

XXVII General Assembly of ALAMYS

Highlights of MTR Railway Business

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Hong Kong

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Hong Kong is a vibrant city



Asia's World City -
Leading global business,
transportation and
communications hub



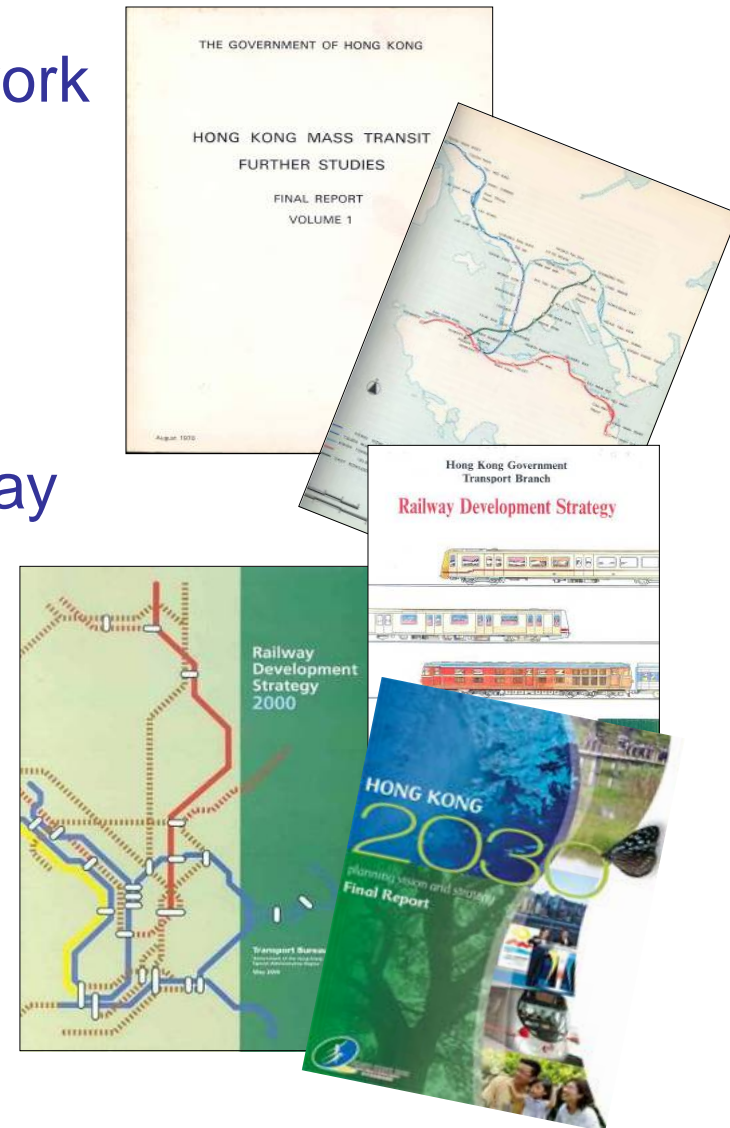
History of Hong Kong

- Hong Kong began as a fishing village located at the south-eastern tip of China. Total area is **1,104 square kilometres**.
- The population of Hong Kong had grown from 2 million in 1951 to about 3.1 million by 1961. Its population was exploding from 1960s to **7.1 million** by 2012.
- In early 1960s, Hong Kong's reputation as the most overcrowded city in the world. A new means of public transport had to be developed.



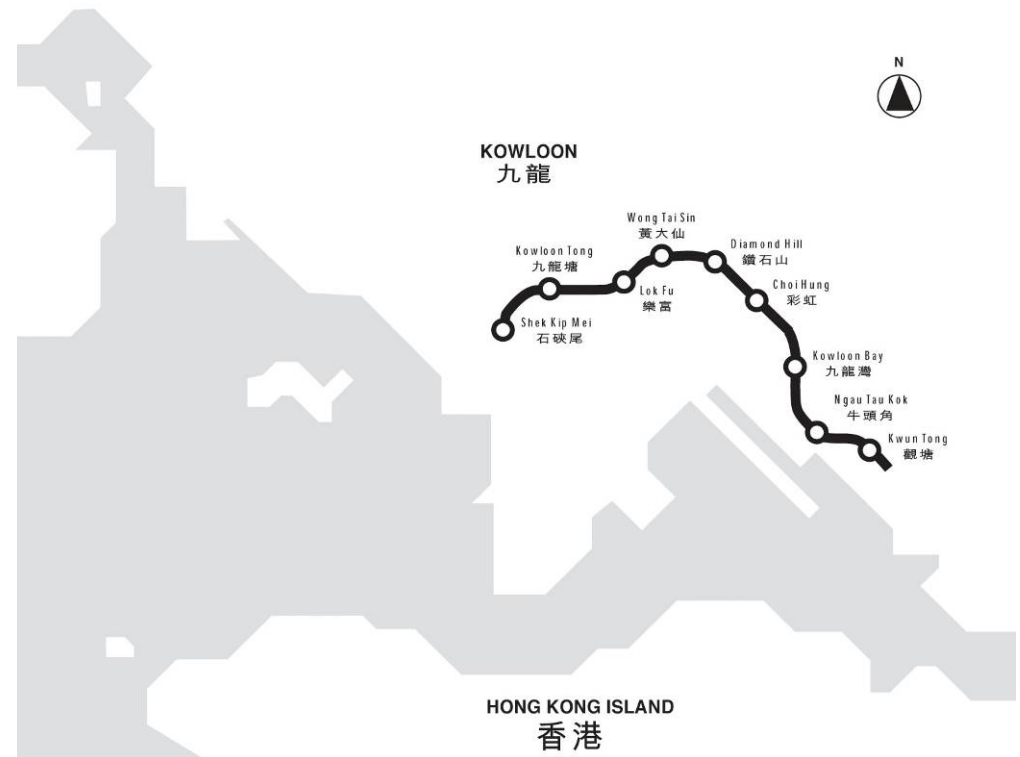
Mass Transit Studies and Railway Development Strategy

