



1. Historical Background

The history of ferry operations on the Kilindini harbour- Mombasa dates back to the early years of the last century. By then ferries were mere flat bottomed pontoon crafts propelled by two motor boats on either side.

The era of modern ferry operations on this channel began in 1937 when Kenya Bus Services Ltd, a foreign owned company operating on a franchise arrangement with the Municipal Council of Mombasa came into the scene. They operated the services for quite a while until 1989 when they indicated willingness to discontinue operations.

It is then that the Government of Kenya decided to take over the running of the ferry services. In the take over arrangements all the ferry crafts were bought out at a price of Ksh. 10.5 million. The staff were similarly retained at their existing terms and conditions of service.

The Government then asked Kenya Ports Authority to run the services on its behalf. Kenya Ports Authority in turn changed one of its subsidiary company's Buntly Estates Ltd into Kenya Ferry Services Ltd and commenced operations.

Later in 1990 the Government bought four new ferries namely MV Nyayo, Harambee, Kilindini and Mtongwe II at a cost of Ksh. 376 million to add on to the existing fleet.

Through financial advances from Kenya Ports Authority and the Exchequer the company was able to sustain its operations.

Later the Government through National Assembly Sessional Paper No. 3 of 1998 formalized the ownership of the Company by transforming the contributions of both the Government and Kenya Ports Authority into equity. Share capital was increased from Ksh. 2 million to Ksh 500 million. Thus today the Company is owned 80% by Government of Kenya and 20% by Kenya Ports Authority.

2) Manpower

The company currently has a total workforce of 210 personnel. The Managing Director who is the Chief Executive Officer of the organization, reports to the Board of Directors. Under him are departmental heads in Maintenance, Operations, Finance, Strategy & Corporate Affairs and Human Resource & Administration; and other staff below them.

3) Operations

The fleet strength is five ferry vessels namely: Nyayo, Harambee, Kilindini, Pwani and Mvita. The first three were made in 1990 whereas MV Pwani and Mvita were made in 1974 and 1969 respectively.

Two core ferry services i.e Likoni and Mtongwe are currently operated.:-

- a) Likoni - a 24 hour service for vehicles and passengers operates at a frequency of 10 minutes from either end at peak time, 15 minutes during off peak, and 30 minutes at night.
- b) Mtongwe - a passenger only service operating at peak time morning and evening only.

Currently an average 157,000 pedestrians and 3000 vehicles a day, or 57 million pedestrians and 1.1 million vehicles use the service annually. The average annual growth rate of this traffic is 8% for passengers and 5% vehicles.

4) Maintenance.

The company runs an elaborate maintenance programme for its vessels including :-

- i) Routine Maintenance - once weekly
- ii) Planned Maintenance - periodically as per manufactures specifications
- iii) Dry Docking - annually and or in line with statutory Lloyds Class and Underwriters specifications.

Three of the vessels Nyayo, Harambee, Kilindini are Lloyds Class registered while the other two, Pwani and Mvita, are for reasons of age, flag state surveyed. All five vessels satisfy both statutory and underwriters conditions for seaworthiness.

They all are fully insured for both Hull/Machinery and Protection/Indemnity (passenger) covers by world A rated underwriters in the Lloyds market of London.

5) Finance.

The company's mainstay occupation is the provision of a ferry link to both pedestrians and vehicle traffic. Pedestrians constitute about 70 % of the total business volume whereas vehicles count for 30%. Vehicles pay a government approved toll charge to cross while pedestrians cross free of charge.

The Company's recurrent expenditure budget is financed 35% by revenue generated from vehicle tolls and 65% by Government subsidy paid as compensation for foregone revenue occasioned by free carriage of passengers.

Major capital works and development projects are financed separately by the Government subject to availability of funds.

The Government entered into a Memorandum of Understanding between it and the Company, wherein it undertook to pay subsidy for the free carriage of passengers. That subsidy is based on ferry capacity utilization at the ratio 65:35 where 65 is the assumed capacity utilised by pedestrians and 35 by vehicles.

