

MRT Corp targets RM20.5m revenue from non-fare ops

UPBEAT: Company expects RM18m from advertising, RM2.5m from retail leasing

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MASS Rapid Transit Corp Sdn Bhd (MRT Corp) is targeting a total of RM20.5 million annually in revenue from its non-fare business.

Director of commercial and land management Datuk Haris Fadzilah Hassan expects the non-fare business to contribute around seven per cent to the total revenue annually.

"We are still at the beginning but once we get to a steadier state, we expect contribution from non-fare business to increase to 10 per cent," said Haris after announcing the names of companies that will run the retail spaces at the 19 elevated stations along the MRT Sungai Buloh-Kajang Line, here, yesterday.

He added that RM18 million would come from advertising while the remaining RM2.5 million will be from retail leasing.

"As you can see, advertising revenue is much bigger but retail component is important because it is an



*MRT Corp director of commercial and land management **Datuk Haris Fadzilah Hassan** says the company expects the non-fare business to contribute about seven per cent to total revenue. Pic by Azhar Ramli*

interface between the commuter and the station. So, we need to have good service from our retailers."

MRT Corp selected 15 companies, a mix of international and local brands, to run the retail spaces.

Haris said 49 companies submitted their bids, adding that the bidding method executed was the best process to ensure transparency in awarding the retail space.

"This process will ensure the MRT retail space is awarded to the best business, allowing MRT Corp to get the best returns for lettable space, which is an important revenue

source for the company," he said.

"Among the brand selection criteria is that companies must be in the market for at least three years to have the standard and experience in handling a high customer volume.

"Contracts are for two years and renewable based on performance," added Haris.

The bidding opened with reserve prices of between RM1,200 and RM3,500 for an average lot size of 200 sq ft.

The companies also had to submit the rental rate they were willing to pay for the retail space.