

Chapter 14

Transport

Hong Kong's public transport system, widely regarded as one of the best in the world, provides comprehensive, comfortable and safe travel options at affordable prices.

The Transport and Housing Bureau, headed by the Secretary for Transport and Housing, formulates policies on Hong Kong's internal and external transport, including land transport, maritime transport and logistics, and air services. The bureau is supported by the Civil Aviation Department, Highways Department, Marine Department and Transport Department.

Transport Strategy and Policy Objectives

The government aims to provide a safe, efficient, reliable and environment-friendly transport system that meets the community's economic, social and recreational needs, and is capable of supporting sustainable development in Hong Kong. It does this by:

- expanding and improving the transport infrastructure in a timely manner;
- improving the coordination and, together with the operators, the quality of public transport services; and
- managing road use to reduce congestion and promote safety.

The government ensures these objectives are environmentally sustainable by supporting environmental improvement measures, and bases its public infrastructure plans on sustainable development principles. The environmental impact of new transport projects, during both construction and operation, is monitored closely and environmental mitigation measures are implemented where necessary.

Together with transport operators, the government also acts to reduce the adverse impact of road-based transport on the environment, including rationalising bus routes and deploying more environment-friendly buses.

The COVID-19 pandemic presented unprecedented challenges for public transport operators. Social distancing restrictions, school suspension and work from home arrangements meant that passenger trips on public transport in 2020 were 28 per cent down on 2019. Various infection control measures were implemented, including mandatory mask-wearing on public transport and enhanced cleansing and disinfection. The government's Anti-epidemic Fund provided a range of subsidies to public transport operators, including for fuel, wages, repair and maintenance costs and insurance premiums.

Rail Transport

MTR

Railways are safe, reliable, efficient, comfortable and environment-friendly mass carriers. Hong Kong's railway system forms the backbone of the public transport system and is essential to the city's continued economic, social and land development. It carried a daily average of some 3.5 million passengers in 2020, accounting for about 39 per cent of public transport passenger travel.

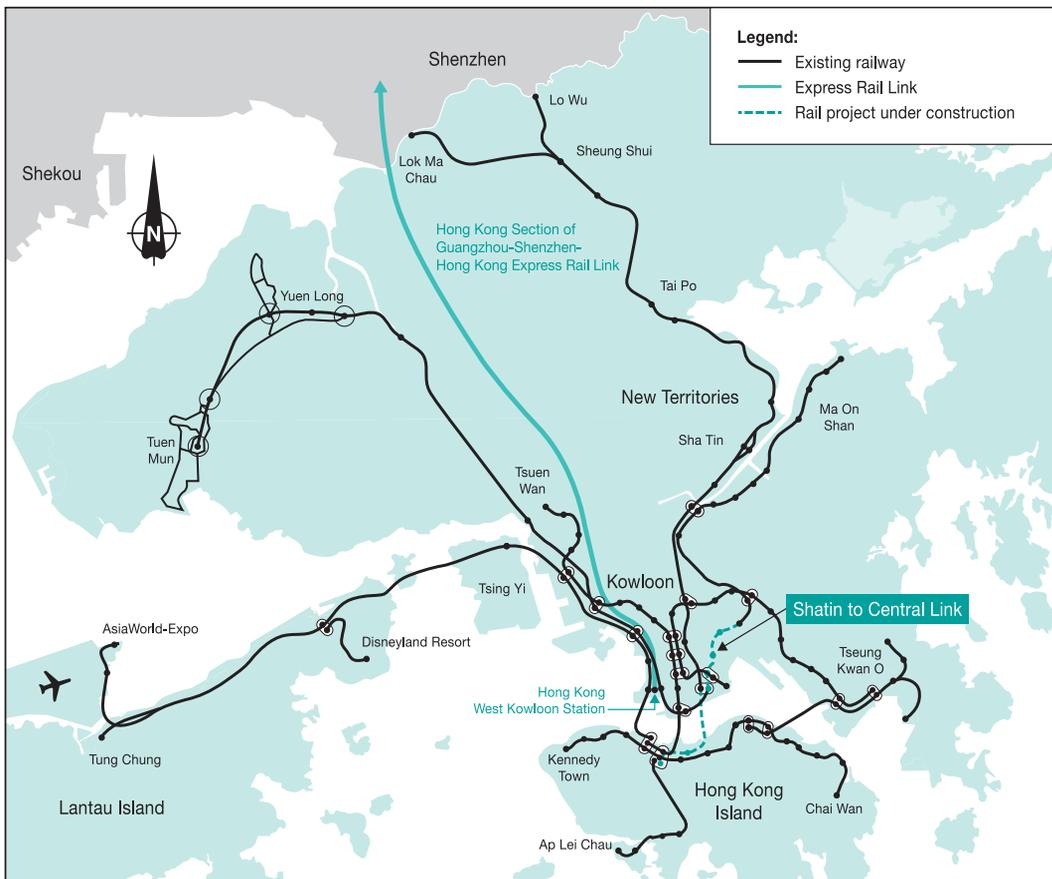
The railway system is operated and managed by the MTR Corporation Limited (MTRCL), a publicly listed company of which the government is the majority shareholder. It comprises:

- the Kwun Tong Line (Tiu Keng Leng-Whampoa)
- the Tsuen Wan Line (Tsuen Wan-Central)
- the Island Line (Chai Wan-Kennedy Town)
- the Tseung Kwan O Line (Po Lam/Lohas Park-North Point)
- the South Island Line (South Horizons-Admiralty)
- the Tung Chung Line (Hong Kong-Tung Chung)
- the Disneyland Resort Line (Sunny Bay-Disneyland Resort)
- the Airport Express (Hong Kong-AsiaWorld-Expo)
- the East Rail Line (Hung Hom-Lo Wu/Lok Ma Chau)
- the West Rail Line (Tuen Mun-Hung Hom)
- the Tuen Ma Line Phase 1 (Wu Kai Sha-Kai Tak)
- the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL)
- the Light Rail

The 263-kilometre system is made up of 96 heavy rail stations, including a 35.2-km Airport Express connecting the urban areas to Hong Kong International Airport and AsiaWorld-Expo, and 68 light rail stops spread across a 36.2-km network in the northwestern New Territories.

