

Opening remarks by STH on transport at LegCo Finance Committee special meeting

Following is the opening remarks (English translation) by the Secretary for Transport and Housing, Mr Frank Chan Fan, on transport at the special meeting of the Legislative Council Finance Committee today (April 14):

Honourable Chairperson,

Today, I would like to brief Members on our work on land, marine and air transport.

Railways system has been the backbone of Hong Kong's public transport. The remaining works of the Shatin to Central Link is in full swing, with the "Kai Tak to Hung Hom Section" expected to commission by the third quarter this year. As regards the "Hung Hom to Admiralty Section", the Highways Department (HyD) and the MTR Corporation Limited (MTRCL) are actively studying and implementing possible delay recovery measures, with a view to commissioning this section as soon as possible. On the other hand, the Government invited MTRCL to commence the detailed planning and design for the Tung Chung Line (TCL) Extension, Tuen Mun South (TMS) Extension and Northern Link last year. Amongst them, the environmental impact assessments for TCL Extension and TMS Extension have commenced. We will continue the planning of other new railway projects recommended under the Railway Development Strategy 2014 and announce the way forward of the projects in due course. In addition, the Government proposes to establish the Railways Department in the 2022-23 financial year to strengthen its supervision of railway planning and project delivery as well as regulation of railway safety.

In respect of major road infrastructures, the Tuen Mun – Chek Lap Kok Tunnel was commissioned on December 27 last year, reducing the journey time between TMS and the Hong Kong International Airport by about 20 minutes. The construction works of Route 6 are in full swing. Upon its commissioning in 2026, the journey time between Tseung Kwan O Town Centre and Yau Ma Tei Interchange is estimated to be substantially reduced from about 65 minutes now to about 12 minutes. Meanwhile, we are also pressing ahead with the construction of the Cross Bay Link, which is scheduled for completion next year.

In response to the progressive development in North-west New Territories, the overall transport layout of the area would be enhanced. We would continue with the funding application for the investigation stage of Route 11 (section between Yuen Long and North Lantau). Besides, we would commission the relevant studies for Tsing Yi – Lantau Link, Widening of Yuen Long Highway (section between Lam Tei and Tong Yan San Tsuen) and Tuen Mun Bypass in parallel through block allocation, with a target to commission the entire group of major roads progressively as early as possible. On the other

hand, the Government has also been closely monitoring the traffic need in New Territories East with a view to implementing relevant road projects in a timely manner. We plan to gazette the scheme of the Trunk Road T4 project in the first half this year, so that the works can make an early start to help relieve the traffic in the Sha Tin district.

As regards the planning of large scale transport infrastructure in the long-term, HyD and the Transport Department (TD) commenced the "Strategic Studies on Railways and Major Roads beyond 2030" in December last year to explore the layout of railway and major road infrastructure, and conduct preliminary engineering and technical assessments for their alignments and supporting facilities, so as to ensure that the planning of major transport infrastructure will complement or even reserve capacity to meet the overall long-term development needs of Hong Kong.

In terms of public transport, with a view to alleviating the fare burden of commuters, we have extended the temporary measure to relax the monthly threshold of the Public Transport Fare Subsidy Scheme from \$400 to \$200 to December 31 this year. The monthly subsidy cap has also been temporarily increased from \$400 to \$500 from April 1 to December 31 this year. It is estimated that around 3.8 million people will benefit each month.

On the use of roads, the problem of traffic congestion in Hong Kong has persisted for years, and has shown a tendency of deterioration. Over the years, the Government has adopted a multi-pronged strategy to alleviate traffic congestion, including enhancing traffic infrastructure, expanding and enhancing public transport system as well as managing road use. Relevant measures include the construction of additional roads, the provision of more parking spaces, the expansion of existing roads, the study on congestion charging and electronic road pricing, etc. Meanwhile, we observe that over the past ten years, the number of vehicles has been on a continuous rise. Within this period, the number of private cars (PCs), which account for over 70 per cent of the total vehicle fleet, has substantially increased by almost 40 per cent, affecting the effectiveness of our measures in alleviating congestion. Therefore, it was announced in the 2021-22 Budget that the first registration tax and vehicle licence fees for PCs would be increased by 15 per cent and 30 per cent respectively, in order to curb PC growth and alleviate traffic congestion. To implement the proposal, the Revenue (First Registration Tax and Licence Fees for Motor Vehicles) Bill 2021 (the Bill) has been introduced into the Legislative Council (LegCo). I would like to thank the Bills Committee for completing their scrutiny work within a short period of time. We plan to move the motion in early June at the latest to resume the Second Reading debate of the Bill to facilitate its passage as early as possible for the full implementation of the proposal.

