

## Chapter 17

# Transport and Logistics

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The Transport and Logistics Bureau works to enhance Hong Kong's internal and external transportation systems and infrastructure so as to meet the city's long-term development needs. In 2022, there were substantial developments in the areas of air services, land transport, maritime transport and logistics.

Two strategic infrastructure projects were commissioned during the year. The East Rail Line cross-harbour extension, connecting the New Territories, Kowloon and Hong Kong Island, opened in May to provide passengers with more direct and convenient railway services. The Tseung Kwan O-Lam Tin Tunnel and Cross Bay Link, Tseung Kwan O were commissioned in December providing a new route between Tseung Kwan O and Kwun Tong as well as the Eastern Harbour Crossing, and shortening journey time.

The government and Airport Authority Hong Kong are pursuing various projects to promote the sustainable development of air services and the aviation industry. To cater for the long-term air traffic demand, the authority is developing Hong Kong International Airport into a Three-runway System. A key milestone of the project, the third runway was officially commissioned on 25 November 2022. Remaining works are progressing with the target to complete the Three-runway System in 2024. The system will reinforce Hong Kong's status as an international aviation hub and drive the flow of people and goods in Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area.

The Sky Bridge at the airport, the world's longest airside footbridge, was also commissioned in November, while the SkyPier Terminal was completed by the end of the year. Various projects under the Airport City blueprint are under way, with three office towers in the Skycity development opening in July.

As for cooperation with the Mainland, under a pilot scheme for sea-air intermodal cargo transshipment between Hong Kong and Dongguan, upstream screening for export cargo from the Mainland started operation in Dongguan in June. The screened cargo will be transported by sea to Hong Kong airport for direct transshipment to overseas destinations. The Airport Authority Hong Kong and Zhuhai Municipal Government signed a memorandum of understanding in November to strengthen cooperation between Hong Kong International Airport and Zhuhai Airport.

Hong Kong Port is the ninth busiest container port in the world, with a throughput of nearly 17 million twenty-foot equivalent units in 2022. Hong Kong is also ranked fourth globally by the 2022 Xinhua-Baltic International Shipping Centre Development Index, reflecting its position as a leading international maritime centre.

The Transport and Logistics Bureau 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 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 suspensions and work from home arrangements meant that passenger trips on public transport in 2022 were 22 per cent below the pre-COVID level in 2019. Various infection control measures were implemented, including mandatory mask-wearing on public transport and enhanced cleaning 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

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 4 million passengers in 2022, accounting for about 42 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 (Admiralty-Lo Wu/Lok Ma Chau)
- the Tuen Ma Line (Tuen Mun-Wu Kai Sha)
- the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL)
- the Light Rail

