Overall MTR Fare Adjustment Rate in 2016 Lowered to +2.65%
Consequential to Government's Revision of Composite Consumer Price Index

With the year-on-year percentage change in the Composite Consumer Price Index (CCPI) for December 2015 being revised downwards from +2.5% to +2.4%, the overall fare adjustment rate for MTR fares in 2016 will be lowered to +2.65%*. The Corporation is now in the process of calculating actual changes to individual fares. A formal announcement on new MTR fares, together with the 2016/2017 package of fare promotions, will be made in due course.

The Government Census and Statistics Department (C&SD) today (29 April 2016) published the revised year-on-year percentage change in CCPI for December 2015, which is lowered from +2.5% to +2.4%.

The Corporation will adopt the revised CCPI figure of +2.4% in computing the 2016 overall fare adjustment rate. Together with the earlier announced Nominal Wage Index (Transportation Section) figure of +4.1%, the overall fare adjustment rate for 2016 will be revised down to +2.65%*, 0.05 percentage points lower than the 2.7% announced on 29 March 2016.

MTR fares are reviewed once per calendar year under the agreed Fare Adjustment Mechanism (FAM). The overall fare adjustment rate is calculated by a set formula based on the year-on-year percentage changes in the CCPI and Nominal Wage Index (Transportation Section) for the month of December of the preceding year as published by the C&SD, with each factor accounting for 50%. The formula also includes a pre-determined Productivity Factor, which has been adjusted from the original 0.1% to 0.6% after the FAM review in 2013, lowering the adjustment rate by 0.5 percentage points.

The overall fare adjustment rate represents the weighted average figure by which all adjustments to individual fares taken together shall equal to. The Corporation is now in the process of calculating actual changes to individual fares. A formal announcement on new MTR fares will be made at a later date, after completing all required administrative procedures including the submission of two independent experts' certificates to the Government verifying compliance with the FAM. During this time, the Corporation will also be determining the 2016/2017 package of fare promotions taking into account the current fare promotions being offered to different passenger groups. We will also continue to invest more resources into enhancing railway services and facilities.

- End –

MTR Corporation Limited
香港鐵路有限公司

* Calculation of Revised 2016 Overall Fare Adjustment Rate According to FAM Formula

Year-on-year % change in Composite Consumer Price Index for December 2015		Year-on-year % change in Nominal Wage Index (Transportation Section) for December 2015		Value for Productivity Factor # (2013 – 2017)		Overall Fare Adjustment Rate for 2016
2.4%		4.1%		0.6%		
$(0.5 \times 2.4\%)$	+	$(0.5 \times 4.1\%)$	−	0.6%	=	+2.65%

#Note: The value of Productivity Factor in the formula has been revised from the original 0.1% to 0.6% after the FAM review in 2013.

About MTR Corporation

MTR Corporation is regarded as one of the world's leading railway operators for safety, reliability, customer service and cost efficiency. In its home base of Hong Kong, the Corporation operates nine commuter railway lines, a Light Rail network and a high-speed Airport Express link on which more than 5.5 million passenger trips are made on a normal week day. Another 5 million passenger trips are made on the rail services it operates outside Hong Kong in the Mainland of China, the United Kingdom, Sweden and Australia. In addition, the Corporation is involved in a range of railway construction projects as well as railway consultancy and contracting services around the world. Leveraging on its railway expertise, the Corporation is involved in the development of transit-related residential and commercial property projects, property management, shopping malls leasing and management, advertising media and telecommunication services.

For more information about MTR Corporation, please visit www.mtr.com.hk.