All three types of the MTRCL's cross-boundary train services were impacted by COVID-19 in 2020. Intercity through-train services, which operate from Hong Kong's Hung Hom Station to Beijing, Shanghai and cities in Guangdong, were suspended from 30 January, but carried a daily average of 3,500 passengers before that. The Hong Kong Section of the XRL was also suspended from 30 January, but had carried a daily average of 36,300 passengers before that. It is a 26-km long underground rail corridor running from West Kowloon to Shenzhen, where it connects to the Mainland section of the XRL. It provides direct high-speed rail travel between Hong Kong West Kowloon Station and 58 Mainland destinations (six short-haul and 52 long-haul). The Lo Wu and Lok Ma Chau stations, which are connected by the East Rail Line and allow travellers to reach the Shenzhen control points, were temporarily closed from 4 February, but by then had together handled a daily average of 212,000 cross-boundary travellers.

Map of Railway Network and Railway Project under Construction



Future Railway Development

The 17-km Shatin to Central Link will have 10 stations (from Tai Wai to Admiralty), and will link up a number of existing railways forming two railway corridors. The East West Corridor will connect Tai Wai on the Ma On Shan Rail Line with Hung Hom on the West Rail Line to form the Tuen Ma Line. Phase 1 of the line, from Wu Kai Sha to Kai Tak, opened on 14 February. The North South Corridor will extend the East Rail Line from Hung Hom across the harbour to Admiralty on Hong Kong Island. Construction started in 2012. When fully completed, the Shatin to Central Link is expected to handle about 1.1 million passenger trips per day and save an average of 75 million hours in travelling time per year over an operation period of 50 years. It will increase the railway capacity between Sha Tin and Hung Hom and Hong Kong Island, relieving the burden on existing rail lines in urban Kowloon and on Hong Kong Island.

The government's Railway Development Strategy 2014 provides a framework for planning the expansion of the railway network up to 2031. Seven projects are planned: the Northern Link and Kwu Tung Station; Tuen Mun South Extension; East Kowloon Line; Tung Chung Line Extension; Hung Shui Kiu Station; South Island Line (West); and North Island Line. The MTRCL is carrying out detailed planning and design for the Tung Chung Line Extension, Tuen Mun South Extension and Northern Link projects.

Tramway

Electric trams have been running on Hong Kong Island since 1904. Hong Kong Tramways runs seven routes on 13km of double tracks along the northern shore of Hong Kong Island between Kennedy Town and Shau Kei Wan, and about 3km of single track round Happy Valley.

The company's 168 trams, including one sightseeing tram for tourists, one air-conditioned tram, three trams for private hire and three special maintenance trams, make up the world's largest fleet of double-decker trams in operation. The tramway recorded a daily average of about 113,000 passenger trips in 2020.

Road Transport

Road Network

The territory has 2,150km of roads, 1,357 road structures, 22 road tunnels (including three immersed-tube cross-harbour tunnels) and five major cable-supported bridges.

Tunnels

The government owns 19 road tunnels, all managed and operated by private companies under management contracts: the Eastern Harbour Crossing, and the Cross-Harbour, Lion Rock, Aberdeen, Kai Tak, Shing Mun, Tate's Cairn, Tseung Kwan O, Scenic Hill, Airport, Lung Shan, Cheung Shan, Central-Wan Chai Bypass, Tuen Mun-Chek Lap Kok (TM-CLK), Cheung Tsing, Tai Wai, Sha Tin Heights, Eagle's Nest and Nam Wan tunnels. Of these, the Cheung Tsing, Central-Wan Chai Bypass, Lung Shan, Cheung Shan, Kai Tak, Nam Wan, Airport and TM-CLK tunnels, as well as the Scenic Hill Tunnel that forms part of the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Link Road, are toll-free.

Two other tunnels are operated by private companies under build-operate-transfer arrangements: the Western Harbour Crossing and Tai Lam Tunnel. The franchises of these tunnels will expire in 2023 and 2025 respectively.

There is also a private tunnel, which is open only to vehicles taking goods or providing services to Discovery Bay.

Bridges

The five major cable-supported bridges are Tsing Ma, Kap Shui Mun, Ting Kau, Stonecutters and a section of Shenzhen Bay Bridge. The first two carry both road and rail traffic. Tsing Ma Bridge, with a main span of 1,377 metres, is one of the world's longest span suspension bridges.

The HZMB includes the Main Bridge, Hong Kong Port and Hong Kong Link Road.

The Northern Connection of the 9-km long TM-CLK Link opened on 27 December. The TM-CLK Link connects Tuen Mun with the HZMB Hong Kong Port and North Lantau via a bridge and a subsea tunnel.

Tsing Ma Control Area

The Tsing Ma Control Area is a 21-km expressway network which covers mainly Tsing Kwai Highway, Cheung Tsing Tunnel, and the Ting Kau, Tsing Ma and Kap Shui Mun bridges. An average of 54,200 vehicles per day used the Tsing Ma and Kap Shui Mun bridges in 2020. The government waived the tolls for these two bridges in December with the full commissioning of the TM-CLK Tunnel.

Tsing Sha Control Area

The Tsing Sha Control Area is a 13-km expressway network. It consists of Stonecutters Bridge, and the Nam Wan, Eagle's Nest, Sha Tin Heights and Tai Wai tunnels. In 2020, an average of 54,600 vehicles per day used this expressway.

Road Boundary Crossings

There are five road-based boundary crossings between Hong Kong and the Mainland, opening daily for goods and passenger vehicles, at Lok Ma Chau, Man Kam To, Sha Tau Kok, Shenzhen Bay Port and the HZMB Hong Kong Port. Cross-boundary travellers can also use the HZMB to travel to and from Macao. From February, COVID-19 resulted in suspension or reduced operating hours of passenger clearance services at these crossings. The cargo clearance facilities at the Heung Yuen Wai Boundary Control Point, the sixth road-based boundary crossing, opened on 26 August.

