expenses on the public http://www.info.gov.hk/gia/general/201111/02/P201111020220.htm
12.4.2012 (Item III)	Panel on Transport	Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120412.htm Minutes (LC Paper No. CB(1)2491/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120412.pdf
25.4.2012	Council Meeting	Question No. 3 – Fare Adjustment Mechanism of the MTR Corporation Limited http://www.info.gov.hk/gia/general/201204/25/P201204250277.htm

Date	Meeting	Paper
7.5.2012 (Item I)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120507.htm</p> <p>Minutes (LC Paper No. CB(1)2629/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120507.pdf</p>
30.5.2012	Council Meeting	<p>Question No. 19 – Fare Adjustment Mechanism and fare concession schemes of the MTR Corporation Limited http://www.info.gov.hk/gia/general/201205/30/P201205300231.htm</p>
20.6.2012	Council Meeting	<p>Question No. 12 – Increase in MTR fares http://www.info.gov.hk/gia/general/201206/20/P201206200247.htm</p>
27.6.2012 (Item III)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120627.htm</p> <p>Minutes (LC Paper No. CB(1)2544/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120627.pdf</p>
17.9.2012	--	<p>Consultation paper on Review of the Fare Adjustment Mechanism of the MTR Corporation Limited http://www.td.gov.hk/filemanager/en/utilityarticle_cp/consultation%20paper%20(eng)%20(17.9.2012)%20final.pdf</p>
24.10.2012	Council Meeting	<p>Question No. 12 – MTR "Tung Chung – Hong Kong Monthly Pass" http://www.info.gov.hk/gia/general/201210/24/P201210240240.htm</p>

Date	Meeting	Paper
30.10.2012 (Item II)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20121030.htm</p> <p>Administration's follow-up paper (LC Paper No. CB(1)161/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp1030cb1-161-1-e.pdf</p> <p>Minutes (LC Paper No. CB(1)407/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20121030.pdf</p>
31.10.2012	Council Meeting	<p>Question No. 10 – MTR fare adjustment mechanism and fare concessions http://www.info.gov.hk/gia/general/201210/31/P201210310243.htm</p>
5.12.2012	Council Meeting	<p>Motion on "Executive Council as gate-keeper for MTR fares" http://www.legco.gov.hk/yr12-13/english/counmtg/motion/cm1205-m2-wordings-e.pdf</p> <p>Progress Report on Motion on "Executive Council as gate-keeper for MTR fares" http://www.legco.gov.hk/yr12-13/english/counmtg/motion/cm1205-m2-prpt-e.pdf</p>
18.1.2013 (Item IV)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20130118.htm</p> <p>Minutes (LC Paper No. CB(1)839/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130118.pdf</p>

Date	Meeting	Paper
17.4.2013	--	Legislative Council brief on review of the fare adjustment mechanism of the MTR Corporation Limited http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419-thbtr33101799-e.pdf
19.4.2013 (Item III)	Panel on Transport	Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20130419.htm Administration's follow-up paper (LC Paper No. CB(1)1804/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419cb1-1804-1-e.pdf Minutes (LC Paper No. CB(1)1813/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130419.pdf
6.2013	--	Information paper on adjustment to MTR fares in 2013 provided by MTR Corporation Limited http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tpcb1-1253-1-e.pdf
6.11.2013	Council Meeting	Question No. 21 – MTR fares http://www.info.gov.hk/gia/general/201311/06/P201311060269.htm
11.12.2013	Council Meeting	Motion on "Enhancing the railway service in the Northwest New Territories" http://www.legco.gov.hk/yr13-14/english/counmtg/motion/cm1211-m2-wordings-e.pdf Progress Report on Motion on "Enhancing the railway service in the Northwest New Territories" http://www.legco.gov.hk/yr13-14/english

Date	Meeting	Paper
		h/counmtg/motion/cm1211-m2-prpt-e.pdf
14.5.2014	Council Meeting	Question No. 15 – MTR railway services http://www.info.gov.hk/gia/general/201405/14/P201405140494.htm
5.2014	--	Information paper on adjustment to MTR fares in 2014 provided by MTR Corporation Limited http://www.legco.gov.hk/yr13-14/english/panels/tp/papers/tpcb1-1523-1-e.pdf
--	Panel on Transport	Letter dated 13 May 2013 from Hon TANG Ka-piu on the monthly pass scheme introduced by the MTR Corporation Limited http://www.legco.gov.hk/yr12-13/chinese/panels/tp/papers/tpcb1-1270-1-c.pdf Administration's response http://www.legco.gov.hk/yr12-13/chinese/panels/tp/papers/tpcb1-1270-2-c.pdf
18.6.2014	Council Meeting	Question No. 9 – MTR profits and fare concessions http://www.info.gov.hk/gia/general/201406/18/P201406180408.htm
23.6.2014 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr13-14/english/panels/tp/agenda/tp20140623.htm Minutes (LC Paper No. CB(1)79/14-15) http://www.legco.gov.hk/yr13-14/english/panels/tp/minutes/tp20140623.pdf
28.1.2015	Council Meeting	Question No. 2 – Light Rail service http://www.info.gov.hk/gia/general/201501/28/P201501280459.htm

Date	Meeting	Paper
12.5.2015 (Item VI)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr14-15/english/panels/tp/agenda/tp20150512.htm</p> <p>Minutes (LC Paper No. CB (4)85/15-16) http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150512.pdf</p>
16.6.2015 (Item IV)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr14-15/english/panels/tp/agenda/tp20150616.htm</p> <p>Minutes (LC Paper No. CB(4)165/15-16) http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150616.pdf</p>
11.11.2015	Council Meeting	<p>Question No. 16 – MTR student concessionary fares http://www.info.gov.hk/gia/general/201511/11/P201511110475.htm</p>
24.2.2016	Council Meeting	<p>Question No. 9 – Interchange discount for public transport http://www.info.gov.hk/gia/general/201602/24/P201602240438.htm</p>
20.4.2016	--	<p>Press release published by MTR Corporation Limited on "MTR Corporation Agrees to Joint Review of Fare Adjustment Mechanism" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-035-E.pdf</p>
20.4.2016	--	<p>Press release published by the Government on Early review of the MTR Fare Adjustment Mechanism http://www.info.gov.hk/gia/general/201604/20/P201604200437.htm</p>

