

LCQ12: Hire car permits

Following is a question by the Hon Yiu Pak-leung and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 18):

Question:

Some members of the tourism industry have pointed out that as tourists place more emphasis on hygiene when travelling amid the epidemic, demands for services provided in the mode of family and smaller-size tours are expected to increase significantly. However, under the Road Traffic (Public Services Vehicles) Regulations (Cap. 374D), the numbers of hire car permits (permits) issued by the Government in respect of three types of hire car services, namely, (i) private, (ii) hotel and (iii) tour, are currently subject to the limits of just 1 500, 400 and 400 respectively, which can hardly meet market needs. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications for each type of the aforesaid permits received and approved by the Government in each of the past three years (set out in a table);

(2) of the justifications for the limit imposed on each type of the aforesaid permits, and whether a mechanism is in place whereby reviews will be conducted in the light of industry and market demands; and

(3) as some members of the industry have relayed that the numbers of the three types of the aforesaid permits are insufficient to meet industry demands whilst the application thresholds are too high, whether the Government will consider raising the limits imposed on the numbers of such permits and lowering the application thresholds to facilitate the business operation of the tourism industry?

Reply:

President,

My reply to the question raised by the Hon Yiu Pak-leung is as follows:

(1) In the past three years, the respective numbers of new applications for hire car permits (HCPs) for private, hotel and tour services and the numbers of HCPs issued are set out in the table below:

Type of HCP	Relevant numbers (Note)	2019	2020	2021
Private hire car service	New applications	146	41	24
	HCPs issued to new applications	142	76	54

Hotel hire car service	New applications	5	3	0
	HCPs issued to new applications	2	10	1
Tour hire car service	New applications	18	8	4
	HCPs issued to new applications	6	7	2

Note: An applicant must provide sufficient information to support an application. Depending on the date of submission and timely submission of the required information by applicants, approval may not be granted in the same year as the application was submitted, while some applications were rejected or withdrawn by the applicants. Also, more than one permit may be involved in one application.

(2) The Road Traffic (Public Service Vehicles) Regulations (the Regulations) (Cap. 374D) stipulates the provisions on HCP and the assessment criteria for its issuance. The type of hire car service specified in the application must be reasonably required, and the vehicle licence and third party risks insurance policy of the vehicle concerned must be in force.

â€‹To avoid affecting the operation of public transport services and aggravating road congestion, the Hire Car Permits (Limitation on Numbers) Notice (Cap. 374L) stipulates the limits imposed on the number of HCPs (including private, hotel and tour services, etc.). The respective limits and the numbers of HCPs in force as at December 31, 2021 are tabulated as follows:

Type of HCP	Limit imposed on the number of HCPs issued	Number of HCPs in force as at December 31, 2021
Private hire car service	1 500	1 115
Hotel hire car service	400	100
Tour hire car service	400	120

â€‹The Government reviews the limits imposed on the number of HCPs issued in the light of the actual circumstances from time to time. For example, the limit on HCPs of tour hire car service was increased from 300 to 400 in 1998 to cater for the anticipated increase in tour service demand arising from the commissioning of Hong Kong International Airport.

(3) As the numbers of HCPs in force for private, hotel and tour hire car services are lower than the respective limits imposed on such permits at present, parties who are interested in operating the services may submit their applications. The Transport Department (TD) will vet applications for HCPs in accordance with the requirements of the Regulations. The hire car services concerned must be reasonably required. Other factors, such as hiring records and service contracts submitted by the applicants, will also be taken

into consideration.

Since February 2017, the TD has rolled out a series of measures on HCPs to enhance the vetting and regulatory regime for hire car services. These measures include the introduction of an optional "pre-application assessment". Parties who are interested in applying for HCPs may make a request for "pre-application assessment" without the need to submit vehicle registration documents. They may purchase vehicles after knowing that their HCP applications are likely to be approved. Besides, while the trade has been providing new and diverse hire car services to meet the changing needs of the market in recent years, past hiring records or service contracts may not be available before commencement of the business. As such, the TD will give flexible consideration to applicants for private service (limousine) HCPs who are unable to produce hiring records or service contracts. Such applicants may provide adequate justifications and document proof of the proposed business model to support their applications for TD's consideration. The above-mentioned measures will provide more flexibility and greater certainty to potential HCP applicants, as well as facilitate new market entrants. They will also enable the TD to conduct advance examination of potential formal applications, thereby shortening the time needed for formal vetting and approval.

The Government will continue to closely monitor the demand for hire car services in the community, and review the assessment criteria for and the limits imposed on HCPs in a timely manner to meet the market needs for such services.