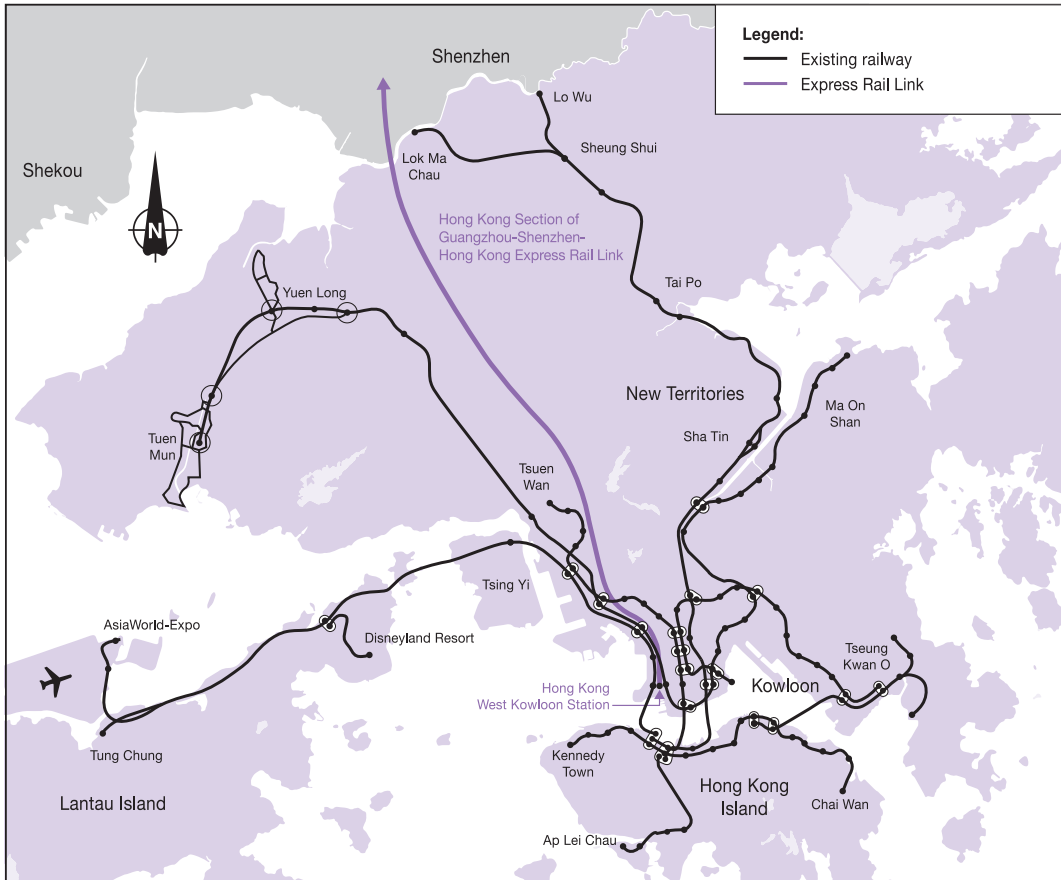
The 271-kilometre system is made up of 99 heavy rail stations, including a 35.2km Airport Express connecting the urban areas to Hong Kong International Airport and AsiaWorld-Expo, and 68 light rail stops spread across a 36.2km network in the northwestern New Territories.

The Hong Kong Section of the XRL is a 26km 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).

Services of the XRL Hong Kong Section and other cross-boundary train services, namely the East Rail Line services to Lo Wu and Lok Ma Chau stations, and the intercity through train, have been suspended since 2020 due to COVID-19.

With the commissioning of the East Rail Line cross-harbour extension on 15 May, passengers may travel to Hong Kong Island directly via the East Rail Line, while passengers on Hong Kong Island can interchange for the East Rail Line for destinations in Kowloon and the New Territories. It enhances the connectivity of the railway network and provides passengers with more convenient route choices.

## Existing Railway Network



## Future Railway Development

The government advocates 'infrastructure-led' and 'capacity-creating' planning principles in taking forward transport infrastructure projects, seeking to unleash the development potential of areas near major transport corridors and meet the long-term transport and logistics demand, while fostering better integration with other cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). It also aims to alleviate traffic bottlenecks by improving the transport network to provide more options and to shorten commuting time.

Construction works of the Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station and Oyster Bay Station are expected to commence in 2023 for progressive completion from 2027 to 2030. Construction of Hung Shui Kiu Station and the Northern Link Main Line will commence within the current term of the government.

The governments of Hong Kong and Shenzhen have established the Task Force for Hong Kong-Shenzhen Cooperation on Cross-Boundary Railway Infrastructure to jointly develop the 'Greater

Bay Area on the Rail'. The task force has embarked on a study of the Hong Kong-Shenzhen Western Rail Link connecting Hung Shui Kiu and Qianhai. The government is also following up with Shenzhen and MTRCL on the work relating to the connection of the Northern Link Spur Line to the new Huanggang Port in Shenzhen, via the Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop.

The Strategic Studies on Railways and Major Roads Beyond 2030 explore the future layout of Hong Kong's railway and major road infrastructure, with a view to meeting the overall long-term development needs. The studies preliminarily recommend three strategic railway projects and three major road projects to complement the future land development strategy and strengthen connection between the new development areas. The public consultation of the studies began in December and the target is to formulate the Major Transport Infrastructure Development Blueprint by end-2023.

### *Tramway*

Electric trams have been running on Hong Kong Island since 1904. Hong Kong Tramways runs six 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 117,000 passenger trips in 2022.

