

SCM 15 Sept. 1983

## Axed routes to save \$1.2m

The Hongkong and Yau-mati Ferry Co has moved one step closer to a healthier financial state with the approval to suspend two of its routes, which will save it \$1.2 million a year.

The Executive Council last week approved the company's application to axe the routes between Chaiwan and Central and Ma Liu Shui-Wu Kai Sha in Tolo Harbour.

Official sources said yesterday the two morning sailings from Chaiwan to Central were expected to end from September 26.

The service is no longer deemed necessary as road traffic conditions along the eastern corridor have improved significantly since May last year as the result of a transport improvement scheme along King's Road.

A private operator is reported to have been enlisted to take over the Tolo Harbour services from early next month when procedural arrangements are completed.

The HYF's public relations manager, Mr Lui Chiu-chun, said that the company had not yet been informed of the official decision.

But he estimated that the company could save at least \$400,000 a year from scrapping the Chaiwan-Central route.

The Tolo Harbour route, which is only served by one ferry, would mean a saving of \$800,000 a year as a full-day service is provided.

Exco's decision indicates a concerted effort by the Government to trim HYF's loss-making routes and possibly replace them with alternative transport.

In fact the Government, as earlier reported by the SCM Post, has drawn up a hit list of loss-making routes that might be scrapped.

The Central-Po Toi Island route was cancelled earlier this month as part of official efforts to restore the profitability of the company.

There are also believed to be plans to suspend the Central-Tai O route.

The company has repeatedly complained this year that its profit margin has drastically slumped because it is required by the Government to keep open many socially-desirable but loss-making routes.