- Formulate the blueprint for railway network development
- Rail as the transport backbone
- High density development around railway stations
- Property development integrated with depot/station to build new communities



Sustainable Mobility

- “The pioneering 1967 Hong Kong Mass Transport Study was commissioned to develop the best solution to Hong Kong’s long-term transport problems with “planning goals, development plans and a level of mobility”
- Mass Transit Railway Corporation (MTRC) was incorporated in 1975 to provide a safe, reliable and efficient mass transit service for the people of Hong Kong
- The first Kwun Tong Line of MTR (Modified Initial System) was opened in October 1979.



Sustainable Mobility – MTR Railway System



港島線 Island Line



東涌線 Tsuen Wan Line



For further information, please refer to the MTR website or contact the MTR Customer Service Centre.

MTR - Sustainable Mobility from 1970s to 2010s

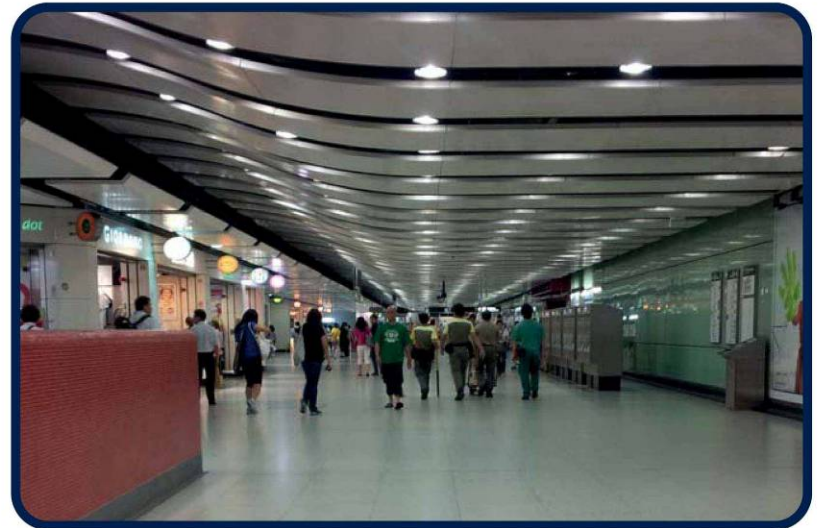
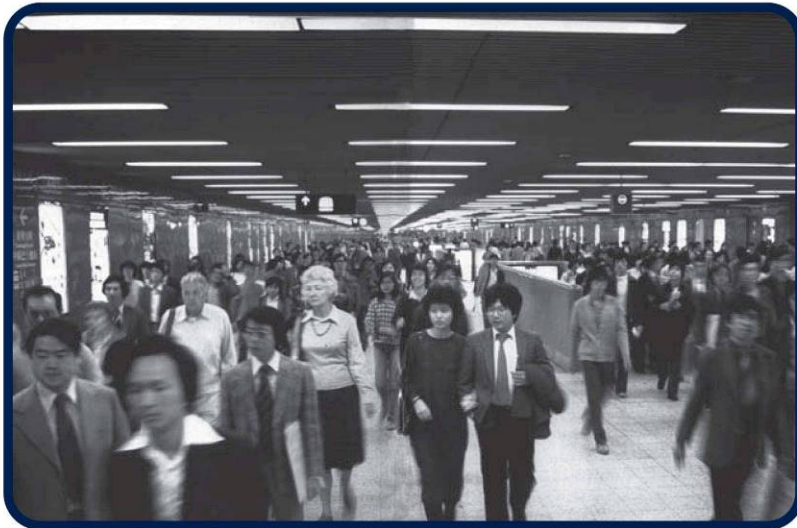
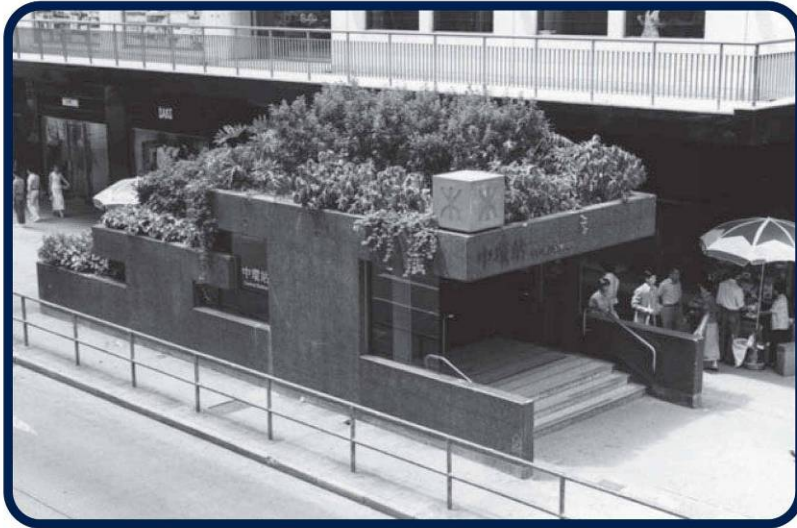


The 1st train from Shek Kip Mei to Kwun Tong



Commuters enjoyed the thrill of a ride on the MTR

MTR - Sustainable Mobility from 1980s to 2010s



MTR became a listed company in year 2000, with the commercial responsibility to earn a return for our investors



