

# LCQ19: Installation of electronic payment systems in taxis

Following is a question by the Hon Michael Tien and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (November 1):

Question:

There are views pointing out that payment of taxi fares through electronic platforms is the development trend in various countries and is in line with Hong Kong's objectives of building a smart city and enhancing the experience of tourists. However, although there are a number of electronic payment platforms in Hong Kong, the progress of installing electronic payment systems in taxis has been slow over the years, and payment by cash is still the mainstream. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the number of taxis in Hong Kong which have been installed with electronic payment systems, with a tabulated breakdown by the electronic payment systems installed (e.g. Octopus, WeChat Pay HK and AlipayHK);

(2) whether it has plans to enact legislation to make it mandatory for all taxis to provide electronic payment services; if so, of the details; if not, the reasons for that; and

(3) as it is learnt that the major obstacles to the provision of electronic payment services in taxis are the installation costs and the service fees or handling fees of electronic payment platforms, whether the Government will consider subsidizing the taxi trade to install electronic payment systems or discussing with operators of electronic payment platforms the reduction or waiver of the relevant service fees or handling fees, with a view to achieving the objectives of building a smart city and enhancing the experience of tourists?

Reply:

President,

Our reply to Hon Michael Tien's question is as follows:

(1) We understand from the taxi trade that, to facilitate payment of fares by passengers, some taxi drivers currently accept electronic payment (e-payment) (including Octopus and AlipayHK) from passengers for settling fares. Besides, a number of taxi hailing mobile applications in the market accept payment of fares by passengers using various e-payment methods (e.g. credit card, WeChat Pay HK and AlipayHK). The Government does not maintain figures of taxis installed with e-payment systems.

(2) and (3) The Government has been encouraging the taxi trade to introduce

different e-payment methods to facilitate payment of fares by passengers. The Government has earlier reviewed the overall taxi operation and management, and proposed a series of measures to enhance personalised point-to-point transport services. These measures include introducing a taxi fleet regime, under which existing taxi owner may assemble taxis to form a fleet and apply to the Transport Department for a Taxi Fleet Licence to provide quality taxi services through professional fleet management under a regulated platform. Under the proposed taxi fleet regime, all fleet taxis must provide e-payment methods. This will set a leading and exemplary role in the trade, and will help further encourage more taxi drivers to introduce e-payment methods so that passengers will have more choices in fare payment.

Currently, there are 18 163 taxi licences in Hong Kong whose ownership are scattered. Among the about 9 000 licence holders, nearly 75 per cent of the licence holders only hold one taxi licence, and most of the taxi drivers are self-employed persons who hire taxis from taxi owners or companies to provide services. While some taxi drivers currently provide e-payment means for passengers to settle taxi fares, some drivers, particularly the older ones, still consider cash to be the most convenient and direct means of fare collection, and also more convenient for them to pay taxi rental and fuel charges. Taking into account the above, we consider it more appropriate to continue to actively encourage the taxi trade to introduce e-payment methods through different ways at this stage.

As regards the costs and service or handling fees for installing e-payment systems, we understand that some e-payment platforms have now waived the relevant fees for taxi drivers. We will continue to communicate with the operators of different e-payment systems with a view to promoting the adoption of e-payment methods among the taxi trade, so as to facilitate payment of fares by passengers.