

Impact of COVID-19 on Hong Kong's Transport

Introduction

Confirmed cases of COVID-19 first appeared in Hong Kong in late January 2020, with a second wave of attack starting from late March, mainly caused by imported cases of Hong Kong residents returning from overseas. In response to the outbreak of COVID-19, the Hong Kong Special Administrative Region Government (“Government”) introduced various measures, including gradual closure of certain cross boundary points, arrangement of government employees to work from home and temporary suspension of schools from late January and imposing stringent social distancing restrictions (including restricting the number of persons in group gatherings, closure of certain entertainment establishments, etc.) from late March/early April. The situation in Hong Kong has once stabilised around April / May with gradual relaxation of restrictions and resumption of activities, except the cross boundary traffic. Unfortunately, the number of confirmed local cases has rebounded since July (the third wave) and more stringent social distancing measures have been imposed.

This report briefly mentions the traffic and transport situation and the responses of our industry in meeting the COVID-19 challenge in the first half of the year. Sources of information in this report are published information from the Government, inputs from transport operators and CILTHK members.

Impact of COVID-19 on traffic and transport services

Due to the social distancing restrictions and the arrangement by the Government and companies for staff to work from home, traffic on road was observed to have been reduced substantially since February 2020. One point of note is that “group gathering” for the purposes of or related to transportation is exempted from the social distancing restrictions and that the trade is particularly appreciative of this pragmatic approach.

Traffic Flow at Checkpoints

Average daily vehicular flow through major tunnels, links and boundary crossings

	Jan	Feb	Mar	Apr	May
Harbour crossing tunnels					
2019	266 364	250 993	270 400	256 542	262 171
2020	245 946	209 619	213 928	201 390	227 083
Change	-7.67%	-16.48%	-20.88%	-21.50%	-13.38%



Local tunnels					
2019	341 205	319 064	338 553	324 717	332 895
2020	327 167	274 091	282 684	270 243	299 176
Change	-4.11%	-14.10%	-16.50%	-16.78%	-10.13%
Lantau Link					
2019	97 856	93 193	99 676	103 284	98 102
2020	90 571	59 546	52 987	42 955	45 914
Change	-7.44%	-36.10%	-46.84%	-58.41%	-53.20%
Two-way cross boundary traffic					
2019	47 575	35 150	44 827	45 757	44 618
2020	36 608	13 336	17 760	17 508	17 376
Change	-23.05%	-62.06%	-60.38%	-61.74%	-61.06%

Source : Monthly Traffic and Transport Digest, Transport Department, HKSARG

The checkpoints as mentioned in the above table show that local and cross harbour traffic in the critical months of February to April reduced by about 14-22%, while that for the Lantau Link and the cross boundary points were reduced by 36-62%. There are a few points of note :

- Though traffic in general during the period was on the decrease, it is noted that the proportion of private car travel increased. Take the Cross Harbour Tunnel as an example. While the total vehicular traffic from January to May 2020 reduced by 7% as compared with that in 2019, private car traffic increased by 3%. This is a worrying trend. Traffic congestion would worsen if daily trippers get used to private mode of transport in the longer term.
- Traffic on Lantau Link reduced almost by half as compared with the situation in 2019. This is basically due to reduction in airport traffic as currently the Lantau Link is the only road linking the urban areas with the Hong Kong International Airport.
- Traffic to Mainland China via the crossing points was noted to have reduced by over 60%, basically as a result of travel restrictions.
- While normally goods vehicles and containers contribute about 40% of the cross boundary traffic, in the first few months of 2020 almost 99% of the cross boundary traffic were goods vehicle and container traffic, meaning that the cross boundary passenger traffic was almost at a standstill.

Passenger reduction

On the public transport side, the average daily public transport passengers in the first five months of 2019 was 13 million. However, for the corresponding period in 2020, the figure



was only 8.6 million, representing a drop of about 34%. There are, however, some variations among different modes and sectors.

For the first half of the year, the most serious impact falls on the months of February to April. For the local services, the MTR was hard hit most, with patronage drop close to half of that of the same period last year, followed by ferries, franchised buses and trams, with a patronage drop close to 40%. The patronage drop in taxis and green minibuses was in the region of 35%. This in a way may reflect passenger choice of less crowded modes during this critical period. While this is the average daily figure, research and views from the public transport operators were that the most serious drop in patronage was after 9 pm. One operator quoted a figure of a drop of 58%. This may be the result of Government advice and restrictions on social and entertainment activities.