Major milestone on 2 December 2007 when the operations of the other Government-owned rail operator, the Kowloon-Canton Railway Corporation, were merged into the MTR



Hong Kong Transport Operations after merger



Heavy Rail



Airport Express



Intercity



Light Rail



Bus



Disneyland Resort Line



NP360 Cable Car

MTR Network in Hong Kong

MTR rated among top 3 in: -

- **Operation Safety** (fatalities per billion passenger journeys)
- **Train Reliability** (million car km between incidents)
- **Service Efficiency** (passenger journeys per staff & contractor hours)
- **Non-fare Cost to Passenger** (non-fare revenue per passenger journey)

Heavy Rail

10 lines
84 stations
182 KM route length

Light Rail

68 stops
36 KM route length

Bus

143 bus-fleet



HONG KONG TRANSPORT OPERATIONS

Share of
Franchised
Public
Transport
Market



46.4 %

Domestic Service Fare
Revenue Per Passenger

HK\$ **7.01**

Total Patronage

1.77 billion

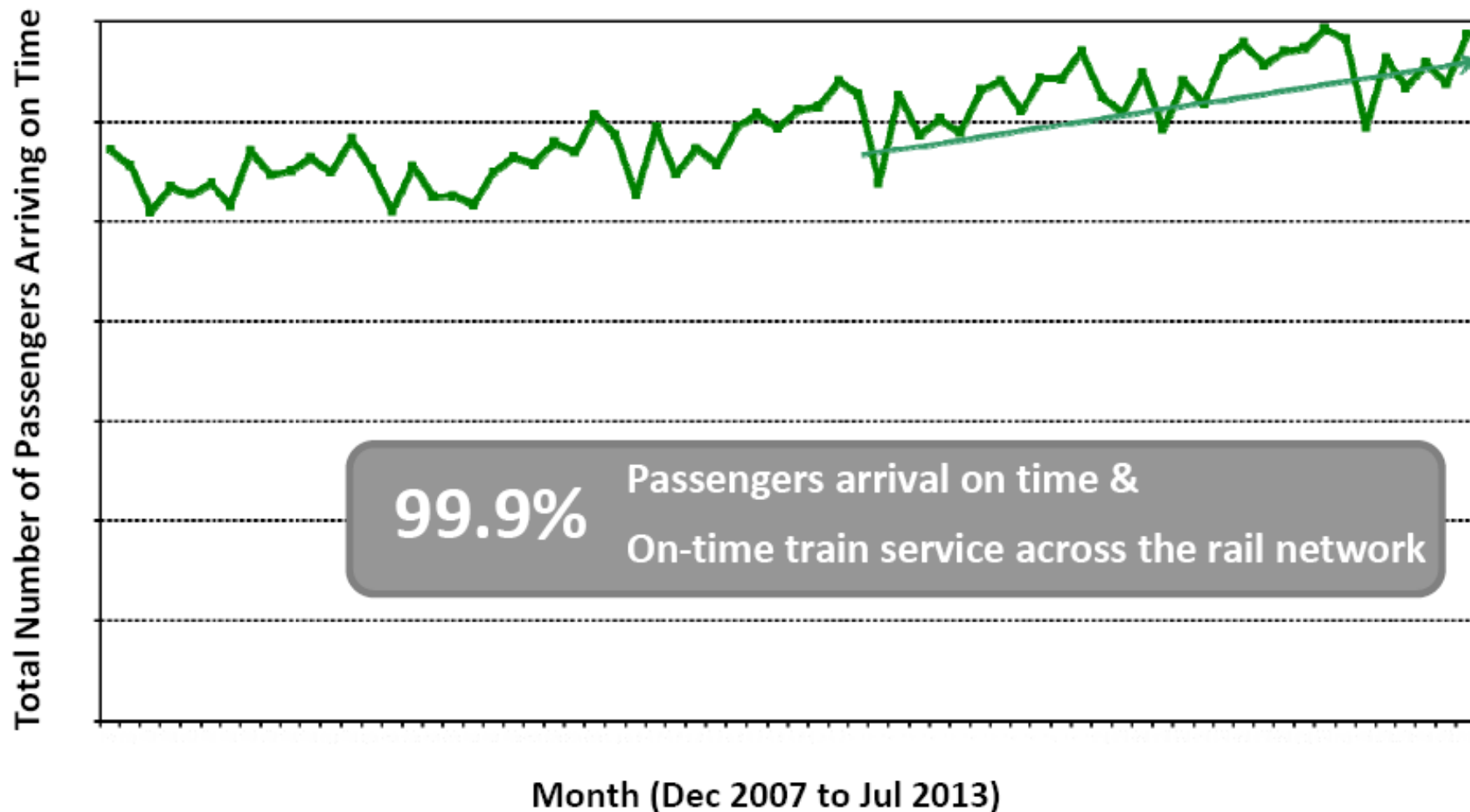
**> 5 million passengers
every weekday**

***Note: 2012 Figures**



Caring Railway Service

Service Performance in Hong Kong is Consistently High - More Passengers are Arriving on time



Our outstanding performance makes us one of the top metro operators in the world

LOROL named as London's *Public Transport Operator of the Year*



MTR named *Excellent Service Brand* in Public Transportation for the 7th consecutive year



“Best Metro Asia-Pacific” award and “Best Customer Experience Initiative” award by 2012 Metrorail Awards



Award for Brand Excellence in Guangzhou-Hong Kong Leisure Travel Service by the Tourism Administration of Guangzhou Municipality (GZTA) 2012



