

# CITY GROUP COMPANY

[www.citygroupco.com](http://www.citygroupco.com)



# NAVIGATING KUWAIT

*Though it does other things too, City Group Company is best known as the chief provider of public transportation in the emirate of Kuwait. CEO Richard Woods told John O'Hanlon how the company aspires to expand regionally*





Yutong buses undergoing routine maintenance

City Group Company (CGC) is much more than just a bus company: it is deeply involved in the infrastructure, logistics and transport sectors of this small but oil-rich nation on the Persian Gulf. As part of the Boodai Group, founded in 1950 and today led by Marwan Boodai, a prominent Kuwaiti businessman, it has a thriving warehousing division that provides dry and cold store facilities to a wide range of customers in the region; and is sister company to an airline, Jazeera Airways, launched in 2005. However, the bus network is the backbone of surface public transport here, and it caters for a very demanding public. The 3.5 million inhabitants of Kuwait enjoy the fifth highest per-capita income in the world.

CGC was listed on the Kuwait Stock Exchange in 1977, and its primary objective has always been to maximise shareholder value. This it has done by driving excellence and unstinting customer focus, says its CEO Richard Woods. The Citybus division started its route operations on 8th March 2002 and since then has been working to coax the population of the kingdom out of their cars and onto public transport. The image of public transport in the Middle East needed to be raised: before the millennium it was characterised by frequent breakdowns, uncertain scheduling and a lack of comfort that was increasingly unacceptable to

Kuwaitis familiar with the standards of the US and Europe.

Today, CGC has succeeded in establishing its position as Kuwait's leading public transport operator. It operates 400 regular services across 19 routes, carried more than 46 million passengers in 2011, has become the first transportation company in the Middle East to gain ISO 9001:2008 certification and was accepted into membership of the International Association of Public Transport (UITP) World Congress. "UITP is a fantastic platform for worldwide cooperation, business development and

the sharing of know-how between its 3,400 members from 92 countries," says Woods.

The latest figures from Citybus show that 95 per cent of its scheduled services operate within the published timetable. Now, sharing the Kuwaiti market with the state-owned Kuwait Public

**46  
MILLION**

Number of CGC passengers in 2011

Transportation Corporation (KPTC), CGC is currently Kuwait's second largest public transport company, operating a fleet of 585 buses in Kuwait for scheduled and charter operations. Much of this progress has been achieved under the leadership of Woods, who was appointed CEO in 2007, having held senior positions over 25 years with leading international multimodal public transport operators including Stagecoach and Arriva. Reflecting his regional influence, he is also a member of the steering committee for setting up the new Transport Centre of



A Daewoo BH090 receiving a new transmission

Excellence for the Roads and Transport Authority (RTA) in Dubai.

In 2011 the aftershocks of the world economic crisis began to be felt in Kuwait despite its massive oil revenues. “CGC weathered the impact of the global economic slowdown that began in 2008, with after effects that continued well into 2010,” says Woods. “Towards the end of that year, though, we began to notice a definite upturn in both the warehousing and transportation sectors, and CGC performed better than at any other time in our history.”

He takes satisfaction from the fact that competition was as stiff as ever both from KPTC and unregulated operators running a few minibuses. Despite this, CGC has

maintained its growth. “We expect the regional public transport industry to continue to grow to meet increasing demand: that is why we have introduced efficient vehicles to our fleet, specified to European standards. Our strategy is to bring a really positive customer experience to the region, making it a pleasure to travel by public transport rather than just a means of getting from A to B.” The purchase of 50 ultra-modern, air-conditioned Yutong buses

from China in 2010 was a big step in raising CGC’s game, he adds.