The areas that suffer most are those airport and cross boundary services. Patronage drop in the Airport Express Line from February to April was over 80% as compared with the same period in 2019. As a result of travel restrictions, the passenger clearance services at the control points of Express Rail Link West Kowloon, Hung Hom, Man Kam To, Sha Tau Kok, China Ferry Terminal, Tuen Mun Ferry Terminal, Lo Wu, Lok Ma Chau Spur Line, Lok Ma Chau and Macau Ferry Terminal have been temporarily suspended in late January / early February 2020. Business of the cross boundary transport operators, including rail, bus (franchised and non-franchised), and Macau and China ferry services, dropped substantially, with some of them requiring a temporary suspension of their services with no certainty of service resumption. Despite of the temporary service suspension, the operators still need to bear high upkeep cost to maintain, their fleet of vehicles and vessels, as well as the staff expenses. The financial impact has eaten into the financial reserves of the companies.

Measures Taken to Tackle Against the COVID-19 Impact

The transport policy objective in Hong Kong is for the public transport services to be operated efficiently by the private sector, or public corporations, with no direct Government subsidy. However, in view of the severe impact of COVID-19 on the social and economic activities in Hong Kong, the Government sets up an Anti-Epidemic Fund and has taken measures to help the transport trade, among all other sectors, to maintain their service viability. The helping measures as at end July 2020 include :

- employment subsidy : provision of “Employment Support Scheme” in general to provide time-limited financial support to employers to retain employees who may otherwise be made redundant. The maximum wage subsidy per employee is \$9,000 per month. For the transport trade in specific, a monthly subsidy of \$6,000 is provided to green minibus, franchised and licensed ferry operators in respect of hiring each eligible employee aged 65 or above for a period of 6 months for the



purpose of salary payments. Each eligible active taxi or red minibus drivers would also be provided with a monthly subsidy of \$6,000 for a period of six months.

- Fuel subsidy : reimbursement of one-third of the actual fuel / electricity costs for the five franchised bus companies, 22 franchised and licensed ferry services, and Hong Kong Tramways Limited. For public light buses and taxis, it would be a subsidy of \$1 per litre of LPG or reimbursement of one-third of their actual fuel costs for diesel / petrol refilling transactions for a period of one year.
- Repair and maintenance and insurance premium : reimbursement of the actual regular repair and maintenance costs and insurance premium for the five franchised bus companies, nine franchised / licensed ferry operators and Hong Kong Tramways Limited.
- One-off subsidies are arranged for
 - the passenger service licence holders of green minibus
 - registered vehicle owners of taxis and red minibuses
 - each licensed non-franchised public bus
 - each licensed school private light bus, hire car and goods vehicles
 - each cross-boundary ferry vessel
- free and voluntary one-off COVID-19 test for taxi and public light bus drivers

In view of the current social and economic situation, MTR provides a 20% fare concession for octopus card users for six months, as against the planned 3.3% fare increase. Government would reimburse 50% on the top up.

The transport operators have also taken a number of measures to counter against the adverse impact brought by the COVID-19. These include :

Service operation

- Adjustments are made to service operation, such as temporary suspension of services, frequency reduction in particular during off-peak period, etc.
- Service improvement plans are deferred.
- The average duty length of bus captains is shortened by about one hour. Outstanding annual leaves are cleared. Part-time driving duties are also suspended.
- In respect of franchised buses and licensed ferries, there are difficulties in getting approval for service adjustments in a timely manner due to reluctance of the approving authority and / or local objections. Also the resultant service reduction is not commensurate with the level of patronage loss.

Cost saving measures

- Transport operators have to exercise stringent cost control measures to maintain their viability. Other than cutting the operating costs through service reduction, they have to arrange for no pay leave for staff, to have pay freeze, to negotiate with



contractors and suppliers to cut costs, and to arrange for re-engineering on business processes.

Stringent hygiene and sanitization measures

- All transport operators have adopted stringent hygiene and sanitization measures to protect their staff and passengers.
- The cleaning programmes for buses, vessels, trains, bus termini, ferry piers, and railway stations are strengthened considerably, e.g.
 - to clean bus compartments after each trip as far as possible, and clean the bus every night;
 - to clean the ferry piers with particular attention to passengers' common touch points such as handrails, toilets, etc.;
 - to clean facilities at railway stations with high public accessibility such as ticket issuing machines, lift buttons and handrails every 2 hours, to fully open fresh air intake, to wash and replace air conditioner filters on trains more frequently, to disinfect every single part and corner in the train cars including the handrails, seats and glass panels daily.
- Hand sanitizers and face masks are distributed to staff.
- All duty staff are required to put on face masks and there is routine monitoring of body temperature for duty staff.
- Hand sanitizers are provided at railway stations, ferry piers, etc. for passengers' use.
- Lunch hours for maintenance staff are staggered and table partitions are provided at canteens, installation of transparent protective shields at receptions or foyer counters, limited access to operation control centres, etc.
- Employ video conference software for daily meetings instead of face-to-face discussion.
- If possible, employ split-team arrangement for working at different sites or work-from-home to avoid wide spreading of possible infection.