## **Road Transport**

### *Road Network*

The territory has 2,223km of roads, 1,447 road structures, 23 road tunnels (including three immersed-tube harbour crossings and a subsea tunnel constructed by tunnel boring) and five major cable-supported bridges.

### *Tunnels*

The government owns 20 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, Nam Wan and Tseung Kwan O-Lam Tin (TKO-LT) tunnels. Of these, the Cheung Tsing, Central-Wan Chai Bypass, Lung Shan, Cheung Shan, Kai Tak, Nam Wan, Airport, TM-CLK and TKO-LT 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. The government has also waived the Tseung Kwan O Tunnel toll from 11 December 2022 in tandem with the commissioning of the TKO-LT Tunnel on the same day.

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 9km TM-CLK Link connects Tuen Mun with the HZMB Hong Kong Port and North Lantau via a bridge and a subsea tunnel.

The 1.8km Cross Bay Link, Tseung Kwan O, commissioned on 11 December, is the first marine viaduct in Hong Kong comprising carriageways, a cycle track and a footway.

### *Tsing Ma Control Area*

The Tsing Ma Control Area, a 21km expressway network, covers mainly Tsing Kwai Highway, Cheung Tsing Tunnel, and the Ting Kau, Tsing Ma and Kap Shui Mun bridges.

### *Tsing Sha Control Area*

The Tsing Sha Control Area, a 13km expressway network, consists of Stonecutters Bridge, and the Nam Wan, Eagle's Nest, Sha Tin Heights and Tai Wai tunnels.

### *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<sup>1</sup>, 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 2020, 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 in 2020.

In 2022, the control points of Lok Ma Chau, Man Kam To, Sha Tau Kok, Shenzhen Bay Port, Heung Yuen Wai and HZMB Hong Kong Port respectively recorded on average 1,500, 1,600, 90, 3,200, 900 and 600 daily vehicle trips, while Shenzhen Bay Port and HZMB Hong Kong Port, where passenger clearance services have been maintaining, recorded average daily passenger trips of 2,500 and 500 respectively. As a result of the pandemic, the total number of cross-boundary passengers travelling by land and sea decreased 8.6 per cent to 3,200 a day. Most travellers using the road-based control points take local public transport or cross-boundary shuttle buses, which carried an average of 2,500 and 500 passengers a day respectively.

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<sup>1</sup> Passenger clearance service has been suspended since late January 2020.

### *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, the TKO-LT Tunnel, 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 to about 12 minutes.

The Central Kowloon Route is a 4.7km dual three-lane route with a 3.9km tunnel connecting West Kowloon to Kowloon Bay and the Kai Tak Development in East Kowloon, diverting traffic along the major east-west corridors in Kowloon to relieve traffic congestion and cope with future demand.

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

Widening works for the section of Hiram's Highway between Marina Cove and Sai Kung town centre are targeted to commence in 2024.

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

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 improve the traffic in Sha Tin. Construction is targeted to commence in 2023.

Improvement works have been proposed to rehabilitate Lion Rock Tunnel and enhance its capacity and connecting roads in order to alleviate traffic congestion during peak hours and cope with future demand. The government targets to commence the design and site investigation in 2023.

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 are scheduled for completion in 2023.

Widening works for the section of Castle Peak Road-Castle Peak Bay between Kwun Tsing Road and Hoi Wing Road to a dual two-lane carriageway are under way. Construction is targeted for completion in 2024.

The proposed Tuen Mun Bypass is a dual two-lane carriageway that will connect the TM-CLK Tunnel and Tuen Mun Area 40 with Yuen Long Highway and Kong Sham Western Highway. The government is carrying out the investigation study for the bypass.

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 investigation studies for the proposed Route 11 (section between Yuen Long and North Lantau) and the proposed widening of Yuen Long Highway (section between Lam Tei and Tong Yan San Tsuen) 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 with 3.11 million daily average passenger trips in 2022, accounting for 32 per cent of total daily public transport volume. There are five franchised bus operators in Hong Kong, namely Kowloon Motor Bus Company (1933) Limited which mainly operates bus routes in Kowloon and the New Territories; Long Win Bus Company Limited which mainly operates bus routes connecting the New Territories with North Lantau and the airport; New Lantau Bus Company (1973) Limited which mainly operates bus routes on Lantau Island; New World First Bus Services Limited which mainly operates bus routes on Hong Kong Island; and Citybus Limited which operates under two franchises, with one covering bus routes on Hong Kong Island and in Kowloon and the New Territories, and the other covering bus routes connecting the urban areas with North Lantau and the airport. At end-2022, these five companies together operated a total of 683 bus routes using 5,827 licensed buses, out of which 5,781 are wheelchair-accessible low-floor buses.

