

02 JUN 1998

Franchise-Bus

METROBUS GROUP IN BUS FRANCHISE DEALS IN CONGO, SUDAN

By: Azman Ujang

KUALA LUMPUR, June 2 (Bernama) -- The Democratic Republic of Congo and Sudan have commissioned the Metrobus Group of Malaysia to modernise the public transportation services in the two African nations under an integrated franchise system that will be the first of its kind in the world.

Metrobus Group owns the intellectual property to the system under which the operation of a bus service is split into four main parts and franchised to separate entrepreneurs.

Mustafa Kamal Wathooth, managing director of Metro Transportation Systems Sdb Bhd, the group's subsidiary that markets the franchise, said today the Democratic Republic of Congo (DRC), formerly known as Zaire, and Sudan were expected to become the first two countries to adopt this "revolutionary" concept of managing a public transportation system.

There are four main franchises under this system -- the bus routes, repairs and maintenance, tyre shop and materials like diesel, lubricants, spare parts and hardware.

Mustafa Kamal told Bernama the company had signed an agreement to undertake this project in DRC while a memorandum of understanding on a similar venture was signed with the Sudanese government during last month's visit of Prime Minister Datuk Seri Mahathir Mohamad.

He said the DRC government was in the process of establishing a sole corporation to go into the joint venture with the Metrobus Group. This corporation will select the qualified franchisors under which each franchise will be a separate profit centre.

" Each franchise is big enough to be its own profit centre. It will lead to a more efficient public transportation company because each franchisor will be more committed to making profits instead of the conventional concept of a big bus company undertaking everything by itself," he said.

Mustafa Kamal said the Metrobus Group had reengineered the franchise concept and was confident that it would be a new export item for Malaysia in the future.

He described DRC with a population of 47 million, with five million in its capital Kinshasha, as a huge market for a modernised bus service and to implement this concept.

Metrobus' part of the deal in DRC is to initially ship 200 buses and provide its expertise and technology in implementing the project.

" The DRC government has designated this as important national project and ultimately I foresee the country alone will need at least 30,000 buses. These buses will eventually be assembled in the Congo itself which will mean tremendous economic spinoffs for the country," he said.

He said the public transportation needs of Sudan with a population of 28 million (seven million in the capital city of Khartoum), were equally huge, coupled with the fact that there are no motorcycles in both countries.

"Both the governments of DRC and Sudan are very enthusiastic about this concept because of the spinoffs like job opportunities and industries like tyre-making and spare-parts. The DRC Cabinet is expected to make a firm decision on this joint venture sometime this week," Mustafa Kamal said.

" The franchise concept is an industry itself. We expect the value of this industry in Congo and Sudan alone to be worth eventually some US\$3

billion," he said.

Mustaffa Kamal said the company would also set up training centres for bus drivers, mechanics and other related workers in the two African countries on implementation of the project.

The company had also marketed the system in South Africa, Somalia, Myanmar and China and the response had been encouraging.

"The beauty about a bus business is that it is a 100 per cent cash business and most unlikely to be hit even in an economic downturn. In fact, in an economic downturn even more people will travel by bus," he said.

--BERNAMA

AU AAM