Measures taken to regain passenger confidence

- Transport operators upkeep a clean image to give confidence to passengers.
- Announcement and publicity materials on health advice are provided at railway stations, ferry piers, buses, etc. to arouse awareness of the public and personal hygiene and impress on the need for collective efforts in the community to fight against the coronavirus.
- Despite the temporary service suspension, cross boundary ferry operators adopt vigorous measures to upkeep and clean their vessels, and make available the measures taken online through different platforms including social media for public reference.



Other operational practices

- The cleaning protocol would be reviewed regularly with reference to the latest recommendations by the authorities.
- The stringent hygiene and protection standard would likely stay as standard practices. The current systems, procedures, training and practices would be revised and reinforced accordingly.
- Contingency plans would be reviewed to cover areas other than operation, including arrangements for office staff, maintenance team and other support, etc. in case of need.
- Transport operators would consider more on the multi-sourcing arrangements to reduce risks and disruption to critical supplies.
- Cross boundary ferry operators have in hand promotional plans to energise the recovery upon service resumption.

Research

- MTRCL participated in an UITP and ADL study on “Future of Mobility post-COVID” which can be assessed via https://www.uitp.org/sites/default/files/cck-focus-papers-files/ADL_UITP_FoM_Report.pdf.
- A recent online survey conducted by the Chinese University of Hong Kong affiliated with research project “Low-Carbon Transport, Individual Wellbeing & Planetary Health in the Era of Smart Cities & New Mobilities”, supported by the Worldwide Universities Network (WUN), shows that -
 - Mode choice: The usage of public transport (MTR, bus, mini-bus, taxi) has declined during the pandemic, and the usage of private car and active transportation (walking, cycling, E-scooter) has increased. Among them, the cycling rate increased the most, at 13%. Private cars, walking, and E-scooter increased by a relatively high percentage of 10%, 11%, and 7% respectively.
 - Online activity: Since COVID-19, 59% of respondents have increased the frequency of shopping online, and 51% have increased the frequency of order food delivery. The increase in the frequency of meeting colleagues online by 37% of respondents may be due to telecommuting. Online education also increases by 21% due to temporary suspension of schools during the epidemic.
(Project website : <https://wun.ac.uk/wun/research/view/smart-cities-new-mobilities>)

Longer term impact

The positive side during this period of time are that -

- there is higher awareness of hygiene for the industry,
- internal communication has improved due to high alertness of staff,



- there is the short-term ease-off of staff shortage problems.

There are, however, some areas reflected in the transport market that need to be given more thoughts :

- There is high reliance on the concept of cross subsidization in particular in the bus industry. Operators operate socially desirable but loss-making routes to be cross-subsidized by some profit-making services such as those to the airport, and the boundary control points. With the reduction in airport passengers and the temporary closure of some control points, the cross-subsidization model collapses. Possible solutions to this would be cancellation of the loss-making routes, or increase the fares to cover the loss, or government subsidizing the loss-making routes. A policy rethinking on service provision and transport pricing would be needed.
- While service adjustments would be a means to reflect changes in transport demand and assist the operators to reduce operating costs, the reality is that the process in effecting the service adjustments in particular in the franchised bus industry has been very slow and is not commensurate with the patronage drop. There would be a need for a mechanism to allow speedy service adjustments in case of need.
- As reflected by the traffic figures, travel pattern has shifted to the use of the less crowded and safer (in terms of reduced chances of infection) modes of transport. As a result private car usage has increased in the relative terms. If the situation continues, there would be serious traffic congestion problems in Hong Kong.
- More personal and self-service modes of transport, such as cycling and E-scooter, as well as walking activities are becoming more popular for health and environmental reasons. The increase in these modes would require associated facilities and regulations, in particular for the new emerging mode of transport, the E-scooters.
- Changes in the work and life patterns are obvious during this period of time. Work-from-home arrangements, flexi-working hours, on-line meetings, online shopping, food delivery service, etc. are becoming more and more common. These changes in work and life patterns would have serious impact on the transport sector if they are to be continued and become popular in the longer run. The current transport model in Hong Kong would need to be reviewed to reflect the changes in the socio-economic behaviour and optimise the use of our limited resources.

Generally speaking, the response of the Government in ameliorating the severe impact of COVID-19 on the transport industry is much appreciated by the transport trade, albeit it would appear to be a business imperative that the Government support for the trade will still be needed for some time yet.



**The Chartered
Institute of Logistics
and Transport**

Since July 2020 Hong Kong is suffering from the third wave of COVID-19, the initial observation is that the impact of this third wave on the transport industry is even more severe than the past waves. More stringent restrictions are imposed and mask wearing has been made compulsory in taking public transport. Collective efforts would continue to be needed to tackle the impact.

Together, We Fight the Virus !

21st August 2020