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ERLSB confident of meeting RM80m revenue target

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EXPRESS Rail Link Sdn Bhd (ERLSB), the concessionaire for the RM2.4 billion high-speed rail project, is confident of meeting its revenue target of RM80 million by year-end.

Chief executive officer Dr Aminuddin Adnan said unlike the mass transit system, high-speed train or KLIA Express services airline passengers.

"From our study, we found that there is demand for our service," he told a news conference at the KL Sentral in Kuala Lumpur yesterday.

ERLSB has targeted revenue of RM80 million between April 19 (when its commercial operation starts) and December 31 this year, based on a projected daily passenger traffic of 6,000 to 8,000 people.

It is expecting a RM150 million revenue in 2003, when the passenger load increases to between 8,000 and 10,000 people daily.

ERLSB's flagship is KLIA Express, providing a non-stop 57km journey between both terminals at 15-minute intervals.

Complementing the KLIA Express is the KLIA Transit, a high-speed transit service which runs at 30-minute frequency, with three stops at Bandar Tasik Selatan, Putrajaya and Salak Tinggi.

Aminuddin also said the company aims to attract between 15 and 20 per cent of airline passengers for the first three years of operations.

This represents between 3 million and 3.2 million people a year.

He said the target is a bit conservative as other airport express abroad managed to secure more than 30 per cent of total airline passengers.

He said KLIA Express will also benefit from the increasing number of airline travellers.

Currently, the KLIA, which serves 42 airlines, handles 14.2 million passengers a year.

When Sultan Abdul Aziz Shah Airport in Subang is closed, there will be an additional 2.1 million passengers at the KLIA.

Next year, the KLIA is expected to service some 17 million airline passengers, and the number is projected to grow to 25 million in 2008.

Aminuddin cited Heathrow Express (high-speed rail link connecting Central London and Heathrow Airport) which made STG10 million (STG1 = RM5.46) in revenue last year and attracted between 10 and 12 per cent airline passengers.

He said Hong Kong Airport Express (linking Hong Kong Central District and Chek Lap Kok International Airport) is also doing well as it has captured 32 per cent of the airport travellers.

Aminuddin said airport coaches and airport limousines will be competitors to KLIA Express.

However, he said none of the buses or taxis can make fast trips to KLIA.

"We are faster as the trip to the KLIA takes 28 minutes and passengers pay a reasonable price (RM35 per trip).

"Our service is reliable as we will always be on time," he said.

He said business travellers are the initial targets as this group of people requires fast and efficient travelling mode.

On retail outlets at the KL City Air Terminal (KL CAT) at KL Sentral, Aminuddin said so far half of the 41 outlets located at both departure and arrival halls have been taken up.

Some of tenants are locals while others are foreign retailers.

"We will have no problems getting tenants for the retail outlets... many have expressed interest and we are now negotiating on the rates," he said.

The retail outlets, of which 23 are located at the departure hall and 18 at the arrival hall, are opened to the public.

Rental from retail outlets at KL CAT, together with commuter rail and transit advertising, will contribute to 20 per cent of ERLSB's revenue.

The main revenue contributor (80 per cent) is KLIA Express.

KLIA Express will be officially launched by Prime Minister Datuk Seri Dr Mahathir Mohamad on April 13, while its commercial operation will start on April 19.

ERLSB is a joint venture between TH Technologies Sdn Bhd, a wholly-owned subsidiary of Lembaga Tabung Haji, which has a 60 per cent stake and YTL Corp with a 40 per cent stake.

ERLSB was given a 30-year concession to design, finance, construct, manage, operate and maintain a high-speed rail system between KL CAT and KLIA.

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