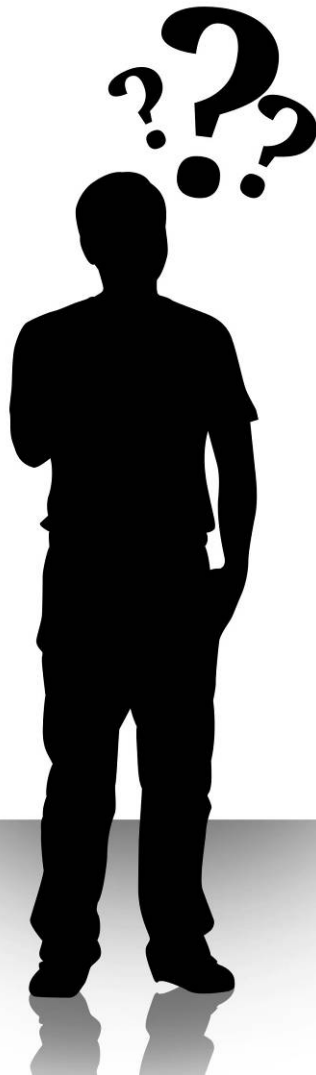
MTR Corporation

MTR named *Excellent Corporate Brand* by Hong Kong SME Association



2013/2019

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**But is this enough to
stay ahead of the
curve?**

World-Class Leader in Service Quality



- Safe and Reliable Performance has been the Pillar and Pre-requisite of World-Class MTR Service.

Customer service initiatives commenced in 2012 - Listening ♥ Responding Programme

- We invested **HK\$1 billion** in the **用心聽 ♥ 用心做** Listening ♥ Responding programme with the clear objective of **responding directly with improvements** in the areas that passengers have said they would like to see us do more such as relieving crowding, improving access, adding toilet facilities and speeding up the installation of platform gates.



Enhanced Train Service & Additional Staff



Before

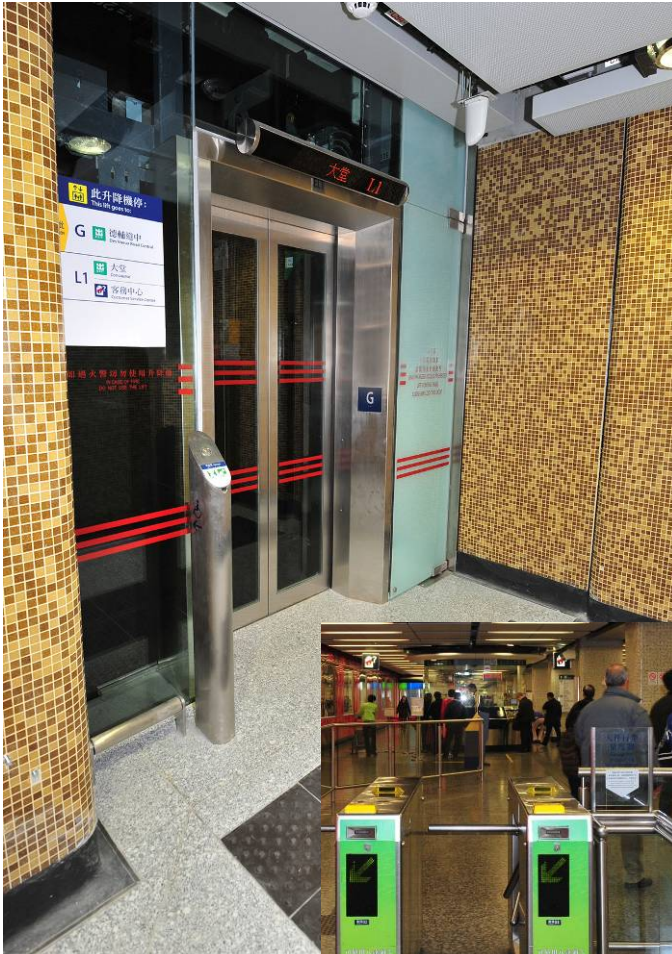


After



Added more than 1,200 train trips per week (62,000 additional trips a year) on its busiest lines. On-time train service across the rail network was maintained at **99.9%** in 2012.

Upgrade Station Facilities



Enhance Passenger Information



MTR

“MTR Mobile”

A point-to-point travel advice not only within the MTR railway network but also between local landmarks, while the newly integrated GPS-based “Locate Me” function will guide passengers to their destination.



“Next Train” App

TCL & AEL real-time train service information



“MTR Traffic” App

Provides timely information when they are major changes to normally scheduled train service



“MTR Tourist” App

Assists visitors to navigate around the MTR system



“Intercity Train” app

Full schedule & on-line ticket purchase function



Recognized by the Customers

用心聽  用心做
Listening Responding

Programme is regarded as effective in enhancing the image of MTR, all image items logged high agreement level (90% or above) in a tracking study in August 2013, especially

96% Have an enhanced impression towards MTR

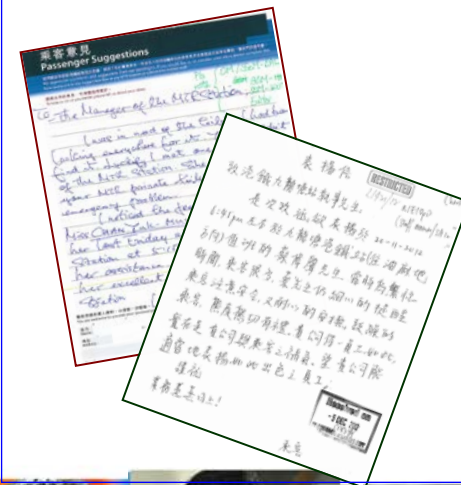
Agree that MTR is Dedicated to Continuous Improvement and Service Enhancement

97% Agree that MTR continuously invests resources for railway development, services & facilities

98%

Better Performance

- Improved MSS Results
- Commendations



Visionary Journey Towards Service Excellence

Customer Service Vision

we strive towards continuous improvement in customer experience through
3 interconnected elements - People, Process and facilities



Enable our People and Process

- Enable our staff to live up to the latest Customer Service requirements and LEAP spirit via the establishment of the ***Academy of Excellent Service***
- Place meeting Customer Service as a key strategic focus when planning the future Railway and asset enhancement projects



People In Rich Customer-Centric Culture

Communicate extensively to engage staff, customer and community

Multiple Including Trendy **CHANNELS**



It's all about our Customers!