The government works with these bus operators to improve and rationalise their services to further enhance network efficiency and service 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 such as tourists, estate residents, employees and students. At the year end, there were 6,905 registered non-franchised public buses.

### *Public Light Buses*

The number of public light buses has been capped at 4,350 since 1976.

There are two types of public light buses: 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 the year end, 3,352 GMBs were operating 356 routes, recording a daily average of 1,170,100 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 997 RMBs in operation at the year end, recording a daily average of 159,500 passenger trips.

### *Taxis*

At the year end, there were 15,250 red urban taxis, 2,838 green New Territories taxis and 75 blue Lantau taxis. These carried about 711,100 passengers per day in 2022. There were about 830 taxi stands and designated taxi pick-up/drop-off points.

### *Private Cars*

At the year end, there were 571,412 licensed private cars, of which 37,478 were new vehicles first registered during 2022.

### *Road Transport Management*

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

### *Licensing*

At the year end, there were 2,500,829 licensed drivers, 803,568 licensed private vehicles and 6,815 government vehicles.

The licensed private vehicles comprised 75,229 motorcycles and motor tricycles, 571,412 private cars, 17,892 taxis, 12,287 public buses, 802 private buses, 4,143 public light buses, 3,426 private light buses, 75,919 light goods vehicles, 33,473 medium goods vehicles, 7,004 heavy goods vehicles and 1,981 special purpose vehicles.

On average, 4,653 new learners' driving licences were issued per month.

### *Driver Improvement Scheme*

People who have been convicted of serious traffic offences or accumulated 10 driving-offence points within two years are required to attend a driving improvement course. In 2022, some 22,777 people attended the course, 17,957 of whom on a mandatory basis. In the first six months of 2022, about 80 per cent of course participants did not incur new driving-offence points within six months of completing the course.

### *Pre-service Courses Requirements for Commercial Vehicles*

In addition to passing the relevant driving test, applicants for a taxi, public light bus or public bus full driving licence must complete the relevant pre-service course within a year prior to applying for the licence. In 2022, about 4,486, 1,719 and 1,564 people completed pre-service courses for taxi, public light bus and public bus drivers respectively.

### *Vehicle Examination*

Vehicles are examined routinely to ensure they are safe, roadworthy and properly maintained. In 2022, government vehicle examination centres conducted about 216,000 examinations for commercial vehicles, and the Transport Department conducted about 3,600 spot checks on franchised buses.

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, which performed about 390,000 vehicle examinations in the year.

All imported vehicles must be examined to ensure the statutory requirements are met before they can be registered and licensed. About 1,100 vehicle types were approved in 2022.

### *Intelligent Transport Systems*

The Intelligent Transport Systems help disseminate real-time and predicted traffic and transport information to the public, and assist in traffic management and incident handling. The information is available through the Transport Department's HKeMobility mobile application and website, as well as the government's public sector information portal, data.gov.hk.

To enhance traffic management and transport efficiency, the Office of the Government Chief Information Officer and the Transport Department jointly developed the Traffic Data Analytics System which provides real-time and estimated journey time for the next 15 to 90 minutes by analysing historical and real-time traffic and transport data, as well as weather data and forecast from the Hong Kong Observatory. The related information has been disseminated through the HKeMobility mobile application and data.gov.hk since April.

The department publishes an annual open data plan on its website which lists the datasets available for download, including traffic snapshots, traffic volume, traffic speed, estimated journey times of cross-harbour routes and major routes, traffic speed maps, special traffic news, monthly traffic and transport digest, road traffic accident statistics, parking vacancy data, real-time arrival data of green minibus and franchised bus services, junctions with red light camera systems and locations of speed enforcement camera housing.

