

LCQ19: Supporting transport sector

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (July 21):

Question:

In light of the blow dealt to the transport sector (the sector) by the epidemic, the Government launched a subsidy scheme last year to provide members of the sector with fuel subsidies or one-off subsidies to help relieve their operating pressure. Some members of the sector have relayed that as fuel subsidies have not only given breathing space to various public transport operators but also increased the income of self-employed drivers, such subsidies are conducive to attracting those drivers who have changed their occupation to return to the sector. However, the disbursement of fuel subsidies has ceased since the 30th of last month. While the epidemic has subsided lately, some anti-epidemic and social distancing measures have not yet been removed. As a result, the passenger volume of public transport is still lower than the pre-epidemic level by 20 per cent to 30 per cent, and various operators are still faced with severe financial problems. Given that fuel cost is a major expenditure item of the sector, and that oil prices have shown an upward trend recently, the cessation of fuel subsidy disbursement has put the sector under heavy financial pressure. In this connection, will the Government inform this Council:

(1) of the latest situations regarding the claiming of fuel subsidies by and the disbursement of the subsidies to the sector, with a breakdown by type of transport mode; how such situations compare with those originally estimated by the Government;

(2) whether, in light of the fact that the business environment of the sector remains difficult and the problems of wastages and insufficiency of self-employed drivers remain severe, the Government will consider providing the subsidies again; if so, of the details; if not, the reasons for that, and the measures in place to help the sector tide over the difficulties; and

(3) given that some public transport modes have ceased running because most of the immigration control points are closed, and the operators concerned have thus been unable to claim fuel subsidies, whether the Government has considered offering an additional one-off subsidy to these operators; if so, of the details; if not, the reasons for that?

Reply:

President,

In view of the impact of the COVID-19 pandemic on the local transport sector, the Government has introduced a series of relief measures under the

Anti-epidemic Fund (AEF) to provide financial support, including fuel subsidy, so as to tide them over the difficult period.

The consolidated reply to the Hon Frankie Yick's question is as follows:

As at July 2 this year, the Government has disbursed a total of about \$5.5 billion of subsidies (including \$750 million of fuel subsidies) under the AEF to the transport sector. The details and progress of fuel subsidy disbursements are as follows:

Public Transport Mode	Details of Subsidy	Progress of Disbursement	Amount of Subsidy Disbursed (As at July 2) (\$m)
Franchised Buses and Trams	Reimburse one-third of the actual fuel/electricity cost for 12 months from July 1, 2019 to June 30, 2020	Disbursement of subsidies completed	344.29
Local Ferries			47.93
Taxis and Public Light Buses (PLBs)	Offer a \$1.0 discount per litre of liquefied petroleum gas (LPG) for LPG taxis and PLBs, and reimburse one-third of the actual fuel cost for petrol taxis and diesel PLBs for 12 months from July 1, 2020 to June 30, 2021	The deadline for application is August 31, 2021. Upon receipt of applications with all necessary information provided, the Transport Department will take about two months to complete the reimbursement procedure. As at July 2, subsidies have been disbursed to 83 per cent of the approved applications.	356.50

Apart from the fuel subsidies, the Government has also provided various one-off subsidies to the transport sector under the first three rounds of the AEF, as well as wage subsidies to the employees of public transport operators under the Employment Support Scheme. In addition, temporary parking spaces for idle non-franchised buses, school private light buses and taxis in suitable locations have been provided. The Government has also waived the fees for vehicle licence for commercial vehicles, vehicle examination for licence renewal, Passenger Service Licence and Passenger Service Licence Certificate from December 30, 2019 to December 29, 2021. These measures have helped alleviate the financial burden of the trades, including the operators

who were unable to conduct business as usual during the pandemic.

With the progressive relaxation of the social distancing measures, members of the public are gradually resuming their normal activities. The Government believe that there will be a further increase in passenger trips, thereby creating a better business environment for the transport trade. The Government do not plan to extend the time-frame of the above-mentioned measures under the AEF at this stage. The Government will continue to work with other relevant departments and keep in view the development of the pandemic and the business environment of the trade, while maintaining close liaison with the trade.