In 2020, the control points of Lok Ma Chau, Man Kam To, Sha Tau Kok, Shenzhen Bay and HZMB Hong Kong Port respectively recorded on average 9,400, 3,100, 900, 5,000 and 800 daily vehicle trips, and 4,400, 700, 500, 10,100 and 4,500 daily passenger trips. The Liantang/Heung Yuen Wai Boundary Control Point recorded on average 400 daily goods vehicle trips. As a result of the pandemic, the total number of cross-boundary passengers travelling by rail, road and sea decreased 92.7 per cent to 50,500 a day. Most travellers using the road-based control points

take cross-boundary coaches or shuttle buses, which carried an average of 4,200 and 4,400 passengers a day respectively.

Future Road Network Development

The Route 6 will provide an express link between Tseung Kwan O and Kowloon West. It comprises the Central Kowloon Route (CKR), the Tseung Kwan O-Lam Tin Tunnel (TKO-LTT), and the Trunk Road T2 and Cha Kwo Ling Tunnel. Upon full commissioning (targeted for 2026), it is expected to reduce the journey time in peak hours between Tseung Kwan O Town Centre and Yau Ma Tei Interchange from about 65 minutes now to about 12 minutes.

The CKR is a 4.7-km dual three-lane route with a 3.9-km tunnel connecting West Kowloon to Kowloon Bay and the Kai Tak Development in East Kowloon. Upon commissioning, peak-hour journeys between Yau Ma Tei and Kowloon Bay will take about five minutes, down from the current half an hour.

The 3.8-km TKO-LTT will connect Tseung Kwan O with the Eastern Harbour Crossing and Kwun Tong. It will provide an additional connection between Tseung Kwan O and East Kowloon and ease the traffic load on the existing Tseung Kwan O Tunnel.

The Trunk Road T2 and Cha Kwo Ling Tunnel is a 3.4-km dual two-lane trunk road with a 2.1-km subsea tunnel passing under the seabed of Kwun Tong Typhoon Shelter, linking the CKR on the west and the TKO-LTT on the east.

The Cross Bay Link will connect the TKO-LTT with Tseung Kwan O. It is a 1.8-km dual two-lane carriageway with a 1-km marine viaduct across Junk Bay, aimed at providing alternative access to the southeastern part of Tseung Kwan O. Construction is scheduled for completion in 2022.

Road works were substantially completed in 2020 to widen Hiram's Highway between Hiram's Villa and Marina Cove to a dual two-lane carriageway. Planning is under way to widen the section between Marina Cove and Sai Kung Town Centre.

The dual two-lane Tai Po Road between Sha Tin Plaza and Wo Che Estate is being widened to a dual three-lane carriageway. Construction is slated for completion in 2023.

The government proposes to replace Tuen Mun Western Bypass with Tuen Mun Bypass, which is an 8-km dual two-lane tunnel connecting the TM-CLK Tunnel with Yuen Long Highways and Kong Sham Western Highways at Lam Tei East Interchange.

The proposed Trunk Road T4 is a dual two-lane carriageway that will connect Sha Tin Road to Tsing Sha Highway and Shing Mun Tunnel Road, serving as a bypass to Tai Po Road (Sha Tin Section) to cater for long-term traffic flow in Sha Tin.

Works to widen the western section of Lin Ma Hang Road to a single two-lane carriageway between Ping Yuen River and Ping Che Road started in February, with completion targeted for 2023. Widening works for the eastern section, between Tsung Yuen Ha and Lin Ma Hang, are being reviewed.

The eastern section of the proposed Fanling Bypass, scheduled for completion in 2025, will be a dual two-lane carriageway of about 4km, connecting the Fanling North new development area to Fanling Highway. The detailed design of the western section of the bypass is in progress.

The government is carrying out a feasibility study of Route 11, between Yuen Long and North Lantau, to meet traffic demand to and from urban areas arising from developments in the northwestern New Territories.

Buses

Franchised Buses

Franchised buses are the largest road-based carriers, accounting for 34 per cent of total daily public transport volume. Bus services in Kowloon and the New Territories are mainly provided by the Kowloon Motor Bus Company (1933) (KMB). At 31 December, KMB was operating 424 bus routes, including 65 cross-harbour routes, 52 of which were operated jointly with another operator. KMB had a licensed fleet of 3,997 buses, all of which were wheelchair-accessible low-floor vehicles. It recorded an average of 2.1 million passenger trips per day in 2020.

Bus services on Hong Kong Island are provided mainly by New World First Bus Services (NWFB) and Citybus (CTB). At 31 December, NWFB was operating 94 bus routes, including 33 cross-harbour routes, 28 of which were operated jointly with KMB. NWFB had a licensed fleet of 690 buses, all of which were wheelchair-accessible low-floor vehicles. It recorded a daily average of 347,800 passenger trips in 2020.

CTB operates two bus networks under two franchises. One covers 56 bus routes on Hong Kong Island, Kowloon and the New Territories, plus 35 cross-harbour routes, 24 of which are operated jointly with KMB. The other franchise covers a network of 30 routes linking the urban areas with North Lantau and the airport. At 31 December, CTB had a licensed fleet of 967 buses, all of which were wheelchair-accessible low-floor vehicles. It recorded 426,300 passenger trips on average per day in 2020.

Bus routes connecting the New Territories with North Lantau and the airport are run mainly by Long Win Bus Company. It was operating 38 routes at 31 December with a licensed fleet of 238, all of which were wheelchair-accessible low-floor buses. The company recorded an average of 76,900 passenger trips a day in 2020.

The New Lantao Bus Company (1973) was operating 26 routes on Lantau Island and one route for Shenzhen Bay Port at 31 December. It had a licensed fleet of 150 buses, of which 93 were wheelchair-accessible low-floor vehicles. There were 60,800 passenger trips on average daily in 2020.

The government works with these bus operators to enhance and rationalise their services, so as to improve network efficiency and service quality, alleviate traffic congestion and improve roadside air quality.

Non-franchised Buses

Non-franchised bus services play a supplementary role in the public transport system. They relieve heavy demand on regular public transport services primarily during peak hours, fill gaps which cannot be met by regular public transport and provide tailor-made services to specific groups of passengers. They serve mainly tourists, estate residents, employees and students. At 31 December, there were 7,194 registered non-franchised public buses.

