

Exco approves New Territories taxi fare adjustment

The Chief Executive in Council today (January 13) approved New Territories (NT) taxi fare adjustment with an average rate of fare increase of 4.95% (details given in Annex 1). The new fare will be implemented on Friday (January 16), the date of its gazettal.

A spokesman for the Transport and Housing Bureau said that in considering the taxi fare application, the Government had taken into account all relevant factors, including changes in costs and revenue of taxi operations; public acceptability; the revised taxi fare structure policy as recommended by the Transport Advisory Committee (TAC), which was that the taxi fare structure should be front-loaded and thereafter on a varying descending scale of incremental charges.

"The Government noted that there had been increases in the operating costs of the taxi trade in recent years, exerting pressure on its operating conditions. The approved fare adjustment maintains a balance between helping the taxi trade to cope with operation difficulties and catering for consumer interests," he said.

The fare adjustment application, which proposed raising short-haul fares and lowering long-haul fares, was put forward to the Transport Department by 16 NT taxi associations, after rounds of in-depth discussions among themselves. This proposed direction was generally supported by the taxi trade and was in line with the taxi fare structure policy recommended by the TAC after extensive consultations with the trade and the public. The fare restructuring could, on one hand, help relieve the pressure on the trade due to increasing operating costs and, on the other hand, help alleviate the fare bargaining problem by aligning the taxi fare structure with the market situation. The NT taxi trade generally hoped that the new fares would be implemented as early as possible before

the Lunar New Year with a view to enhancing their competitiveness in long-haul trips.

The application proposed increasing the flagfall fare by \$2 from \$13.50 to \$15.50, and increasing the incremental charge by \$0.10 to \$1.30 before 8km. From 8km onwards, the incremental charge was proposed to be reduced to \$1. The proposed average rate of fare increase was 9.49%. After receiving the application, the Government consulted the Panel on Transport of the Legislative Council and the TAC.

NT taxi fares were last increased in 1997 before the \$1 flagfall fare increase effected in February 2008. Statistics show that the average monthly net incomes of NT taxi rentee-drivers in the first half of 2008 was lower than that in both 1997 and 2004 (the year of conversion to liquefied petroleum gas) in real terms, despite the \$1 flagfall fare increase approved last February.

The Chief Executive in Council, having deliberated all relevant factors, including the changes in costs and revenue of taxi operations; public acceptability; the TAC's recommended revised taxi fare structure policy, approved an average rate of NT taxi fare increase of 4.95%, comparable to the 5.46% fare increase rate for urban taxis implemented on November 30, 2008.

Under the approved new fare adjustment, the flagfall charge will increase from \$13.50 to \$14.50; incremental charge will increase from \$1.20 to \$1.30 up to 8km (when the total fare has reached \$53.50) and decrease from \$1.20 to \$1 from 8km onwards. A taxi trip costing \$73.50 or more at present will have a fare reduction. Passengers will enjoy lower fares for longer distances.

The Transport Department will publish a gazette notice on the new NT taxi fares and distribute fare conversion tables to NT taxi operators. It will also remind taxi operators to

display fare conversion tables and information on the new fares inside taxi compartments until taximeters have been calibrated to show the new fares.

Ends/Tuesday, January 13, 2009