

# 200 buses needed for CMB routes

By GREG TORODE

CITYBUS confirmed last night it will bid for the 26 China Motor Bus (CMB) routes that go up for tender today, while another local firm, Argos, pulled out claiming it would be impossible to provide enough buses in time for the takeover.

Hongkong's biggest bus company, Kowloon Motor Bus (KMB), will decide this morning whether to compete for the routes. The company said yesterday it believed it could make a profit from the routes on offer.

The new service is likely to provide the biggest change in quality of service for local commuters for years and represents a significant change in the Government's management of transport services.

KMB's general manager, Mr Charles Lui Chung-yuen, said: "Anyone looking at it seriously will need to provide at least 200 good quality buses and put up about \$200 million, so the profit has to be worth an investment of that size.

"We've had a good long



Charles Lui Chung-yuen

look at it and we've got a number of options to consider."

Industry sources also expect serious bids from Scottish firm Stagecoach Holdings, Europe's largest bus company, and Kwoon Chung Motors, which operates New Lantau Bus.

The Government is expected to take about two months to decide.

All the companies have expressed interest in the routes and suggested that quality and comfort would be the key factors, instead of merely offering lower fares.

The routes became available last month when the Executive Council approved government plans to reduce CMB's franchise and provide commuters with better services through competition.

The reduction was part of a franchise package accepted by CMB earlier this month geared to force it to fulfil broken promises of better management and service.

The three-year deal on offer involves both profit- and loss-making routes comprising two cross-harbour runs, 16 in Southern District, five in Central and Western and three in Wan Chai.

Transport Department officials said the Government had no fixed policy on what it was looking for but the new operator would be expected to better CMB's existing service with a strong emphasis on passenger comfort.

An Argos company source said the firm had studied the tender and made inquiries with manufacturers world-wide and decided it could not provide the 200

buses when CMB hands over the routes in September next year.

Argos currently runs 160 buses on contract for China Light and Power, the Royal Hongkong Jockey Club and Tsing Yi shipyards.

Managing director of Citybus, Mr Lyndon Rees, said his firm was confident enough to bid for the routes, but it was too early to elaborate on what it would offer the public.

"Things are very sensitive at this stage," he said.

"This has been a very complex tender to a very tight schedule and has required the planning of a military operation."

Industry sources said Citybus would be a leading contender after it won the 12a Macdonnell Road route tender last year, running the modern, double-decker air-conditioned buses expected of the new operator.

Meanwhile, directors of Stagecoach Holdings have refused to comment on the deal after initially expressing interest. The firm operates buses across the United Kingdom and also has interests in Malawi and Canada.