

Liberalisation of cargo fuel surcharge to be implemented from January 1, 2025

The Government today (May 23) announced that the implementation of cargo fuel surcharge (CFS) liberalisation will take effect starting from January 1, 2025, after a six-month lead-in period (i.e. from July 1 to December 31, 2024).

With the liberalisation of CFS, airlines may set their own CFS levels or choose not to levy such surcharges for flights originating from Hong Kong. The prevailing requirement on airlines to impose CFS having regard to the levels promulgated by the Civil Aviation Department (CAD), which may inhibit market competition and further diversification of cargo industry development in Hong Kong, will be removed.

"The liberalisation of CFS aligns with the global trend of deregulating fuel surcharges and encourages competition in the air cargo industry, thereby maintaining the competitiveness of Hong Kong's aviation industry and its status as an international aviation hub. We are thankful for the support and views expressed by various stakeholders to enable us to take forward the liberalisation. In order to facilitate our continuous dialogue with stakeholders on the matter, we will put in place a communication platform to work in collaboration with stakeholders for the smooth transition towards the liberalisation of CFS from January 1, 2025," a Government spokesman said.

In order to ensure transparency after the liberalisation of CFS, the CAD will require airlines to promulgate their maximum CFS levels for flights originating from Hong Kong on company websites or other platforms for the public's information.

With a view to providing the air cargo industry with sufficient time to better prepare for the liberalisation, there will be a six-month lead-in period (i.e. from July 1 to December 31, 2024) prior to the liberalisation. The existing CFS mechanism managed by the CAD for flights originating from Hong Kong will therefore remain in force until December 31, 2024. For details on the existing CFS mechanism, please refer to the CAD's website (www.cad.gov.hk/english/cargo_fuel_surcharge.html).