Public Light Buses

The number of public light buses (PLBs) has been capped at 4,350 since 1976. These vehicles handle 1.3 million passenger trips per day.

There are two types of PLBs: green minibuses (GMBs) and red minibuses (RMBs). GMBs provide scheduled services with fixed routes, fares, vehicle allocation and timetables as stipulated by the Transport Department. At 31 December, 3,341 GMBs were operating 360 routes, recording a daily average of 1,116,200 passenger trips. RMBs are not required to operate on fixed routes or timetables and may set their own fares but have limited operating areas. There were 1,009 RMBs in operation at 31 December, recording a daily average of 183,300 passenger trips.

Taxis

At 31 December, there were 15,250 red urban taxis, 2,838 green New Territories taxis and 75 blue Lantau taxis. These carried about 660,000 passengers per day in 2020. There were about 790 taxi stands and designated taxi pick-up/drop-off points.

Private Cars

At the year end, there were 573,003 licensed private cars, of which 37,036 were new vehicles first registered during 2020.

Road Transport Management

Effective transport management is essential for the safe and orderly operation of the transport system. Modern technology is used in a variety of ways to enhance transport management.

Licensing

At 31 December, there were 2,314,981 licensed drivers, 796,154 licensed private vehicles and 6,544 government vehicles. The licensed private vehicles comprised 65,547 motorcycles and motor tricycles, 573,003 private cars, 18,084 taxis, 12,873 public buses, 729 private buses, 4,267 PLBs, 3,501 private light buses, 74,275 light goods vehicles, 35,380 medium goods vehicles, 6,634 heavy goods vehicles and 1,861 special purpose vehicles. On average, 4,322 new learners' driving licences were issued per month.

Driver Improvement Scheme

The Road Traffic Ordinance and the Road Traffic (Driving-offence Points) Ordinance require offenders who have been convicted of serious traffic offences and traffic offenders who have accumulated 10 driving-offence points within two years to attend a driving improvement course. In 2020, about 20,500 people attended the course, about 19,300 of whom on a

mandatory basis. About 93 per cent of course participants did not incur new driving-offence points within six months of completing the course.

Pre-service Courses and Driving Licence Requirements for Commercial Vehicles

From 1 October, the existing requirement that applicants for a full PLB driving licence must first complete a pre-service course, in addition to passing the relevant driving test, has been extended to applicants for a full driving licence for a taxi or a public bus. Applicants must complete the relevant pre-service course no more than one year before they apply for a licence.

At the same time, the period for which an applicant for a commercial vehicle driving licence must have held a full private car or light goods vehicle driving licence has been shortened.

Vehicle Examination

Vehicles are examined routinely to ensure they are safe, roadworthy and properly maintained. Commercial vehicles are checked annually at the four government vehicle examination centres. In 2020, these centres conducted 225,000 vehicle examinations. In addition, 2,824 spot checks were carried out on franchised buses to determine their safety, roadworthiness and service standards.

Private cars over six years old and light goods vehicles not exceeding 1.9 tonnes are inspected annually at 40 designated car testing centres run by the private sector. These centres perform 372,000 vehicle examinations a year.

All imported vehicles must be examined to ensure the statutory requirements are met before they can be registered and licensed. During the year, 1,105 vehicle types were approved.

Intelligent Transport Systems

An integral part of the government's transport policy is the development of Intelligent Transport Systems for dissemination of traffic information to the public and traffic and incident management. Real-time traffic and transport information and relevant data are disseminated to the public through the Transport Department's HKeMobility mobile application and website, as well as through the government's information portal, data.gov.hk.

The department publishes an annual open data plan on its website which lists the datasets available for download from the portal. As at 31 December, the data included traffic snapshots captured by fixed closed-circuit television (CCTV) cameras and traffic detectors at about 480 strategic locations, estimated journey times of various cross-harbour routes and major routes, traffic speed maps and special traffic news.

Visitors and others without mobile data services may make use of 18 Traveller Information Kiosks installed at 15 locations, including the arrival hall of the airport's Terminal 1, Peak Galleria and public transport interchanges.

A computerised Area Traffic Control system, which responds to changing road conditions, enables a series of green signals to light up for vehicles passing through the signalised junctions, thus achieving smooth traffic flow by minimising stops and delays. By 31 December,

it was linked to 1,921 out of 1,957 road junctions operating with traffic signals, and will be connected to the remaining junctions progressively. To save costs and conserve the environment, light-emitting diode traffic signals are adopted.

Traffic control and surveillance facilities, such as vehicle detectors, CCTVs, variable message signs, variable speed limit signs and lane control signals, are in place on trunk highways. These facilities are provided in all tunnels and the respective approach roads, the HZMB Hong Kong Link Road, the Tsing Ma and Tsing Sha control areas, Airport Road, Shenzhen Bay Bridge and Tolo Highway, and are being installed on major highways under construction or reconstruction. CCTVs and variable message signs are also found on Kong Sham Western Highway, San Tin Highway, San Sham Road, Tsing Long Highway, Tuen Mun Road, West Kowloon Highway and Yuen Long Highway. About 1,200 traffic detectors and 19 sets of a new Journey Time Indication System are being installed on strategic routes and major roads. A Traffic and Incident Management System further supports the management of traffic and transport incidents and dissemination of information.

To enforce traffic rules, fixed digital red-light cameras are in operation at 204 signalised junctions to combat red-light jumping, while 52 digital speed enforcement cameras are deployed on a rotational basis in 210 fixed camera housings to combat speeding.

Electronic Toll Collection

Except for the private tunnel serving Discovery Bay, all tolled tunnels have automatic toll collection (autotoll) systems, allowing motorists with autotoll tags on their vehicles to drive through designated toll booths without having to stop to pay. During the year, 50.7 per cent of motorists used autotoll.

A 'stop-and-go' electronic payment service lets motorists pay tolls with Octopus cards and certain contactless credit cards. As at 31 December, the service was provided at the Eastern Harbour Crossing and the Cross-Harbour, Shing Mun, Aberdeen, Lion Rock, Tseung Kwan O and Sha Tin Heights-Eagle's Nest-Tai Wai tunnels.

