

New World First Ferry Services Limited

Opinions on the Agenda Item “Impact of Sustained High Oil Prices on Public Transport Services” of the Special Meeting of Panel on Transport of Legislative Council on 16 September 2005

Since its service commencement in 2000, First Ferry has introduced a series of cost-saving and revenue-generating measures with a view to surviving the adverse operating conditions, and alleviating the pressure brought by external factors including the upward trend of fuel prices and the fluctuating exchange rates. Surging fuel prices pose additional pressure on First Ferry’s meagre operation and unfavourable financial situation. In the Financial Year 2004/05, First Ferry has recorded an accumulated loss of \$5 million and First Ferry’s expenses in fuel have nearly doubled from \$26 million in 2001 to \$50 million in 2005.

Committed to the corporate mission of “Customer First and Foremost”, First Ferry has invested considerable sums to upgrade services and implement a series of cost-saving and revenue-generating measures since its service commencement in 2000.

Service Improvement Measures

First Ferry’s efforts in service improvement include investing \$150 million to acquire eight brand new vessels with a view to upgrading service standards and saving cost in vessel rental and maintenance, upgrading the main engine of vessels, refurbishing all ordinary ferries, improving cabin and pier facilities, as well as conducting a series of customer service training programmes for frontline staff.

Revenue-Generating and Cost-Saving Measures

First Ferry has implemented a spectrum of revenue-generating measures including the introduction of ferry charter service and Joss House Bay Service during Tin Hau Festival, the offering of privileged tickets, expanding rental income and the provision of pier-top advertisements. Furthermore, First Ferry has also introduced various cost-saving measures such as repairing vessels in places where the cost is comparatively low to save maintenance expenses, adjusting pay scale of new recruits to market levels and implementing service rationalization.