Visitors and others without mobile data services may make use of 17 Traveller Information Kiosks at 15 locations, including the arrival hall at Terminal 1 of the airport and public transport interchanges.

The computerised Area Traffic Control system responds to changing road conditions and enables a series of green signals that allow vehicles to pass through successive road junctions with minimum stops and delays, thus achieving smooth traffic flow. By the year end, it was linked to 1,955 out of 1,978 road junctions operating with traffic signals, and will be connected to the remaining junctions progressively. It adopts light-emitting diode traffic signals to protect the environment.

Traffic control and surveillance facilities, such as vehicle detectors, closed-circuit television cameras, variable message signs, variable speed limit signs and lane control signals, are provided on trunk highways and 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. About 1,200 traffic detectors have been installed on strategic routes and major roads, while a Journey Time Indication System with 28 sets of indicators and a Speed Map Panel System with five sets of panels have been in operation since 2020.

The Traffic and Incident Management System further supports the management of traffic and transport incidents and the dissemination of information.

To combat red-light jumping and speeding, fixed digital red-light cameras are in operation at 210 signalised junctions, and 61 digital speed enforcement cameras are deployed on a rotational basis in 225 fixed camera housings.

### *Electronic Toll Collection*

Except for the private tunnel serving Discovery Bay, all tolled tunnels have automatic toll collection systems, allowing motorists with autotoll tags on their vehicles to drive through designated toll booths without having to stop to pay. During the year, 49.6 per cent of motorists used autotoll.

The 'stop-and-go' electronic payment service lets motorists pay tolls with Octopus cards and certain contactless credit cards. As at end-2022, the service was provided at the Eastern Harbour Crossing and the Cross-Harbour, Shing Mun, Aberdeen, Lion Rock and Eagle's Nest-Sha Tin Heights-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. As at the year end, there were about 19,300 on-street metered parking spaces and about 17,100 non-metered on-street parking spaces.

The Transport Department owns 10 multistorey public car parks and an open-air public car park, and engages private operators to run them. These car parks provide about 4,000 public parking spaces for private cars. In addition, about 200,300 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.

There are 24 park-and-ride facilities. Nine are operated by the MTRCL at car parks in MTR stations, 14 by private operators at commercial car parks located at or near MTR stations, and one by the Housing Department at a public car park.

To help motorists find parking spaces, the parking vacancy information of 579 government and non-government public car parks was available on the HKeMobility mobile application and website as at end-2022.

### *Road Safety*

There were 15,107 road traffic accidents involving injuries in 2022, of which 1,046 were serious and 89 were fatal. The total number of fatal and serious road traffic accidents decreased 41 per cent compared with 2021.

## **Pedestrian Transport**

### *Improving the Pedestrian Environment*

The Highways Department is reviewing proposed pedestrian environment improvement schemes in Mong Kok and Causeway Bay and a proposed elevated pedestrian corridor in Yuen Long Town connecting with Long Ping Station.

In 2022, the Transport Department enhanced the pedestrian connectivity between Wan Chai and Sheung Wan, collaborated with relevant departments to apply the new pedestrian planning framework in new development areas and suitable build-up areas, implemented pedestrian walkway enhancement measures in Central and Sham Shui Po, synchronised traffic

lights at 12 staggered pedestrian crossings, and constructed covers for suitable walkways connecting public hospitals and other selected covered walkway projects.

### ***Hillside Escalator Links and Elevator Systems***

Three lift and pedestrian walkway projects are under construction: between Castle Peak Road and Kung Yip Street in Kwai Chung; between MTR Fortress Hill Station and the uphill area in the vicinity of Braemar Hill in North Point; and between Saddle Ridge Garden and Sai Sha Road in Sha Tin. They are scheduled for completion progressively from end-2023.

### ***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 10 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. A total of 35 items were selected by the relevant district councils as priority items for implementation.

## **Maritime Transport**

### ***Domestic Ferries***

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

Eleven franchised and licensed ferry operators run 22 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 about 72 'kaito' ferry services, which cover relatively remote areas. Ferries recorded a daily average of about 26,900 passenger trips within the harbour and about 55,100 passenger trips serving the outlying islands in 2022.