Entertaining & Participative **ACTIVITIES**



Rich & Interactive **CONTENTS**

People With Excellent Service Mindsets and Skills

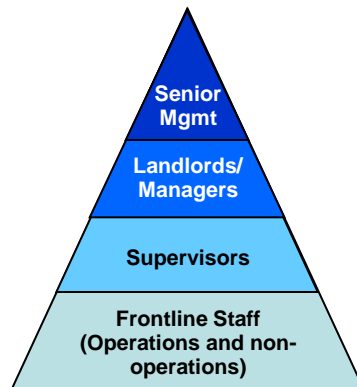


Instill Service Mindsets and Behaviour



1

Panoptic Involvement



2

Forum & Field Approach



3

External Focus



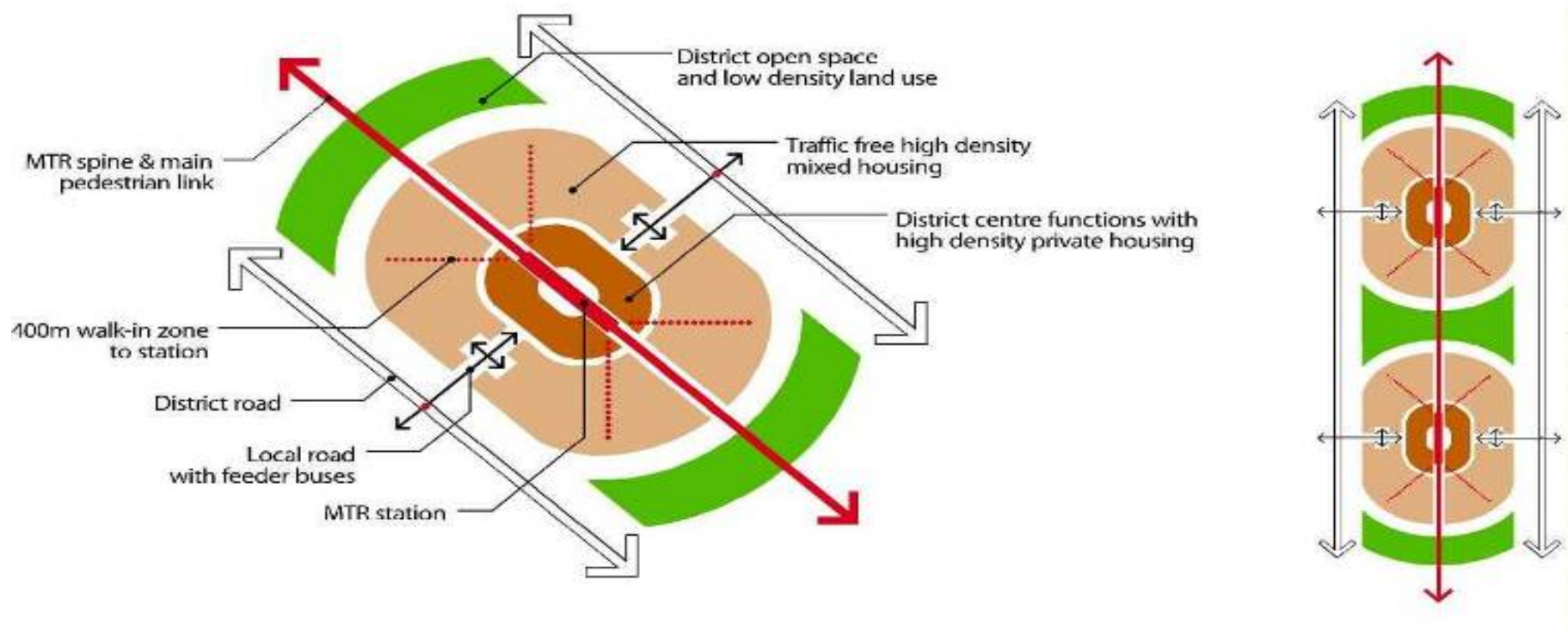
Sustainability Business Model



“Rail plus Community” Model:

A Special Form of Transit Oriented Development (TOD)

- Rail plus community as city planning model and railway financing model
- High-density integrated development around stations
- Increase rail patronage and achieve sustainability



Rail-Based Integrated Community

Rail Corridor = Development Corridor

“Rail plus Community” Model

- Railway alone cannot provide adequate commercial return
- Integration of rail and property enhances patronage whilst providing supplementing revenues

