

新聞稿

Press Release

PR022/23
28 March 2023

MTR Supports the Post-pandemic Economic Recovery of Hong Kong Lowering the Fare Adjustment Rate with Special Arrangement

Following the release of the year-on-year change in the Nominal Wage Index (Transportation Section) (NWI(T)) for December 2022 (+3.6%) by the Government, MTR Corporation announced today (28 March 2023) that the overall adjustment rate for MTR fares this year (2023/24) is calculated at +2.3%. This is calculated in accordance with the latest Fare Adjustment Mechanism (FAM) announced on 21 March 2023 and includes the implementation of a one-off special arrangement¹ that supports economic recovery after the pandemic.

“Same as the broader community, MTR was hard hit by the continuous unprecedented challenges amid the pandemic over the past three years. The newly reviewed FAM and special arrangement have lowered the fare adjustment rate and as a result around 90% of fares are expected to have an upward adjustment of 40 cents or less this year, suitably balancing the public’s affordability and the Corporation’s ability to continue to provide high quality, reliable and efficient railway services to Hong Kong passengers,” said Ms Jeny Yeung, Hong Kong Transport Services Director of MTR Corporation.

Based on the Census and Statistics Department’s latest announcement of the year-on-year change in the NWI(T) for December 2022 (+3.6%) today and the year-on-year change in the Composite Consumer Price Index (CCPI) for December 2022 (+2.0%) published earlier, the overall 2023/24 adjustment rate² comes to +2.3% according to the latest calculation of the Productivity Factor³ and special arrangement. (See the Annex for the calculation procedures)

-more-

¹ The Corporation announced earlier that there’ll be a special reduction of 1.2 percentage points in the fare adjustment 2023/24, while the implementation of 1.85 percentage points will be deferred to the fare adjustment 2024/25 under the one-off special arrangement.

² As the change in Median Monthly Household Income over the corresponding two years is +9.43%, the “Affordability Cap” arrangement will not be triggered.

³ Linked to the newly established profit tiers covering “Profit for the year attributable to shareholders of the Company arising from property development in Hong Kong” in 2022.

The Corporation will now work out the actual changes to individual fares and the formal announcement of the 2023/24 fare table and its effective date 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.

This year's fare adjustment rate has incorporated the earlier announced special arrangement, including a special reduction of 1.2 percentage points and a deferral of a total of 1.85 percentage points adjustment to 2024/25. Since the Rail Merger, MTR's average annual fare adjustment rate has been lower than the average year-on-year inflation in Hong Kong over the same period.

In addition, the Corporation has been providing the interchange discount with Green Minibus (GMB) for passengers of over 500 designated GMB routes. Starting from the fourth quarter of 2023, the discount will be increased from \$0.3 to \$0.5. The Corporation will also continue to offer on-going fare concessions to customers from different walks of life, including commuters, the elderly, children, eligible students and persons with disabilities, etc. The Corporation offered over \$2.1 billion of such concessions last year.

For details of the new arrangement of 2023 reviewed FAM, please refer to Press Release 020/23: https://www.mtr.com.hk/archive/corporate/en/press_release/PR-23-020-E.pdf

-End-

About MTR Corporation

To Keep Cities Moving, MTR makes encounters happen and rendezvous for a more connected tomorrow. As a recognised world-class operator of sustainable rail transport services, we are a leader in safety, reliability, customer service and efficiency.

MTR has extensive end-to-end railway expertise with more than 40 years of railway projects experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development.

With more than 40,000 dedicated staff*, MTR carries over 13 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and Mainland China. Together, we Go Smart and Go Beyond.

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

*includes our subsidiaries, associates and joint ventures in Hong Kong and worldwide

Annex

The fare adjustment rate this year (2023/24)

Step 1 – Applying the FAM formula:

Year-on-year % change in CCPI for December 2022 (+2.0% × 0.5)	+ 1.0%
Year-on-year % change in NWI(T) for December 2022 (+3.6% × 0.5)	+ 1.8%
Productivity Factor ¹	- 0.8%
Fare Adjustment Rate from Formula = +2%	
Rolled-over Fare Adjustment Rate from 2022/23 ²	+ 0.5%
Adjustment Rate to be Recouped under the “Affordability Cap” previously (If applicable) ³	+ 2.85%
Calculated Fare Adjustment Rate	= +5.35%

Step 2 – After counting the special arrangement:

Special Reduction	- 1.2%
Special Deferral to 2024/25	- 1.65%
Voluntary Deferral to 2024/25	- 0.2%
Overall Fare Adjustment Rate for 2023/24	= +2.3%

¹ Linked to the newly established profit tiers covering “Profit for the year attributable to shareholders of the Company arising from property development in Hong Kong” in 2022.

² The fare adjustment rate for 2022/23 was +0.5%. As the rate falls within the range of ±1.5%, the fare adjustment rate is rolled-over to the following year 2023/24 according to the mechanism.

³ The total fare adjustment rate of +2.85% to be recouped under the “Affordability Cap” arrangement should be implemented this year in accordance with the mechanism.