

Project Chambers Luncheon (3 June 2016)

Gist of Speech by Professor Anthony Cheung, Secretary for Transport and Housing

Strategic Developments in Transport

Land Transport: Public Transport-based Policy

Public transport

The efficiency of our transport system is a widely recognised edge of Hong Kong as a world city. Hong Kong was rated the first among 84 cities worldwide in urban mobility by Arthur D. Little in December 2013.

Hong Kong is probably the place with the highest share of public transport in daily commute. Every day, some 12 million passenger trips (about 90% of the total passenger trips) are made through the public transport system in Hong Kong. The MTR system in Hong Kong is regarded as one of the world's leading railways for safety, reliability, customer service and cost efficiency.

Mobility-wise, the Government has been pursuing a public transport-based policy. We seek to promote green transport, reduce dependence on private cars and make more efficient use of road space. We seek to maintain a fair fare for a sustainable and affordable system.

Railway will remain the backbone of our public transport system. It is a greener and efficient mass carrier which spurs development of new areas.

This year, the Kwun Tong Line Extension and the South Island Line (East) of MTR will commence operation. The Shatin Central Link, to follow in 2 phases in a few years' time, will reinvigorate old districts like To Kwa Wan and Hung Hom.

Beyond 2021, the Railway Development Strategy 2014 has laid down the 10-year blueprint for enhancing the railway network up to 2031. Seven new schemes are proposed to be implemented. Upon completion, our railway network will cover about 75% of our residential population and 85% of employment opportunities.

Besides the blueprints for railway expansion, a number of strategic road projects are being rolled out. While continuing to build strategic highways, we have to acknowledge that building new roads or widening existing ones to accommodate more cars are not as easy as one thinks – constraints posed by existing settings, tightened environmental laws, and sometimes, local opposition, all added to the difficulty. Hence, making public transport people's first choice is greener, cheaper and far more sustainable.

We are undertaking a Public Transport Strategy Study to review the role and future of various non-rail public transport services, including franchised buses, minibuses and taxis, to enhance their complementarity and service standard, and to provide better multi-modal choices. Priority has been accorded to reviewing taxi and public light bus services. Key areas of study include the feasibility of introducing premium taxis and increasing the seating capacity of public light buses. We will continue our Bus Routes Rationalization efforts.

Alleviate Road Congestion

The Government has agreed in principle to the 12 short to long term measures recommended by the Transport Advisory Committee to alleviate road congestion. These will be rolled out with suitable modifications in phases.

We have just completed a public consultation exercise on an Electronic Road Pricing (ERP) Pilot Scheme in Central and its adjacent areas. ERP is not the single solution for road congestion, but experience in other cities like Singapore, London and Stockholm all shows that it is one of the means with impact.

We have to be firm in our multi-prong efforts to tackle road congestion. Sometimes in our community, the mind is willing but the flesh is weak.

We will shortly review our carparking policy, with priority attention to commercial vehicles.

Promote Walkability

Improving access by foot to public transport interchanges helps reduce road congestion, improves our air quality, and brings health benefits. We are continuing with our Universal Accessibility Programme by retrofitting lifts to public walkways, as well as pressing ahead with the provision of hillside escalator links and elevator systems. We will factor in “walkability” as complementary to our overall mobility system and also build more covered walkways connecting to public transport interchanges.

Aviation and Maritime Transport : Hong Kong as an International Transportation Centre

Being an open trading port has been and will continue to be our formula of success. Geographically Hong Kong is small, but we are a big name in the league of worldwide hubs.

Aviation development

The Hong Kong International Airport (HKIA) is the world’s No. 1 cargo airport and No. 3 international passenger airport.

HKIA’s status as a major international and regional aviation hub is a key factor contributing to Hong Kong’s competitiveness. However, it will likely reach its maximum runway capacity (420,000 flight movements per year) by the end of this year (2016). The Three-runway System (3RS) is therefore most essential and urgently needed to meet the long-term and ever-growing air traffic demand. When 3RS is completed, HKIA has the capacity to handle around 100 million passengers and 9 million tonnes of cargo annually by 2030. The project requires 8 years to

complete, hence the sooner Airport Authority Hong Kong is able to start works, the better.

There are concerns (and judicial reviews) about the environmental impact of the 3RS project, especially the impact on Chinese White Dolphins. While it is impossible not to disturb the environment during construction, we will ensure that the project follows the principle of “conservation alongside construction” (邊建設、邊保育), so that there is balanced growth with sustainability.

On the future use of Pearl River Delta (PRD) airspace, the aviation authorities of the Mainland, Hong Kong and Macao, through joint efforts, have drawn up the “Pearl River Delta Region Air Traffic Management Planning and Implementation Plan (Version 2.0)” back in 2007 to optimise the utilization and management of PRD airspace, in a safe and efficient manner, for the mutual benefits of the major airports in the PRD region. We have been implementing the 2007 Plan progressively over the years. The three parties signed an agreement lately in May 2016 on establishing a strengthened liaison mechanism, to mark an enhanced partnership among the three parties in the planning and better utilization of airspace resources in the PRD region.

The State Council has promulgated in March 2016 an official guideline giving express support for 3RS and for better management of the PRD airspace.

Port and Maritime Services

The Hong Kong Port faces fierce competition from regional ports especially in the Mainland. Still, it is one of the world’s busiest, handling over 20 million TEUs last year, despite stronger volume growth in some Mainland ports. We operate about 340 weekly sailings to some 470 destinations worldwide, and are now gearing towards higher value-added goods.

The Hong Kong Shipping Register is No.4 in the world in terms of gross registered tonnage. We have a robust cluster of over 800 maritime-related companies which provide a wide range of maritime

services covering ship agency and management, ship broking, ship insurance, as well as maritime legal and arbitration services. Hong Kong is also the leading international ship finance centre in Asia.

In line with the National 13th Five Year Plan, the Government is committed to enhancing Hong Kong's position as an International Transportation Centre (國際航運中心) that covers both aviation and maritime sectors. We seek to both expanding our infrastructure, which was ranked No.1 by the World Economic Forum last year, as well as expanding our aviation and maritime services – our professional soft power. We will continue to promote Hong Kong as a preferred base for setting up maritime and logistics business in Asia.

A new Hong Kong Maritime and Port Board has been established in April this year to strengthen Government-industry collaboration, devise strategies and initiatives to drive the long-term development of maritime and port industries. We need to recruit new blood and upgrade professional expertise in both maritime and aviation industries. A \$100 million Maritime and Aviation Training Fund was set up in 2014.

Other Strategic Connectivity Projects

Apart from 3RS, we are pressing ahead with two other major transport infrastructure projects to boost Hong Kong's external connectivity, i.e. the Hong Kong-Zhuhai-Macao Bridge, and the Guangzhou-Shenzhen-Zhuhai Express Rail Link Hong Kong Section (XRL), both of which are targeted for commissioning in the coming 2 years or so.

Upon completion of the Bridge, the Western PRD will fall within the three-hour commuting radius of Hong Kong.

XRL will connect Hong Kong to key PRD cities and China's national high-speed rail network.

Some Final Reflections

Part of Hong Kong's competitive edge is the excellent mobility within the city. Much work is being done to maintain our excellent domestic public transport system that literally keeps millions moving every day.

To keep up the growth momentum of Hong Kong, we must keep Hong Kong well-connected and outward-looking. Only by looking outward for opportunities, instead of navel-gazing, can Hong Kong stay on the track of sustainable development.

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