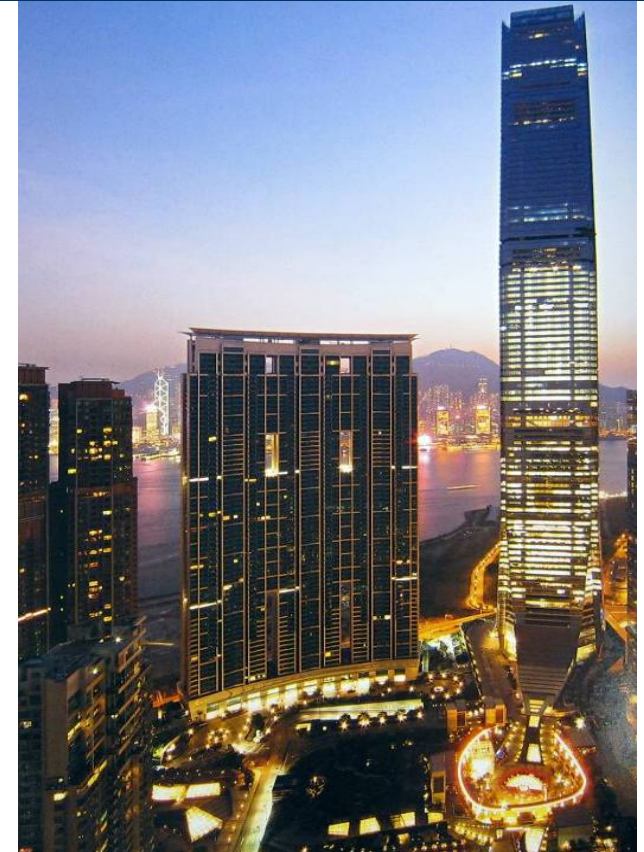


Tung Chung Station Development



Tseung Kwan O LOHAS Park Development

Kowloon Station Development



“Rail plus Community” Model at Airport Express Kowloon Station



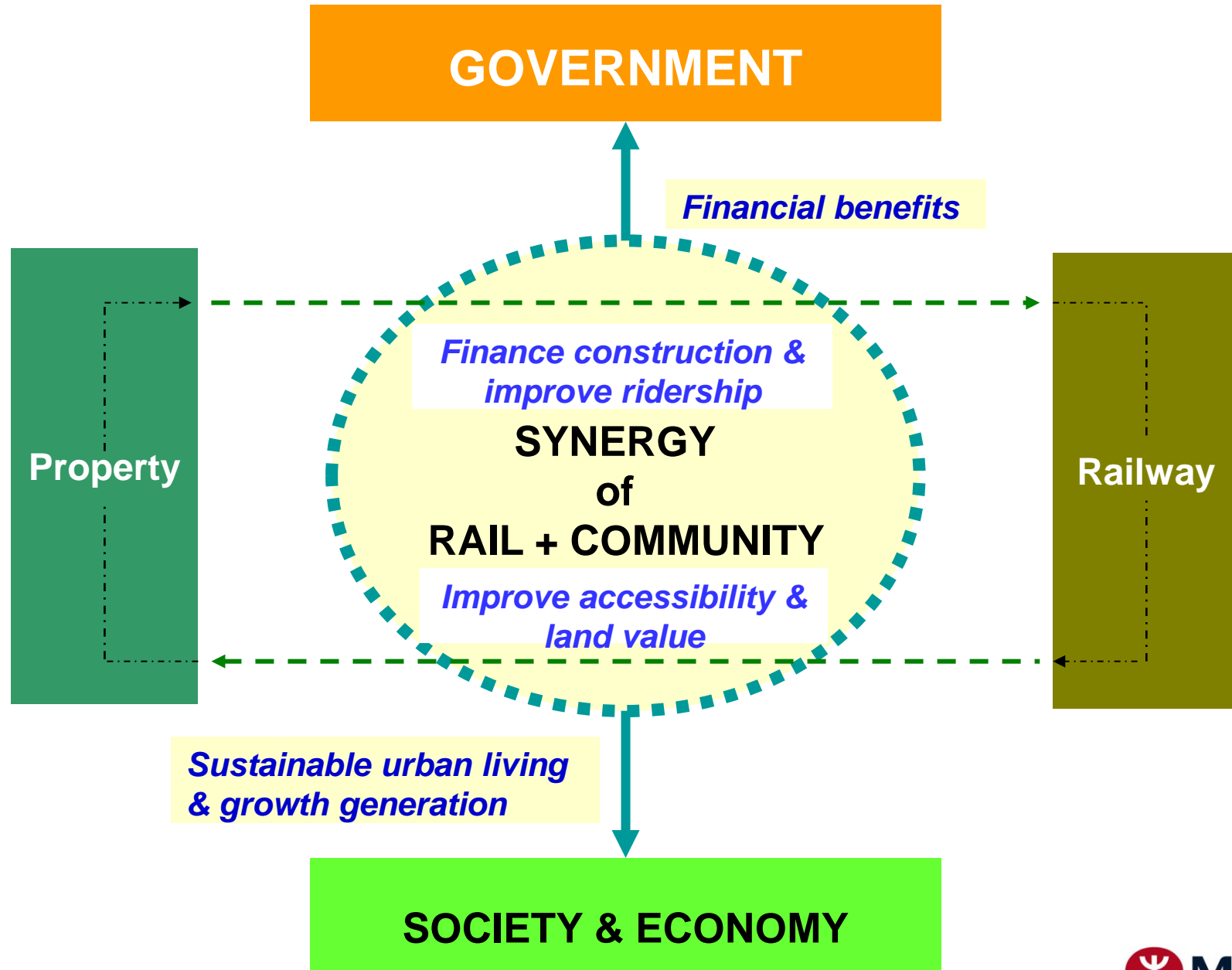
Station Site: 14 ha

Mixed Use Development

- Super Grade A office tower (118-storey ICC)
- Regional shopping mall
- Two 5 / 6-star hotels & service apartments
- 6,400 luxury flats



Economic Sustainability



Merits of the Rail plus Community Model

Affordable Railway Service

Affordable world-class railway service and high quality sustainable developments along the railway