Date	Meeting	Paper
29.4.2016	--	<p>Press release published by MTR Corporation Limited on overall MTR Fare Adjustment Rate in 2016 Lowered to +2.65% Consequential to Government's Revision of Composite Consumer Price Index</p> <p>http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-037-E.pdf</p>
20.5.2016	--	<p>Consultation paper on "Review of the MTR Fare Adjustment Mechanism" provided by the Administration</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tpcb4-1022-1-e.pdf</p>
23.5.2016 (Item III)	Panel on Transport	<p>Agenda</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/agenda/tp20160523.htm</p> <p>Administration's follow-up paper (LC Paper No. CB(4)54/16-17(01))</p> <p>http://www.legco.gov.hk/yr15-16/chinese/panels/tp/papers/tp20160523cb4-54-1-c.pdf</p> <p>Minutes (LC Paper No. CB(4)1319/15-16)</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20160523.pdf</p>
30.5.2016	--	<p>Paper on adjustment to MTR fares in 2016 provided by MTR Corporation Limited</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tpcb4-1056-1-e.pdf</p>

1.6.2016	Council Meeting	Question No. 1 – Fare Adjustment Arrangement for franchised buses and MTR Fare Adjustment Mechanism http://www.info.gov.hk/gia/general/201606/01/P201606010457.htm
21.6.2016 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr15-16/english/panels/tp/agenda/tp20160621.htm Administration's follow-up paper (LC Paper No. CB(4)54/16-17(01)) http://www.legco.gov.hk/yr15-16/chinese/panels/tp/papers/tp20160523cb4-54-1-c.pdf Minutes (LC Paper No. CB(4)1315/15-16) http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20160621.pdf
29.6.2016	Council Meeting	Question No. 8 – MTRCL financial position and fare concessions http://www.info.gov.hk/gia/general/201606/29/P201606290360.htm
1.3.2017	Council Meeting	Question No. 20 – Railway service http://www.info.gov.hk/gia/general/201703/01/P2017030100561.htm
3.2017	--	Legislative Council Brief on review outcome of the Fare Adjustment Mechanism of the MTR Corporation Limited http://library.legco.gov.hk:1080/articles/1195086.289931/1.PDF

27.3.2017	--	<p>Press release published by MTR Corporation Limited on "No adjustment of MTR fares in 2017/18 with 3% rebate for every octopus trip for six months" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-17-032-E.pdf</p>
28.4.2017 (Item I)	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr16-17/english/panels/tp/agenda/tp20170428.htm</p> <p>Minutes (LC Paper No. CB(4)1617/16-17) https://www.legco.gov.hk/yr16-17/english/panels/tp/minutes/tp20170428.pdf</p>
31.1.2018	Council Meeting	<p>Question No. 4 – Railway service disruption http://www.info.gov.hk/gia/general/201801/31/P2018013100633.htm</p>
27.3.2018	--	<p>Press release published by MTR Corporation Limited on "Overall adjustment rate for MTR Fares in 2018/19 comes to +3.14% — Octopus passengers unlikely to pay extra fare this year" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-037-E.pdf</p>
18.5.2018	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr17-18/english/panels/tp/agenda/tp20180518.htm</p> <p>Minutes (LC Paper No. CB(4)570/17-18) https://www.legco.gov.hk/yr17-18/english/panels/tp/minutes/tp20180518.pdf</p>

28.3.2019	--	<p>Press release published by MTR Corporation Limited on "3.3% Rebate for Every MTR Octopus Trip upon the Implementation of New Fares in June Resulting in No Actual MTR Fare Adjustment for the Remainder of 2019"</p> <p>https://www.mtr.com.hk/archive/corporate/en/press_release/PR-19-019-E.pdf</p>
26.4.2019	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr18-19/english/panels/tp/agenda/tp20190426.htm</p> <p>Minutes (LC Paper No. CB(4)1199/18-19) https://www.legco.gov.hk/yr18-19/english/panels/tp/minutes/tp20190426.pdf</p>
26.3 2020	--	<p>Press release published by MTR Corporation Limited on "Over \$700-million Fare Promotions Package for 2020/21/No Actual Fare Increase for All Passengers until end of 2020/Special Arrangement for MTR City Saver"</p>
24.4.2020	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr19-20/english/panels/tp/agenda/tp20200424.htm</p> <p>Minutes (LC Paper No. CB(4)858/19-20) https://www.legco.gov.hk/yr19-20/english/panels/tp/minutes/tp20200424.pdf</p>
22.4.2020	Council meeting	<p>Question No. 22 - The MTR Corporation Limited's businesses outside Hong Kong https://www.info.gov.hk/gia/general/202004/22/P2020042200506.htm</p>

08.07.2020	Council meeting	Question No. 11 - The MTR Corporation Limited's overseas railway business https://www.info.gov.hk/gia/general/202007/08/P2020070800370.htm
29.3.2021	--	Press release published by MTRCL on "MTR Fares in 2021/22 Comes to 1.7% Reduction Passengers Enjoy 5% Fare Saving starting from April 2021 under MTR Promotion" https://www.mtr.com.hk/archive/corporate/en/press_release/PR-21-019-E.pdf

Council Business Division 4
Legislative Council Secretariat
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