Parking

Where there is demand and traffic conditions permit, on-street parking is provided to meet the short-term parking needs of motorists. At 31 December, there were about 18,000 on-street parking spaces with electronic parking meters installed and about 17,100 non-metered on-street parking spaces.

The Transport Department owns 11 multistorey public car parks and an open-air public car park. These are run by two private operators under government contracts and provide about 4,400 public parking spaces for private cars.

In addition, about 198,000 off-street public parking spaces are provided by the Airport Authority Hong Kong, the Housing Department, the Link Reit and other public and private bodies.

Park-and-ride facilities are operated by the MTRCL at eight MTR stations and another 15 by private operators at commercial car parks located at or near 12 other MTR stations. The

government also provides a park-and-ride scheme at the public car park of Po Shek Wu Estate near Sheung Shui Station.

To help motorists find parking spaces, as at 31 December the parking vacancy information of about 400 government and non-government public car parks was available on the Transport Department's HKeMobility mobile application and website.

Road Safety

There were 15,298 road traffic accidents involving injuries in 2020, of which 1,912 were serious and 96 were fatal. The total number of fatal and serious road traffic accidents increased 3.6 per cent compared with 2019.

Pedestrian Transport

Improving the Pedestrian Environment

The Highways Department has completed the detailed design for a proposed elevated pedestrian corridor in Yuen Long Town connecting with Long Ping Station. It is reviewing proposed pedestrian environment improvement schemes in Mong Kok and Causeway Bay, taking into account the latest developments in the areas.

In 2020, the Transport Department continued to introduce improvements to Hong Kong's pedestrian environment. These included enhancing the pedestrian connectivity between Wan Chai and Sheung Wan; finalising the overall 'walkability' strategy for Hong Kong; implementing pedestrian enhancement measures in Central and Sham Shui Po; extending the coverage of the walking route search function of HKeMobility to the whole of Hong Kong; synchronising traffic lights at 18 staggered pedestrian crossings; and constructing covers for suitable walkways connecting public hospitals.

Hillside Escalator Links and Elevator Systems

A new lift and pedestrian walkway system was opened at Cheung Hang Estate in Tsing Yi in February. Three similar lift and pedestrian walkway projects are under construction in Kwai Chung: between Kwai Shing Circuit and Hing Shing Road; between Tai Wo Hau Road and Wo Tong Tsui Street; and between Castle Peak Road and Kung Yip Street. They are scheduled for completion progressively from 2021 onwards. Over the past few years, the Transport Department has received 114 proposals for hillside escalators links and elevator systems. It has screened, shortlisted and prioritised these to identify the next batch of projects to be taken forward.

Universal Accessibility

Where technically feasible, barrier-free access facilities such as lifts and ramps may be installed at footbridges, elevated walkways and subways that span public roads. The Highways Department installed 20 such facilities during the year.

A special scheme has been launched under the Universal Accessibility Programme to retrofit lifts at walkways in or connecting to the common areas of Tenants Purchase Scheme estates, public rental housing estates with properties divested and Buy or Rent Option Scheme estates

under the Hong Kong Housing Authority. In November, the Highways Department began consulting relevant district councils on possible new items under the scheme.

Maritime Transport

Domestic Ferries

Ferries provide essential transport links to outlying islands where no or limited land transport is available, as well as alternative transport service between the inner harbour and other areas in Hong Kong.

Thirteen franchised and licensed ferry operators run 21 regular passenger ferry services, two services for dangerous goods vehicles, and two special services for the harbour, outlying islands and other areas. These are supplemented by 72 'kaito' ferry services, which cover relatively remote areas. Ferries recorded a daily average of about 32,300 passenger trips within the harbour and about 53,600 passenger trips serving the outlying islands in 2020.

Cross-boundary Ferries

Cross-boundary ferry services to Macao and 11 Mainland ports operate from the Hong Kong-Macao Ferry Terminal in Sheung Wan, China Ferry Terminal in Tsim Sha Tsui and Tuen Mun Ferry Terminal in Tuen Mun. Due to COVID-19, the cross-boundary ferry services were suspended from February, but prior to that cross-boundary ferries transported 700,000 travellers to and from Macao, and 150,000 travellers to and from Mainland ports.

Local Vessels

In 2020, about 19,600 passenger, cargo, fishing and pleasure vessels were licensed in Hong Kong to provide services for the port and the community.

Public Transport Fare Concessions

The government encourages public transport operators to offer fare concessions, taking into account their operating and financial conditions, the market situation and passenger needs.

MTR concessions include monthly passes for the East Rail, West Rail and Tung Chung lines, a Student Travel Scheme, fare concessions for children, Fare Savers and interchange discounts.

Franchised bus companies offer concessionary half fares for children under 12. Section fares are available for about 80 per cent of mid-distance and long-distance routes, involving about 440 routes. The companies also provide about 305 bus-bus interchange concession schemes, covering about 400 bus routes, or about 72 per cent of all routes. The tramway and ferries have discount fares for the elderly and children, and some GMB routes grant concessionary fares.

Government's Fare Concessions and Subsidies

Under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the \$2 Scheme), those aged 65 or above and eligible disabled persons

who use designated Octopus cards pay only \$2 per trip on general MTR lines¹, franchised bus routes², ferry routes³ and GMB routes. In 2020, an average of about 1,114,000 passenger trips were made under the scheme each day. Following a review of the \$2 scheme, the government has decided to lower the eligible age from 65 to 60, benefiting an additional 600,000 persons⁴, and to extend the scheme to RMBs, 'kaitos' and tramways. The changes are expected to be implemented in stages from the first quarter of 2022.

From 1 January, the government has increased the subsidy rate under the non-means-tested Public Transport Fare Subsidy Scheme from one-fourth to one-third of the monthly public transport expenses in excess of \$400, and raised the monthly subsidy cap from \$300 to \$400. The government also temporarily lowered the scheme's monthly threshold from \$400 to \$200 during the second half of 2020. In 2020, the annual subsidy amount under the scheme was over \$2.1 billion, representing a monthly average subsidy amount of about \$179 million, with an average of about two million beneficiaries per month.

