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# 20pc increase in taxi fares wins approval

A 20 PERCENT rise in Urban taxi fares and a moderate increase in radio-call and luggage fees won approval from the Transport Advisory Committee yesterday.

Only a decision by the Executive Council can prevent the rise from taking place.

The \$1 radio-call charge and the \$2 for each piece of luggage have not been revised since March 1987.

But the Transport Advisory Committee has ruled out the introduction of a temporary surcharge to offset the 30 percent increase in fuel tax.

TAC chairman Maria Tam said the committee held a special meeting to decide on the fare increase recommendation after taxi drivers had threatened a go-slow if the Government did not give a quick reply to their request.

Miss Tam said the increase would be less than 24 percent but would be enough to offset the increased diesel price and operating costs.

The Commissioner for Transport, Gordon Siu, will meet taxi operators today to discuss the fare rise issue.

The increase in fares will come into effect next month, the earliest possible date after the en-

## Shell petrol price rise

SHELL today increased the price of petrol by seven cents to \$6.31 a litre but announced that diesel and industrial gas oil would cost 10 cents less.

A spokesman for Shell Hongkong Ltd said that although supplies of OPEC crude oil remained higher than the agreed quota of 22 million barrels a day, output was not so high as to cause significant price reductions.

He said the combination of the softening of crude oil prices and the above-average temperatures during the winter in the Northern Hemisphere had resulted in lower gas oil prices.

However, demands for petrol remained strong in all main markets, forcing prices higher.

dorsement by the Executive Council later this month.

Miss Tam said the committee had trimmed the percentage increase proposed by the taxi trade in favour of a lower rate.

Taxi drivers and operators wanted the flag-fall to be raised to between \$8 and \$10.

They also wanted the charge for every subsequent kilometre to be raised by 90 cents or \$1.

"The increase will be lower than 24 percent," she said, but refused to give the precise figure.

The recommendation by the TAC will be slightly lower than that put forward by the Transport Department.

The Transport Depart-

ment has recommended the flag-fall fare be raised from the current \$6.50 to \$8, an increase of about 23 percent.

The subsequent fare of 80 cents per 250 metres would be changed to 80 cents per 200 metres.

This would effectively raise the fare per kilometre from \$3.20 to \$4, an increase of 25 percent.

Miss Tam said the proposed fare rise would help to widen the fare differential between taxis and mass carriers.

This was in line with the Government's policy of establishing a reasonable fare differential as a means to regulate the growth in taxi demand.