### ***Cross-boundary Ferries***

Cross-boundary ferry services to Macao and 11 Mainland ports operate from the Hong Kong-Macao Ferry Terminal in Sheung Wan and the China Ferry Terminal in Tsim Sha Tsui. Due to the pandemic, all cross-boundary ferry services have been suspended since February 2020.

### ***Local Vessels***

In 2022, about 20,800 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 covering stations on the East Rail, Tuen Ma and Tung Chung lines, a Student Travel Scheme, fare concessions for children, Fare Savers and interchange discounts.

Franchised bus operators offer various forms of fare concessions, including concessionary half fares for children under 12, section fares for mid-distance and long-distance routes, and bus-bus interchange concession schemes. The tramway and ferries have discount fares for the elderly and children, and some green minibus routes offer concessionary fares.

### **Government's Fare Concessions and Subsidies**

Under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, eligible elderly and disabled people who use designated Octopus cards pay only \$2 per trip on general MTR lines<sup>2</sup>, franchised bus routes<sup>3</sup>, ferry routes<sup>4</sup> and green minibus routes. From 27 February, the eligible age of elderly people was lowered from 65 to 60<sup>5</sup>, and the scheme was extended to cover tramways as well as red minibus and 'kaito' routes approved by the Transport Department. The scheme was further extended to cover approved residents' service routes from September. In 2022, an average of about 2.1 million passenger trips were made under the scheme each day.

To allow more commuters to benefit from the Public Transport Fare Subsidy Scheme during the epidemic, the government implemented special measures to temporarily relax the monthly public transport expenses threshold of the scheme from \$400 to \$200 and increase the monthly subsidy cap from \$400 to \$500 from 1 May 2022 to 30 April 2023. In 2022, the annual subsidy amount under the scheme was over \$2.8 billion, representing a monthly average subsidy amount of about \$236 million, with an average of about 2.3 million beneficiaries per month.

### **The Port**

Hong Kong is an international maritime centre and a regional hub port. During the year, about 67,000 ocean-going vessels from all parts of the world and river-trade vessels from the Pearl River visited Hong Kong. The port cargo throughput was more than 192 million tonnes and there were 138,000 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 nearly 17 million twenty-foot equivalent units (TEUs) of containers in 2022.

<sup>2</sup> 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 to and from Lo Wu, Lok Ma Chau and Racecourse stations, and the first-class service of the East Rail Line.

<sup>3</sup> Excluding 'A' and 'NA' routes to the airport, racecourse routes, new long-haul services and routes operating on a pre-booking and group hire basis.

<sup>4</sup> Excluding deluxe class services.

<sup>5</sup> Eligible beneficiaries aged 60-64 must use a JoyYou Card, a personalised Octopus card tailor-made for the scheme with their name and photo, to enjoy the concessionary fare.

### **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 navigation aids 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 port formalities, ship registration and relevant applications, including submission, payment, self-printing of permits 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, 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 about 500 hectares of typhoon shelters, 130km of seawalls and breakwaters, 320 piers and landing facilities, 100 dolphin mooring structures, 110 beacons, 5km of quays at public cargo working areas, 14,100 hectares of fairways and 3,590 hectares of anchorage areas.

The department also plans, designs and builds public marine facilities. In 2022, the reconstruction of Pak Kok Pier on Lamma Island was completed. The construction works for a public landing facility at Lei Yue Mun and nine piers under the Pier Improvement Programme are ongoing. Technical studies and detailed design for pier improvement works at remote public piers in the New Territories and outlying islands are 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 77 per cent of Hong Kong's container throughput and have 24 berths with a total handling capacity of around 20 million TEUs per year. In addition, the Marine Department manages six public cargo working areas with a total berth length of 4,828m, providing an alternative for operators handling cargo carried by local vessels.

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.

The Marine Department operates two cross-boundary ferry terminals, the Hong Kong-Macau Ferry Terminal, round the clock, and the China Ferry Terminal, daily from 7am to midnight. The department controls the use of these ferry terminals under the Shipping and Port Control (Ferry Terminals) Regulations.