6) Priority Issues

i) Replacement of Aged Vessels

Ferry vessels m.v. Mvita (1969) and m.v. Pwani (1975) have outlived their economic lives. They are therefore overdue for replacement. Of utmost urgency for replacement is the vessel to run the Mtongwe service. The mv Mvita currently used is both too old and structurally unsuitable for use on the existing landing superstructures.

Tendering process for the procurement of two new vessels was initiated last year. However delays in completion of the exercise were experienced after some tenderers went to court to contest the award. The matter is awaiting hearing at the High Court in Nairobi

ii) Expansion of Approach Walkways and Infrastructure

As a way of arresting the rapid increase in pedestrian and vehicular traffic the need to expand walkways, motorways and landing ramps and streamlining the general flow of traffic on the ferry ramp approaches particularly the matatu and pedestrian traffic is paramount.

In this regard the Government in the last financial year set aside Ksh 100 million for the improvement of the mainland approach infrastructure including the expansion of walkways, construction of p.s.v termini, provision of pedestrian sheds and business stalls. Construction is now underway.

Similarly project will subsequently be undertaken on the island side although at the moment there are delays occasioned by issues of land ownership.

iii) Maintenance Facility

For many years the Company carried out most of its routine and planned, above water maintenance works of its vessels on a borrowed cement loading facility - Mbaraki wharf. This facility, was not always readily available, as priority had to be given to ships loading cement.

Last year the Government availed Kshs. 58 million for the purchase of a jetty maintenance facility situated on the mainland side adjacent to the ferry landing ramp. This facility offers both a maintenance jetty and office facilities and is intended to be the new headquarters of the organisation. Works are in progress to adapt it to our requirements. When completed the facility will greatly improve not only on the quality of workmanship on the vessels but also reduce costs incurred on contracting some works out, and also provide ample mooring facilities.

iv) Safety and Security

Safety and Security of our customers has become a daily top priority occupation for our staff.

The company has put in place various measures to ensure total safety of the users of its services including use of Public Address System, Posters, Notices, Safety Drills, Training and physical enforcement of the rules of carriage using the police, private guards and staff to ensure total compliance. Movement of passengers embarking and disembarking is controlled to ensure required vessel capacities are not exceeded.

Security on board and on the ramp approaches is also strictly ensured. Regular vehicle checks are carried out to ensure no dangerous items are ferried across. Constant security surveillance is also undertaken on watch towers mounted on the ramp approaches.

The company was recently alongside the Port certified compliant with the provisions of the International Ship and Port Security Code (ISPS)

7) The Future And The Way Forward

Statistics recorded over the last twelve years shows a steady annual growth rate of 8% and 5 % respectively for passenger and vehicle traffic . This being the case predictions for the future traffic will be as follows :-

YEAR	PEDESTRIANS	VEHICLES
2005	57,000,000	1,100,000
2010	80,000,000	1,375,000
2015	102,000,000	1,700,000

This scenario is worrying and obviously requires timely strategies to be put in place to manage the situation. Such strategies could be in medium

and long term basis.

For a medium term measure the company believes the expansion and or improvement of the infrastructure and additional ferry vessels suffices. This however has other limitations in that it increases the conflict between the operations and shipping traffic since the channel operated on is a shipping gateway.

As a long term measure , the realisation of an alternative fixed crossing to the ferry is paramount. It is for this reason that the company alongside other stakeholders has been strongly advocating for the construction of the Dongo Kundu bypass. If implemented this bypass is expected to offer an alternative route and much needed relief to the congestion at the ferry. The bypass will also help open up the vast fallow resources of the south coast.

It is then that the ferry operations may be commercialised and reduce dependency on the Exchequer.

Office of the :-
Managing Director
Kenya Ferry Services Ltd
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