To maximise the efficiency of limited road space, the Government will progressively take forward various "Smart Mobility" initiatives. For the implementation of Free-flow Tolling System at government tolled tunnels and the Tsing Sha Control Area (TSCA), the Government introduced the relevant bill into the LegCo on March 24 and is undertaking a range of preparatory work, with a view to rolling out the system gradually starting from end next year in order to enable motorists to pay tolls more efficiently using toll

tags. Other smart mobility initiatives, including the installation of new generation on-street parking meters and the implementation of automated parking system pilot projects, have been taken forward continuously as planned.

In addition, the Government announced last year that around \$1 billion had been earmarked for the Smart Traffic Fund (the Fund). The Fund has started to accept applications from March 31 this year, and is well received by the community. The organisations and enterprises supported by the Fund will conduct research and application of innovation and technology to bring greater convenience to commuters, enhance the efficiency of road network or space and improve driving safety.

The Government has all along been promoting the opening-up of the operating data by public transport operators to facilitate commuting and trip planning of the public. As of late March this year, other than basic information for passengers, the real-time arrival information of some public transport modes has been disseminated through "HKeMobility" and the Public Sector Information Portal (data.gov.hk), including all franchised buses, tramways, selected MTR lines and about 70 green minibus (GMB) routes. TD plans to disseminate the real-time arrival information of all 600 or so GMB routes within next year.

As for the maritime industry, to enhance the strengths of Hong Kong as the maritime centre, the Government amended the laws last year to offer tax concessions to the ship leasing and marine insurance businesses. In addition, the Government has commissioned a dedicated task force comprising industry members under the Hong Kong Maritime and Port Board to study and recommend the tax concession proposals with a view to attracting more shipping commercial principals (such as ship managers, ship brokers and ship agents, etc), thereby sustaining the effective development of the high value-added maritime services sector.

As for the logistics industry, the Government continues to actively promote the development of modern logistics, consolidate and enhance Hong Kong's position as a regional logistics hub. Besides, to encourage the logistics industry to enhance efficiency and productivity through technology application, the Government launched the Pilot Subsidy Scheme for Third-party Logistics Service Providers (the Pilot Scheme) amounting to \$300 million in October last year. The Pilot Scheme is implemented on a 1:1 matching basis, providing subsidy amounting to \$1 million in total to each qualified third-party logistics service provider. As at now, we have approved a total of about \$21 million to 29 logistics service providers.

As far as aviation is concerned, the recently announced National 14th Five-Year Plan has reaffirmed the support to enhancing Hong Kong's role as international aviation hub. As such, the Government will continue to support Airport Authority Hong Kong (AAHK) in proactively taking forward projects that will transform the Hong Kong International Airport into an Airport City, including the Airport City Link project and such proposals as constructing automated car parks and the Hong Kong International Aviation Academy campus and student dormitories on the Hong Kong Boundary Crossing Facilities Island

of the Hong Kong-Zhuhai-Macao Bridge. The Government will also support AAHK in continuing to develop intermodal passenger and cargo transshipment services, expanding high-value air cargo logistics, as well as injecting equity in the Zhuhai Airport on the basis of market principles for achieving greater synergy between the two airports, with a view to consolidating Hong Kong International Airport's status as an international aviation hub. In addition, AAHK continues to actively implement the Three-Runway System project. As at end March, the reclamation works are over 90 per cent completed, and the works in relation to the runway pavement and relevant facilities are progressing in full swing. AAHK maintains its target to commission the Third Runway in next year and the Three-Runway System in 2024.

Honourable Chairperson, My colleagues and I would be pleased to answer questions from Members. Thank you.