

中華人民共和國  
香港特別行政區政府  
The Government of the Hong Kong Special Administrative Region  
of the People's Republic of China

政府總部  
運輸及物流局

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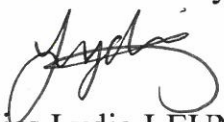
Ms Sophie LAU  
Clerk to Legislative Council Panel on Transport  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Ms Lau,

**Legislative Council Panel on Transport**  
**Meeting on 12 April 2024**  
**Supplementary Information**

At the meeting of the Legislative Council Panel on Transport on 12 April 2024, Members requested the Government to provide written response with regard to (a) the impact of the proposed rates of fare increase for urban, New Territories and Lantau taxis on the incomes of different types of taxi operators and (b) the operating data of other public transport modes in 2019 and 2023. We enclose with this letter the Government's response for Members' reference.

Yours sincerely,

  
( Miss Lydia LEUNG )

for Secretary for Transport and Logistics

c.c. Commissioner for Transport (Attn.: Mr William WONG)

**Supplementary Information for the  
Legislative Council Panel on Transport on 12 April 2024**

**Taxi fare increase applications**

During the discussion of the subject item at the meeting on 12 April 2024, Members of the Panel on Transport requested the Administration to provide written response regarding the following issues: (a) the impact of the proposed rates of fare increase for urban, New Territories (“NT”) and Lantau taxis on the incomes of different types of taxi operators and (b) the operating data of other public transport modes in 2019 and 2023. The response of the Government is set out as follows.

**(a) Impact of the proposed fare increase rates for urban, NT and Lantau taxis on the incomes of taxi operators**

2. The discussion paper submitted by Government to the Panel on Transport (LC Paper No. CB(4)406/2024(03)) has set out the average monthly net income of rentee-drivers, owner-drivers and rentor-owners of the three types of taxis in 2019 and 2023. As can be seen from the data, except for urban and NT rentee-drivers, all other taxi operators experienced a drop in net income in real terms after netting off inflation, with the income of rentor-owners dropping particularly sharply. As shown from the operating data, the taxi trade is facing genuine difficulty in maintaining the financial viability of its operation at the current taxi fare level.

3. Having considered the relevant factors, the Executive Council approved on 14 May this year adjustments to the urban, NT and Lantau taxi fares, with increases of \$2 in flagfall charge, \$0.2 in the incremental charge for the first-tier distance after flagfall, and \$0.1 in the incremental charge for the second-tier distance after flagfall. In considering the current fare increase applications, the Government has taken into account the five key criteria in accordance with the established policy, including ensuring the financial viability of taxi operation, maintaining an acceptable level of taxi service, maintaining a reasonable differential between taxi fares and those of other public transport modes, public acceptability, and maintaining the taxi fare structure. The current proposal has also struck a balance between maintaining the financial viability of taxi operation and public acceptability. According to the Government’s proposal, the average rates of fare increase are 8.86%, 9.56% and 10.92% for urban, NT and Lantau taxis respectively, with a weighted average rate of increase of 8.98%, which is lower than the rate of increase under the trade’s proposal. It is expected that such rates of fare increase will

have a positive impact on the incomes of all types of taxi operators (including rentee-drivers, owner-drivers and taxi owners).

**(b) Operating figures of the major public transport operators in 2019 and 2023**

4. The operating figures<sup>(Note 1)</sup> of the major public transport operators (i.e. the MTR Corporation Limited (“MTRCL”) and franchised bus companies) in 2019 and 2022 / 2023<sup>(Note 2)</sup> are set out in the following tables respectively:

Operator	Operating Income (Note 4) (\$ Million)		Operating Cost (Note 5) (\$ Million)		Net Income (Note 6) (\$ Million)	
	2019	2023	2019	2023	2019	2023
MTRCL <sup>(Note 3)</sup>	26,737	25,248	22,206	22,567	4,531	2,681

Franchised bus companies <sup>(Note 7)</sup>						
Operator	Operating Income (Note 8) (\$ Million)		Operating Cost (Note 9) (\$ Million)		Profit / (Loss) After Tax <sup>(Note 8)</sup> (\$ Million)	
	2019	2022	2019	2022	2019	2022
KMB	7,391.2	6,608.1	6,972.6	6,659.4	323.0	4.1
LWB	658.6	370.7	587.3	409.4	59.4	(27.7)
CTB (F1) (Note 10)	1,389.6	1,326.0	1,496.0	1,417.5	(88.8)	(55.5)
NWFB (Note 10)	1,231.9	1,246.3	1,317.2	1,250.6	(71.2)	16.5
CTB (F2) (Note 10)	679.7	286.6	545.8	361.1	111.9	(56.1)
NLB (Note 11)	197.3	129.9	196.3	151.4	(1.0)	(18.3)

Notes:

- (1) The operating data of franchised bus operators for 2023 have yet to be released.
- (2) The relevant operating data were extracted from the financial reports of MTRCL and the Fuller Disclosures of the franchised bus operators.
- (3) The relevant figures are under “Hong Kong Transport Service” (including Transport Operations and Station Commercial Businesses) of MTRCL. The construction and operation of railways, as well as long-term maintenance and asset renewal involve substantial resources.

As the railway network enters a mature stage, the amount of investment in maintaining, upgrading and renewing railway assets has been ever increasing.

- (4) The relevant figures include revenue from station commercial businesses such as station retail and advertising, apart from revenue from transport operations.
- (5) The relevant figures include operating expenses, relevant depreciation and amortisation cost, variable annual payment to Kowloon-Canton Railway Corporation.
- (6) The relevant figures refers to the earnings before interest and taxes (“EBIT”), which represents the profit before interest, finance charges and taxation.
- (7) KMB: The Kowloon Motor Bus Co. (1933) Ltd  
LWB: Long Win Bus Company Limited  
CTB (F1): Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour bus network)  
NWFB: New World First Bus Services Limited  
CTB(F2): Citybus Limited (Franchise for the Airport and North Lantau bus network)  
NLB: New Lantao Bus Company (1973) Limited
- (8) The relevant figures include government subsidies under the “Anti-epidemic Fund”.
- (9) The relevant figures do not include interest expenses / finance costs.
- (10) Because the financial year end of NWFB, CTB(F1) and CTB(F2) was changed to 31 December only in 2021, the operating data of these three franchises for 2019 reflect the figures for the financial year 2018-19 from 1 July 2018 to 30 June 2019.
- (11) The financial year of NLB ends on 31 March. Accordingly, the operating data for 2019 in the table above reflect the figures for the financial year 2018-19 from 1 April 2018 to 31 March 2019, and the operating data for 2022 reflect the figures for the financial year 2021-22 from 1 April 2021 to 31 March 2022.