The Port

Hong Kong is an international maritime centre and a regional hub port. During the year, 170,000 ocean-going vessels from all parts of the world and river-trade vessels from the Pearl River visited and left Hong Kong, involving around 250 million tonnes of cargo and 1.26 million cross-boundary ferry and cruise passenger journeys. Many high-speed ferries and local vessels operate in, or pass through, the harbour. Hong Kong is also one of the world's busiest container ports, handling around 18 million twenty-foot equivalent units (TEUs) of containers in 2020.

Port Administration

The Marine Department administers the port, with its principal task to ensure the safety of navigation and efficiency of shipping activities in Hong Kong waters. This is achieved through comprehensive traffic management, harbour patrols, vessel traffic services, provision of aids to navigation and mooring buoys, and strict enforcement of the rules and standards of major international maritime conventions.

The department liaises closely with shipping and commercial organisations and takes advice on port administration from users and operators of port facilities through a number of advisory and consultative committees.

The department's website provides information on the port, the shipping register and its services and facilities. Its Electronic Business System simplifies and speeds up the processing of

¹ General MTR lines refer to domestic services including the Light Rail and MTR buses in the northwestern New Territories, and excluding the Airport Express, East Rail Line services between Lo Wu, Lok Ma Chau and Racecourse stations, and the first-class service of the East Rail Line.

² Excluding 'A' and 'NA' routes to the airport, racecourse routes, and routes operating on a booking basis.

³ Excluding deluxe class services.

⁴ Eligible beneficiaries must apply for and use tailor-made Personalised Octopus Cards with photo and age eligibility as a prerequisite for benefiting from the concessionary fare.

port formalities, including the submission and auto-approval of applications, self-printing of permits and certificates, payment via auto-pay and checking of application status.

Port Infrastructure, Facilities and Services

Marine civil works are essential to keep the port running smoothly. The Civil Engineering and Development Department carries out maintenance work on public landing facilities, ferry piers and terminals, the Kai Tak Cruise Terminal, breakwaters and other public marine facilities, and regular maintenance dredging of the harbour, navigation channels and major river channels. It maintains 506 hectares of typhoon shelters, 5km of quays at public cargo working areas, 127km of seawalls and breakwaters, 323 piers and landing facilities, 101 dolphin mooring structures, 110 beacons, 14,100 hectares of fairways and 3,590 hectares of anchorage areas.

The department also plans, designs and builds public marine facilities. In 2020, it commenced the construction works to reconstruct Pak Kok Pier on Lamma Island and the new public landing facility at Lei Yue Mun. Technical studies and detailed design for pier improvement works at remote public piers in the New Territories and outlying islands were under way.

Container handling facilities are a key part of the logistics infrastructure. The nine container terminals at the Kwai Chung-Tsing Yi area, all privately run, handle about 80 per cent of Hong Kong's container throughput and have 24 berths with a total handling capacity of more than 20 million TEUs per year. In addition, the Marine Department manages six public cargo working areas with a total berth length of 4,852m, providing an alternative for operators handling cargo carried by barges and coasters.

The Kwai Tsing Container Basin and its approach channel have a navigation depth of 17m. This enables ultra-large container ships to use the port at all tides, strengthening Hong Kong's position as an Asia-Pacific regional port.

Cross-boundary Ferry Terminals

The Marine Department operates two cross-boundary ferry terminals, namely the Hong Kong-Macau Ferry Terminal, operating round the clock, and the China Ferry Terminal, operating daily from 7am to midnight. The Tuen Mun Ferry Terminal operates daily from 7am to 10pm under a tenancy agreement between the government and the terminal operator. The department controls the use of these ferry terminals under the Shipping and Port Control (Ferry Terminals) Regulations.

Vessel Traffic Services

The department's Vessel Traffic Centre facilitates the traffic of visiting vessels to ensure their safety and expeditious movement.

Harbour Patrol and Local Control Station

The department's Harbour Patrol Section operates 29 patrol launches to enforce marine legislation, maintain safety of the port and shipping, and respond to marine emergencies. Its local traffic control station in Kwai Chung provides information and traffic management services to vessels in the vicinity of the Kwai Tsing container port area.

Pilotage

Pilotage is compulsory in Hong Kong waters for any vessel of 3,000 gross tonnage or above, oil tankers of 1,000 gross tonnage or above, and all gas carriers. The Director of Marine regulates and monitors pilotage services.

Hydrographic Services

The Hydrographic Office carries out hydrographic surveys and produces nautical charts, electronic navigational charts and other publications to help vessels navigate in Hong Kong waters. It provides Notices to Mariners for updating the charts once every two weeks and, through the internet, real-time information about tides, forecasts about tidal streams and predictions about the Ma Wan Fairway transit tidal window.

Immigration and Quarantine

Immigration and quarantine services for ships are available at the western and eastern quarantine and immigration anchorages. Immigration service is also available at the Tuen Mun Immigration Anchorage for river-trade vessels.

Carriage of Dangerous Goods

The department conducts random shipboard inspections of vessels in Hong Kong waters according to international and local standards.

Local Vessels Safety Certification

The department's Local Vessels Safety Section provides survey and certification services for local vessels to make sure they comply with safety and pollution prevention requirements.

Port Security

All designated port facilities in Hong Kong comply fully with the International Maritime Organisation's International Ship and Port Facility Security Code. The department implements the code, including monitoring the training and qualifications of the port facilities' security personnel, overseeing security drills and exercises conducted at the port facilities and carrying out annual audits of port facility security arrangements.

Marine Industrial Safety

The department's Marine Industrial Safety Section enforces safety requirements on works carried out on board vessels, including cargo handling, ship repair and marine construction, under the Shipping and Port Control (Works) Regulation and the Merchant Shipping (Local Vessels) (Works) Regulation. It conducts safety checks on such works and promotes safe working practices and regulations.

Port Development

The department provides professional advice on the planning of projects that affect port and marine traffic, and publishes port and maritime statistics periodically on its website. The government looks at ways of enhancing port performance and operational efficiency, such as facilitating the use of port back-up land.

