

Preserving Heritage: The Challenges and Prospects of the Star Ferry in Hong Kong



Source: pixabay (2017)

Background

The Star Ferry has been transporting passengers between Hong Kong Island and Kowloon since 1880 (Star Ferry, n.d.). With almost 150 years of history, some believe that the Star Ferry is more than just a local transport, but a living symbol of Hong Kong's history and culture (Whitehead, 2022). Over the years, the Star Ferry has also been a popular attraction as tourists hop onboard to take in the stunning Victoria Harbour skyline. It is even named one of the “50 places of a lifetime” by the National Geographic of Traveler (HKTb, n.d.).

Despite its cultural significance, the Star Ferry Company has faced ongoing financial difficulties since the early 2000s and was close to closure during the COVID-19 pandemic. Passenger numbers plummeted during the outbreak, severely impacting the company's finances, as fare revenue accounts for more than half its total revenue (Buddle, 2022). Determined to recover loss and avoid closure, Star Ferry relentlessly sought permission from the local authorities to increase its fares since the resumption of international travel activities (Cheng, 2023). The company's effort paid off as government officials finally agreed to a 56% fare increase starting April 2023, bringing the fares up to HKD\$5 on weekdays and HKD\$6.5 on weekends respectively (Cheng, 2023). Recognizing the increasing number of mainland Chinese visitors, Star Ferry also introduced e-payment options such as WeChat Pay, Alipay, and BoC Pay to better accommodate this customer segment (Star Ferry Instagram, 2023).

Furthermore, Star Ferry began seeking alternative revenue streams to reduce its reliance on fare income. The company urged the government to ease the commercial restrictions at its Central and Wan Chai piers, holding the government accountable for underutilizing these valuable public spaces (Hung, 2023). The company believes that hosting events such as holiday markets and live performances regularly, not only could generate revenue up to HK\$1.5 million annually to subsidize its ferry services but also aligns with the government's efforts to boost

the city's nighttime economy (Hung, 2023). The company also revealed its plan to renovate its 65-year-old Tsim Sha Tsui pier to enhance visitor experience. Proposed improvements include the construction of a public viewing deck and the installation of floor-to-ceiling windows to offer better views of the harbour (Hung, 2023).

Challenges

Given its long-standing financial difficulties, there is skepticism about whether the Star Ferry Company is capable to consistently host high-quality events or complete a large-scale renovation project of Tsim Sha Tsui pier. Despite the ferry's deep cultural and sentimental value to the public, some question why no investor has stepped in to revitalize or save Star Ferry (Whitehead, 2022).

Concerns have also been raised regarding the effectiveness of the proposed revitalization plans. Questions remain about how well the Star Ferry's events and pier developments will integrate with other public spaces along the harbourfront (Hung, 2023). Additionally, residents in nearby areas worry that frequent events and performances may lead to noise pollution and other disturbances if the proposals are approved.

Discussion Questions:

1. What are the potential impacts of the fare increase on local commuters and tourists, and how might this affect the Star Ferry's market share?
2. How effective might the introduction of e-payment methods be in attracting more mainland Chinese visitors? What other strategies could the company implement?
3. What factors might be discouraging potential investors from supporting or acquiring the Star Ferry?
4. How can the Star Ferry's proposals be integrated with other public spaces along the harbourfront to create a cohesive and vibrant area?

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