Significant Land Premium

No direct subsidy to rail but Government receives significant land premium and enhanced equity value through its majority shareholding in MTR

Economic Sustainability

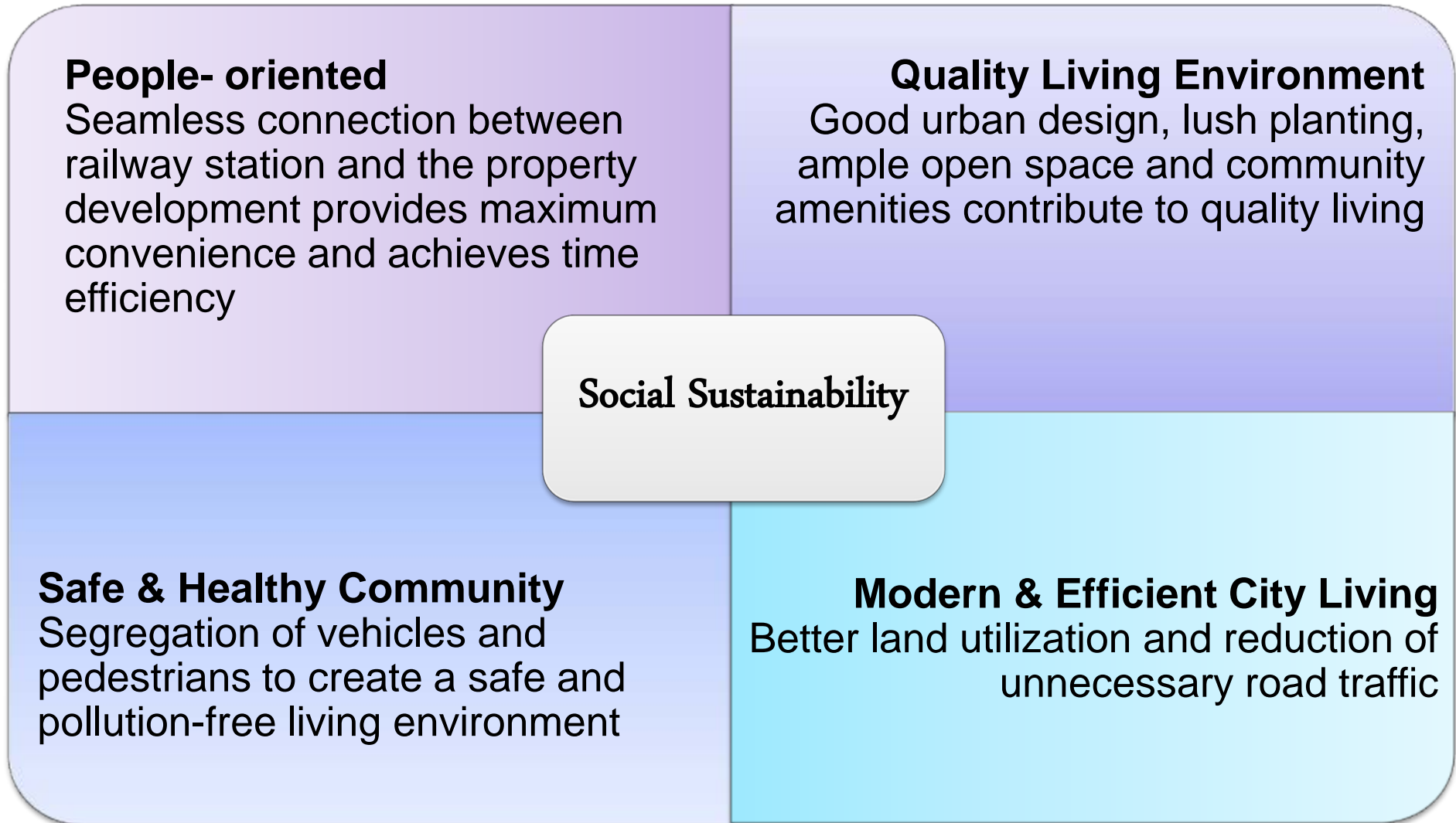
Synergy & Convenience

Seamless integration between rail and property results in connectivity benefits which in turn enhance railway patronage and property value

Flying Start for Developers

Properly planned sites together with advance development enabling works will help to achieve a “flying start” in construction to meet market demand

Merits of the Rail plus Community Model



MTR's Rail plus Community as a successful example of transit-oriented development supporting a city's rapid social and economic growth

- “The greatest beauty of the MTR model is how it captures the economic value created by the railway infrastructure to fund transit operations in an ongoing and sustainable manner.”
~ Mr Hiroaki Suzuki, Lead Urban Specialist of World Bank
- The model was also awarded the UITP Innovation Award at the UITP World Congress in 2013