Maritime Industry

The port of Hong Kong offers frequent and comprehensive ocean liner services, with about 280 container vessel sailings weekly to over 600 destinations worldwide, according to *Shipping Gazette* 2020 data. More than 800 maritime-related companies operate in the territory, providing quality services such as ship management, ship broking and chartering, marine insurance and maritime legal and arbitration services. Hong Kong is also a ship finance centre in the region. According to the Hong Kong Shipowners Association, Hong Kong's shipowners own or manage 9.8 per cent of the world's merchant fleet in terms of deadweight tonnage. As at 31 December, Hong Kong had in place double taxation relief arrangements covering shipping income with 52 tax jurisdictions. To foster the development of high value-added maritime services, the government amended relevant legislation in June and July to offer tax concessions to ship leasing and marine insurance businesses respectively.

Hong Kong Maritime and Port Board

The Hong Kong Maritime and Port Board is a high-level advisory body chaired by the Secretary for Transport and Housing and comprises maritime and port industry figures. It aims to create a maritime business-friendly environment, nurture local maritime talent and promote Hong Kong's strengths in the industry, so as to enhance the territory's position as an international maritime centre.

The board supported and participated in various local and international promotional activities (substantially online) to raise Hong Kong's profile as an international maritime centre and promote its quality and professional high value-added maritime services.

Maritime and Aviation Training Fund

The maritime and aviation sectors receive government support in manpower development via the Maritime and Aviation Training Fund with an accumulative commitment of \$300 million. This fund supports various scholarships and training and promotion initiatives to build up a diversified and competitive pool of professionals and technical personnel. The recently launched Local Vessel Competency Enhancement Scheme successfully encouraged 136 local seamen to acquire higher Coxswain/Engine Operator Certificate of Competency qualification at Grade 2 level. Since its inception in 2014, the fund has benefited more than 11,000 students and those working in the maritime and aviation sectors through the operation of 15 schemes.

Hong Kong Shipping Register

The Hong Kong Shipping Register (HKSR), administered by the Marine Department, ranked fourth in the world in 2020 in terms of gross tonnage. As at 31 December, the registered ships recorded about 130 million gross tonnage in total. To ensure the Hong Kong-registered ships' compliance with international standards, the department conducts a quality control assessment before allowing ships to join the register and implements a Flag State Quality Control System. The Port State Control detention rate of Hong Kong-registered ships is well below the world average, putting the Hong Kong flag among the top performance flags in the white list under the Tokyo Memorandum of Understanding (MoU) and Paris MoU of Port State Control. Hong Kong also holds the United States Coast Guard's Qualship 21 status. To widen the HKSR's service network, provide better support for shipowners and promote the HKSR,

another HKSR Regional Desk was established in the government's Economic and Trade Office in Singapore in June.

Marine Accident Investigations

The department's Marine Accident Investigation Branch investigates all serious accidents on board Hong Kong-registered ships and ships in Hong Kong waters. The purpose of an investigation is to determine the circumstances and possible causes of an accident and to recommend preventive measures. In 2020, the branch investigated 22 serious accidents. To raise awareness of maritime safety, the investigation reports of all serious accidents are published on the department's website.

Seafarers

The department's Seafarers and Examination Branch supervises the registration, employment, competence, discipline, health, safety and welfare of Hong Kong seafarers and seafarers working on board Hong Kong-registered ships. During the year, 52,372 seafarers of different nationalities served on board Hong Kong-registered seagoing ships and 653 officers and ratings served on high-speed ferries plying the Pearl River Delta region.

The Sea-going Training Incentive Scheme encourages youngsters to join the maritime profession in Hong Kong by providing financial incentives to take up seagoing cadetship training. In 2020, the scheme signed up 28 cadets, fewer than in previous years because of the COVID-19 pandemic.

Participation in International Maritime Activities

International Maritime Organisation

The Hong Kong Special Administrative Region (HKSAR) Government, under the name 'Hong Kong, China', is an associate member of the IMO and has a permanent representative in London. The Hong Kong maritime industry is consulted on, and informed of, all issues discussed at IMO meetings that may affect Hong Kong. These topics include maritime safety and security, marine pollution, maritime laws, seafarers' training and standards of certification. HKSAR Government officials attended 19 IMO meetings in 2020.

Port State Control

Hong Kong is a member of the MoU on Port State Control in the Asia-Pacific. The Marine Department leads an Advisory Group for Technical Cooperation Programmes and is also a member of other working groups. In 2020, the department conducted 260 initial Port State Control inspections for about 5 per cent of all foreign ocean-going ships which visited Hong Kong, a smaller number than in previous years because of the social distancing measures necessitated by COVID-19. It detained 2.3 per cent of the ships inspected because of serious deficiencies that needed immediate attention.

Maritime Search and Rescue

The Maritime Rescue Coordination Centre acts on distress alerts and coordinates search and rescue operations within Hong Kong waters and for about 450,000 square nautical miles of international waters of the South China Sea.

Government Fleet and Dockyard

A fleet of more than 900 government vessels serves 14 government departments. The Marine Department manages 82 of these vessels to serve its port operations and the needs of other government departments. These vessels include patrol launches, purpose-built conveyance launches, pontoons, hydrographic survey launches and explosives carriers. In 2020, the department also contracted 30 vessels, including conveyance launches and tugboats.

The Government Dockyard, managed by the department's Government Fleet Division, is responsible for the design repair and maintenance of all government vessels. It occupies a 9.8-hectare site on Stonecutters Island and has an 8.3-hectare sheltered water basin to moor vessels. There are 10 covered docking sheds, four movable canopies, 30 open-yard docking cradle spaces, a shiplift system and three ship-hoists capable of dry-docking vessels of up to 750 tonnes.

During the year, 94 new craft costing \$174 million were built for the government. Ten new craft building contracts, worth \$173 million, were awarded to shipbuilders. The expenditure in maintaining the Government Dockyard facilities and government fleet was close to \$627 million.

Air Transport

Hong Kong is a major international and regional aviation centre. In 2020, around 120 airlines operated direct services between Hong Kong and over 200 destinations worldwide.

