

## A ray of hope – or a nail in a coffin?

The increase in the Hongkong and Yaumati Ferry fare from 30 to 40 cents, approved by the Legislative Council yesterday, will be seen by some as a new ray of hope that cross-harbour ferry services can be run profitably, and by others as another nail knocked in the coffin of this form of transport.

For while the increased fare will temporarily generate higher revenue, it is bound to reduce the attraction of ferries to all but those whose homes and offices are in the immediate vicinity of ferry piers.

More and more people are likely to consider the alternatives of tunnel buses and mini-buses.

The 10-cent increase in the ferry fare will effectively raise the average commuter's cost of travelling from \$14.40 to \$19.20 a month (or \$12 to \$16 if he buys a monthly ticket).

While not a large increase those who are compelled to use more than two forms of public transport each day are bound to reconsider the merits of a dearer single form of transport.

The Secretary for the Environment, Mr Derek Jones, assumes that the increase might deter five per cent of existing passengers but even so this would give the ferry company a profit on ferry operations this year of almost \$4 million or four per cent on net fixed assets.

The chances are, however, that the passenger loss could be greater and if this trend continues because of more convenient if dearer forms of transport, what is likely to happen in 1980 when the MTR bites a very much larger chunk out of the number of ferry commuters?

It will be necessary before then to consider the long-term future of ferries for while they remain a most desirable form of public transport because they help ease the pressure on roads, it would seem there is no long term solution to the company's profitability if reliance is to be on traditional cross-harbour services.

It is no use saying that the ferry company would have been wiser to have taken up its 25 per cent equity option in the Cross-Harbour Tunnel company when it was offered 11 years ago. That would still not have made ferry services profitable even though it would have helped make the ferry company more profitable.

And it is equally no use saying, as Dr S. Y. Chung seemed to be suggesting in Legislative Council yesterday, that the Cross-Harbour Tunnel Company profits should be used to subsidise ferry fares. Why penalise one successful company to prop up an ailing one?

If the ferry company is to survive (as we believe it must) it will simply have to accept that its cross-harbour services, employing the existing relatively slow vessels, are unlikely to be better than marginally profitable.

There are signs now that the vehicular ferries are recovering their strength and the outlying districts services, following the increase in fares in January, are contributing more to profits.

The company will also have to look to other ways of increasing its profits. One suggestion is to allow it to develop its piers for shopping and restaurants as with the Ocean Terminal in Kowloon, though on a smaller scale.

The HKYF has diversified into its own dockyard and a resort venture in Lantau. These are prudent steps, but it seems that the ferry company's short and middle-term future is bound up with developing more profitable sidelines like these than recurring fare increases.