The department operates 29 patrol launches to enforce marine legislation, maintain safety of the port and shipping, and respond to marine emergencies. It carries out hydrographic surveys and produces paper and electronic nautical charts. The Vessel Traffic Centre and its local traffic control stations provide information and traffic management services to visiting vessels in Hong Kong waters.

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.

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

All designated port facilities in Hong Kong comply fully with the International Maritime Organisation's International Ship and Port Facility Security Code. The Marine Department implements the code through monitoring training of port facilities' staff, overseeing security exercises and carrying out annual audits of port facility security arrangements.

The department also 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. It also provides survey and certification services for local vessels to ensure they comply with safety and pollution prevention requirements.

### **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 to enhance port performance and operational efficiency, such as facilitating the use of port backup land.

### **Maritime Industry**

The port of Hong Kong offers frequent and comprehensive ocean liner services, with more than 240 international container vessel sailings weekly, connecting to over 460 destinations worldwide, according to *Shipping Gazette* 2022 data. Over 1,100 port and maritime companies operate in the territory, providing quality services such as port services, ship agency and management, shipbroking, ship finance, 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 about 10 per cent of the world's merchant fleet in terms of deadweight tonnage. As at the year end, 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, tax concessions are offered to ship leasing, marine insurance, ship agency, ship management and shipbroking businesses.



### ***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 Logistics 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 held the sixth Hong Kong Maritime Week from 20 to 26 November to promote Hong Kong as a preferred base for maritime businesses and raise public awareness of the economic significance of the port and maritime sectors. A physical and online attendance of more than 22,000 was recorded.

### ***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 scholarships and training and promotion initiatives to build up a diversified and competitive pool of professionals and technical personnel. During the year, the fund's internship scheme provided about 430 internship places to give local young people early exposure to career opportunities in the two sectors. Since its inception in 2014, the fund has benefited more than 15,000 students and people working in the sectors through 16 schemes.

### ***Hong Kong Shipping Register***

The Hong Kong Shipping Register, administered by the Marine Department, ranked fourth in the world in 2022 in terms of gross tonnage. As at end-December, the registered ships recorded over 126 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. Regional desk services are provided in Shanghai, London, Singapore, Sydney, San Francisco, Tokyo and Toronto to offer direct support for shipowners and promote the register.

### ***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 2022, the branch investigated 18 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, 55,800 seafarers of different nationalities served on board Hong Kong-registered seagoing ships and 258 officers and ratings served on high-speed ferries plying the Pearl River Delta region.

The Sea-going Training Incentive Scheme encourages young people to join the maritime profession in Hong Kong by providing financial incentives to take up seagoing cadetship training. In 2022, the scheme signed up 36 cadets.

### **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 International Maritime Organisation (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 22 IMO meetings in 2022.

#### *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 2022, the department conducted 250 initial Port State Control inspections for about 6 per cent of all foreign ocean-going ships which visited Hong Kong. The detention rate was 2.4 per cent.

#### *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 the South China Sea.

### **Government Fleet and Dockyard**

A fleet of more than 1,000 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 2022, the department also contracted 33 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, 12 new craft costing \$9.1 million were built and delivered to the government. Seven new craft building contracts, involving 21 new craft worth \$507 million, were awarded to

shipbuilders. Currently, 36 new craft costing \$1.18 billion are under construction. The expenditure in maintaining the Government Dockyard facilities and government fleet was close to \$671 million.

## **Air Transport**

Hong Kong is a major international and regional aviation centre. In 2022, more than 120 airlines operated direct services between Hong Kong and around 150 destinations worldwide.

### *Hong Kong International Airport*

In 2022, air travel continued to be impacted by COVID-19, but as the government gradually relaxed various inbound control measures from July, air traffic at Hong Kong International Airport (HKIA) resumed steadily. During the year, HKIA handled 5.7 million passengers, a year-on-year increase of 318.4 per cent. Total cargo throughput and flight movements dropped by 16.4 per cent and 4.2 per cent, to 4.2 million tonnes and 138,700, respectively.

