

A STUDY ON THE MOTORCAR DEMAND DETERIORATION OF
REINANG FERRY

LOH MING TONG

SCHOOL OF AMBIENT STUDIES AND MARINE SCIENCE
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**A STUDY ON THE MOTORCAR DEMAND DETERIORATION OF
PENANG FERRY**

LOW YING TONG

**Thesis Submitted in Fulfillment of the Requirement for the
Degree of Nautical Science and Maritime Transportation in
the Faculty of Maritime Studies and Marine Science**

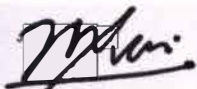
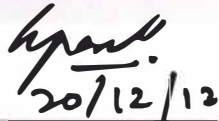
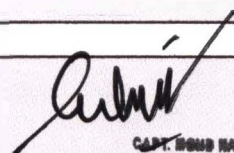
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RESEARCH DOMAIN	Maritime Economics and Ocean Industries
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DECLARATION	MAIN SUPERVISOR It is hereby declared and verified that this research report has been examined and all errors identified have been corrected. This report is submitted to the Department of Nautical Science and Maritime Transportation as partial fulfillment towards obtaining the Bachelor of Science Degree (B.Sc) in Nautical Science and Maritime Transportation, Faculty of Maritime Studies and Marine Science, University Malaysia Terengganu.
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DEDICATION

This Research Paper is lovingly dedicated to my respective parents who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their love and support this research paper would not have been made possible.

ABSTRACT

Penang ferry has been troubled by financial losses since 1985. The expansion of Penang Bridge in 2009 had caused drastic decline in the number of ferry users with motorcar. Then, the second Penang Bridge which is scheduled to operate in 2014 will definitely cripple Penang ferry. Penang ferry begun its operation since 1920 and it has been an iconic figure with tons of historical value. Therefore, this research paper intends to find out the main factor leading to the motorcar demand deterioration of Penang ferry and discuss about the plans available to overcome the problem.

Both the respondents and ferry operator were interviewed in this research paper in order to find out the main factor of demand deterioration and the plans available to overcome the issue. 82% of the respondents interviewed chose the queue time as the most disliked aspect of Penang ferry as 80% of the respondents usually waited for more than 30 minutes at the ferry terminal. Also, the ferry operator has revealed their strategies towards solving the issue, such as several proposals to the government and also their "Ferry Fleet Rationalization Business Plan". Among the available plans, the most substantial strategy would be their business plan as it aims to reduce the fleet gradually and thus, reducing the operating cost. Then, there's also a substantial proposal, which is the replacement of the

current ferry fleet with 5 double hull catamaran fast boats. But this proposal will eliminate every market segments except the pedestrians segment. Therefore, Penang ferry will probably not be incurring major financial losses, if their proposals and business plan goes as planned, after the second Penang Bridge starts to operate.