Shaping the Future

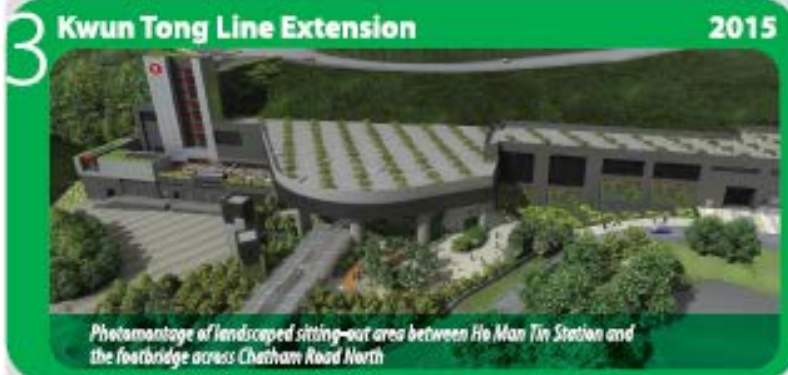


MTR's Future Network in Hong Kong



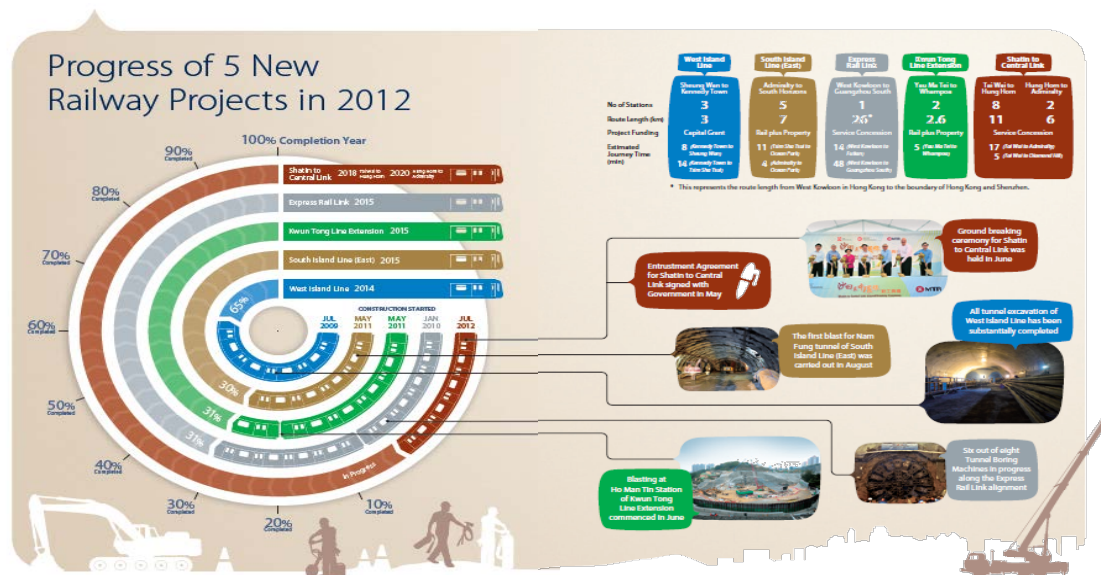
- 5 new lines/extension to commence service starting 2014
- Prepare resources to take over operations
- Integrated new lines and mitigate risks

New Lines & Extensions in 2014 - 2020



As the network expanded and utilisation increased, more proactive planning and lifecycle management applied to continuously improve Asset Reliability

- Gear up robust asset management processes to curb obsolescence
- Apply New and railway-specific methodologies to enhance effectiveness / efficiency
 - RCM (reliability centred maintenance)
 - Asset condition survey
 - Asset life assurance study and mid-life refurbishment and upgrades
- Early involvement of Operation teams in the planning and development of new lines



We continually strive for innovation and incorporate new elements into the design of future stations and trains



sustainability



latest technology



connectedness



environmentally friendliness

Enjoyable travel experience

Building on the success, MTR has also achieved to expand its Excellent Service to different parts of the World

MAINLAND AND OVERSEAS GROWTH

1.165 billion

Passengers Carried by
Our Rail Operations in

6 Cities

Outside of Hong Kong

Beijing Line 4,
Daxing Line &
Beijing Line 14



Hangzhou Line 1



LOROL



Stockholm Metro



Melbourne Metro



Shenzhen
Longhua Line

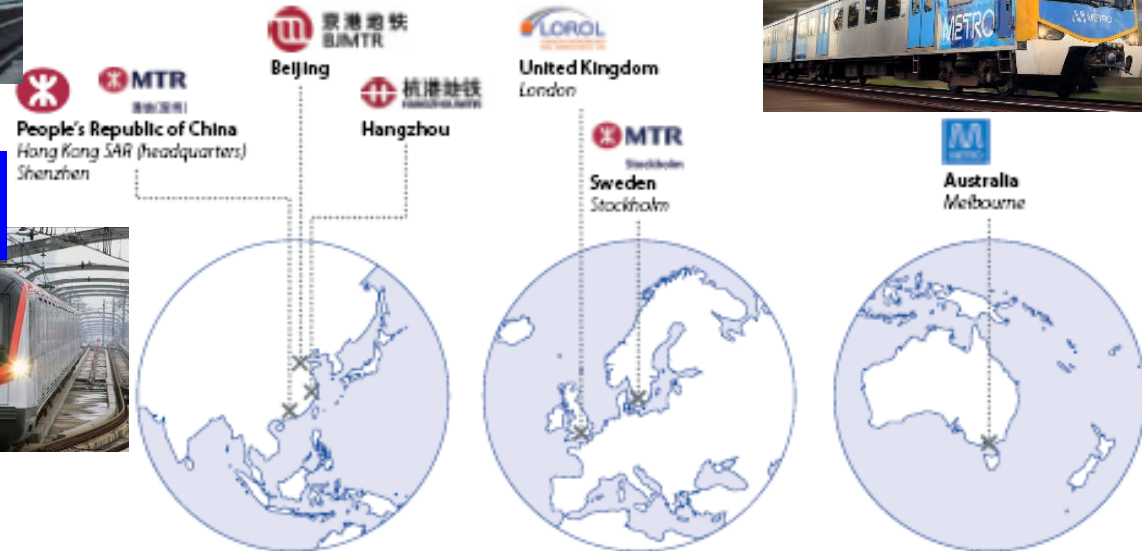


HUMAN RESOURCES



22,155

Staff Worldwide



*Note: 2012 Figures

Thank You