In October, the Flight Token became fully operational, allowing departing passengers to go through various checkpoints from check-in to boarding by facial recognition. In November, the Sky Bridge connecting Terminal 1 and the North Satellite Concourse was commissioned. In December, the works on the SkyPier Terminal were completed and passengers from the Mainland and Macao travelling via the HZMB can transit at the airport without going through Hong Kong's immigration procedures. Other major development and infrastructure projects at HKIA continued as planned, including the Three-runway System, development of Skycity, developments on the Hong Kong Port Island of HZMB and upgrading of various airport facilities.

### *Future Development*

To strengthen Hong Kong's competitiveness as a global and regional aviation hub, the Airport Authority Hong Kong is undertaking the Three-runway System. The third runway commenced operation in 2022 as scheduled. Meanwhile, works progress steadily with the target to complete the Three-runway System in 2024.

The authority is also developing HKIA into an Airport City through various infrastructure projects that will increase the airport's capacity and functionality, as well as improve its connections with the GBA.

With its expansion, HKIA will be able to handle the targeted annual passenger and cargo volumes of around 120 million and 10 million tonnes respectively from 2035.

### *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 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 2022, the air passenger services sector began to show signs of recovery from the pandemic. The number of destinations served by local airlines increased in 2022 compared with 2021. As at the year end, Cathay Pacific Airways Limited, Hong Kong Airlines Limited and Hong Kong Express Airways Limited operated direct services to 76, 15 and 15 destinations worldwide respectively. AHK Air Hong Kong Limited and Hong Kong Air Cargo Carrier Limited operated direct all-cargo services to 15 and 14 destinations respectively. Greater Bay Airlines Company Limited, a new local airline, started direct passenger services in July, serving two destinations. By the year end, the local airlines maintained a total fleet of 253 aircraft.

In 2022, seven non-Hong Kong airlines launched scheduled passenger services to Hong Kong: Zhejiang Loong Airlines started services from Hangzhou in June; Cambodia Airways from Phnom Penh in July; Bamboo Airways from Da Nang in October; Hainan Airlines from Haikou in November; and Beijing Capital Airlines, Urumqi Airlines and West Air from Qingdao, Urumqi and Zhengzhou respectively in December.

In addition, eight non-Hong Kong airlines launched scheduled all-cargo services to Hong Kong: M Jets International started services from Kuala Lumpur in February; TAAG-Linhas Aereas de Angola from Luanda in March; FITS Aviation from Colombo in April; Evelop Airlines and DHL Air from Madrid and Nottingham respectively in May; CMA CGM Air Cargo from Paris in September; and European Air Transport Leipzig and Salam Air from Leipzig and Muscat respectively in November.

### ***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. The number of aircraft movements handled in 2022 was 3 per cent higher than in 2021.

### ***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 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 6.2 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.

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 around 20 million TEUs per year.

### **Logistics Industry**

The government provides the necessary infrastructure for Hong Kong's logistics sector to grow. The Pilot Subsidy Scheme for Third-party Logistics Service Providers encourages the logistics sector to adopt technology to enhance efficiency and productivity. The government also promotes closer cooperation with the Mainland, in particular the GBA, 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 Logistics, providing a forum for the government and industry stakeholders to formulate initiatives to spur the development of the logistics sector.

### **Websites**

Airport Authority Hong Kong: [www.hongkongairport.com](http://www.hongkongairport.com)

Civil Aviation Department: [www.cad.gov.hk](http://www.cad.gov.hk)

Cross-boundary ferry services: [crossboundaryferryservices.mardep.gov.hk](http://crossboundaryferryservices.mardep.gov.hk)

Highways Department: [www.hyd.gov.hk](http://www.hyd.gov.hk)

Hong Kong Logistics Development Council: [www.logisticshk.gov.hk](http://www.logisticshk.gov.hk)

Hong Kong Maritime and Port Board: [www.hkmpb.gov.hk](http://www.hkmpb.gov.hk)

Marine Department: [www.mardep.gov.hk](http://www.mardep.gov.hk)

Public sector information portal: [data.gov.hk](http://data.gov.hk)

Transport and Logistics Bureau: [www.tlb.gov.hk](http://www.tlb.gov.hk)

Transport Department: [www.td.gov.hk](http://www.td.gov.hk)