Hong Kong International Airport

In 2020, air travel was greatly impacted by COVID-19 as travel restrictions and quarantine measures were imposed worldwide. During the year, Hong Kong International Airport (HKIA) handled 8.8 million passengers and 160,655 flights, a drop of 87.7 per cent and 61.7 per cent respectively as compared to 2019. However, air cargo operations remained resilient amidst the pandemic. HKIA recorded a cargo throughput of 4.5 million tonnes, a year-on-year drop of 7 per cent, while freighter movements surged 18.3 per cent to 68,660.

In response to the pandemic, an array of infection control measures was taken at HKIA to protect the health of passengers and staff. Cleaning and disinfection were stepped up airport-wide. Smart technology such as autonomous cleaning and sterilisation robots were deployed. Antimicrobial coating and disinfection channels were also set up. The Airport Authority Hong Kong (AAHK) supported the government's quarantine and related procedures for arrival passengers. To support the hard-hit aviation sector during the pandemic, the government and AAHK jointly provided several rounds of relief measures to the airport community.

HKIA's major development and infrastructure projects continued as planned, including the Three-Runway System, upgrading of various airport facilities, and the Sky Bridge to connect Terminal 1 and North Satellite Concourse.

Future Development

To maintain Hong Kong's competitiveness as a global and regional aviation hub, AAHK is undertaking a Three-Runway System project for commissioning in 2024. This includes the

formation of some 650 hectares of reclaimed land; the construction of the third runway, taxiways and aprons; the Terminal 2 Concourse; a new automated people mover system; a new high-speed baggage handling system; an expanded Terminal 2; and associated support infrastructure.

When in full operation, the Three-Runway System will have the capacity to handle over 100 million passengers and around nine million tonnes of cargo annually, meeting anticipated air traffic demand up to at least 2030.

Air Services

Under the Basic Law, the HKSAR Government negotiates and concludes bilateral air services agreements with aviation partners to provide the legal framework for scheduled air services between Hong Kong and other places. There are 67 such agreements. The HKSAR Government also reviews traffic rights and air services arrangements with its aviation partners to expand the territory's aviation network and allow more competition in the market. In 2020, the government reviewed or expanded air services arrangements with the United Kingdom and Bahrain. Hong Kong has concluded air services agreements or international air transit arrangements with around 50 of the roughly 140 countries along the Belt and Road.

The global outbreak of COVID-19 in 2020 severely impacted the aviation industry and air services in Hong Kong were inevitably affected. As at 31 December, Cathay Pacific Airways Limited (CPA), Hong Kong Airlines Limited and Hong Kong Express Airways Limited operated direct services to 61, 11 and two destinations worldwide, a drop from 78, 29 and 25 destinations respectively pre-COVID. In June, the government announced an investment of around \$27 billion in CPA to protect Hong Kong's role as a leading international aviation hub in the region and the city's long-term economic development. The CPA Group also underwent a major restructuring under which around 5,300 local-based employees were laid off and Hong Kong Dragon Airlines Limited ceased operations with effect from 21 October. The operations of the two local all-cargo carriers, AHK Air Hong Kong Limited and Hong Kong Air Cargo Carrier Limited, remained robust, however, with direct services to 14 and 11 destinations respectively as at 31 December, compared to 13 and 12 destinations respectively pre-COVID. By 31 December, the local airlines maintained a total fleet of 253 aircraft.

In July, Greater Bay Airlines applied to the Civil Aviation Department for an Air Operator's Certificate to operate scheduled flights in Hong Kong. Four non-Hong Kong airlines launched new scheduled all-cargo services to Hong Kong in 2020: Air Transport International started services to Guam in July; Aerovias de Mexico, SA de CV commenced services from Mexico City in October; CAL-Cargo Airlines Limited started services from Tel Aviv in November; and AirAsia X Berhad began services from Kuala Lumpur in December.

Air Traffic Management

The Civil Aviation Department's Air Traffic Management System provides safe and reliable air traffic control services to flights operating within the Hong Kong Flight Information Region. Because of COVID-19, the number of aircraft movements handled in 2020 was 65 per cent lower than in 2019.

Aviation Security

Conventions and agreements on aviation security, promulgated by the International Civil Aviation Organisation, are implemented by the government through the Aviation Security Ordinance. The Hong Kong Aviation Security Programme stipulates the aviation security requirements for the various operators and service providers at the airport. The Civil Aviation Department monitors the implementation of these requirements to ensure international standards are met.

International Transport and Logistics

Logistics is an important sector of the economy, accounting for 2.9 per cent of Hong Kong's Gross Domestic Product. Given its strategic location, world-class infrastructure and business-friendly environment, the territory is a preferred transport and logistics hub in Asia, aided by its efficient, reliable and well-connected airport and seaport. It also has one of the world's busiest international air cargo centres and container ports. These achievements are attributed to the operators of the services and facilities, the investors, the efficient workforce, and cooperation between the private and public sectors.

Hong Kong is home to productive and efficient container terminals, which are run by renowned international terminal operators. A comprehensive network of container line services connects the port of Hong Kong with destinations across the globe. Operating round the clock, the nine container terminals at Kwai Chung-Tsing Yi provide a total handling capacity of over 20 million TEUs per year.

Logistics Industry

The government provides the necessary infrastructure for Hong Kong's logistics sector to grow. In October, the government launched the Pilot Subsidy Scheme for Third-party Logistics Service Providers to encourage the logistic sector's adoption of technology to enhance efficiency and productivity. It also promotes closer cooperation with the Mainland, in particular the Pearl River Delta region, to achieve synergy in logistics development.

The Hong Kong Logistics Development Council is a high-level advisory body chaired by the Secretary for Transport and Housing, providing a forum for the government and industry stakeholders to formulate initiatives to spur the development of the local logistics sector.

Websites

Airport Authority Hong Kong: www.hkairport.com

Civil Aviation Department: www.cad.gov.hk

Cross-boundary ferry services: crossboundaryferryservices.mardep.gov.hk

Highways Department: www.hyd.gov.hk

Hong Kong Logistics Development Council: www.logisticshk.gov.hk

Hong Kong Maritime and Port Board: www.hkmpb.gov.hk

Hydrographic Office: www.hydro.gov.hk

Marine Department: www.mardep.gov.hk

Public-sector information portal: data.gov.hk

Transport and Housing Bureau: www.thb.gov.hk

Transport Department: www.td.gov.hk