That said, reliability is just as important. A bus operator faces a number of challenges, and traffic congestion problems are severe, despite the nation’s modern and well-maintained road system. Speeding, lax enforcement of traffic regulations and high density traffic leads to frequent and often fatal accidents on Kuwait’s roads. Kuwait has the highest per-capita rate of cellphone

“WE EXPECT THE REGIONAL PUBLIC TRANSPORT INDUSTRY TO CONTINUE TO GROW”

**Subscribe**  
to our newsletter

**BEinspired**

Your weekly digest of  
business news and views

[www.bus-ex.com](http://www.bus-ex.com)

ENOC

زيتون محركات فائقة الأداء  
PREMIUM MOTOR OILS

Approved By:

Kuwait Distributor:  
ALMAILEM GROUP

Tel.: 1884737 - Fax: 24821035 - [www.almailemgroup.com](http://www.almailemgroup.com)



Ticketing system

ownership in the world and using them while driving continues to remain legal. Not surprisingly, this is found to be the cause of many accidents.

For the bus operator, delivering a safe and enjoyable journey presents challenges not always within its control. “CGC has had a long and successful involvement in the development and growth of the public transport sector in Kuwait, and we are in a position to lead the improvements that really are needed. As one of the leading public transport providers, CGC is committed to maintaining world-class service delivery targets. We aim to help increase transport efficiency in Kuwait, as well as decreasing traffic and travel time getting to and from destinations around Kuwait.”

As a major national player, CGC contributes to the Kuwait Public Transport Masterplan, which aims to address problems of congestion and provide Kuwait with transport infrastructure that reflects its status as a regional tourist hub. It has not achieved that status yet but embarking on megaprojects like the Madinat al-Hareer, a new \$94 billion city aimed at bringing fresh sources of revenue into the country, will increase the need for a state-of-the-art public transport network such as CGC has shown itself capable of delivering.

Another transformational project due to be delivered by 2016 is the Kuwait Metro, a 171 kilometre-long inner city transport system running across the city. The Metro aims to ease the increasing traffic congestion on the city roads in addition to improving the quality of life by resolving daily



Citybus driver in action



Technicians carrying out general repairs on a Yutong

commuting problems. It is part of the \$25 billion GCC railway project, which begins at Kuwait and runs to Muscat via Saudi Arabia, Bahrain and Qatar. At first sight this might be perceived as a challenge to road transport, as one effect will be to reduce bus passenger numbers. However, Woods sees it as an opportunity and is keen that CGC will play its part in the project. The Metro will have no fewer than 70 stations, and linking these with key destinations will call for

close collaboration with the bus companies.

Not content to dominate the domestic public transport stage, CGC also has aspirations to be a leading regional player right across the Middle East and North Africa. “We were able to negotiate \$30 million worth of funding for regional expansion on very favourable terms,” says Woods. “We are on the acquisition trail, looking for operations that can help us get there.”

**“AS ONE OF THE LEADING PUBLIC TRANSPORT PROVIDERS, CGC IS COMMITTED TO MAINTAINING WORLD-CLASS SERVICE DELIVERY TARGETS”**



Team with Citybus vehicles

In 2010, advised by local M&A consultants Gulfmerger, CGC acquired a 51 per cent equity interest in Jordan's Comprehensive Multiple Transportation Company (CMTC) for \$21.5 million. "The acquisition of CMTC is part of CGC's strategy to transform itself into the largest public transport company in the Middle East with a combined fleet of over 3,000 buses by 2015," says Woods. "Our vision is to continue our regional expansion strategy either looking at commercial opportunities or gaining contracts and tenders."

Woods' appointment in Kuwait inspired him to build a management team that would transform the organisation and develop a culture aligned to its corporate values. "We have completely focused on continually improving our standards as an organisation and the welfare of our workforce was at the forefront of our decision-making. I truly believe people are the only asset that appreciates in value, whereas all other assets generally depreciate!"

Under his leadership, shareholder value has steadily increased, and CGC has

increased its share of the home market to 60 per cent. This has come about, he believes, as much through the empowerment and engagement of the workforce as by the undoubted benefits of investment in up-to-date vehicles and systems. "We believe in training, developing and retaining our staff and have recently introduced a graduate training programme for local and international students to come and experience life in the bus industry. I hope to be able to serve Kuwait for many years to come, and look forward to bearing the fruits

of all our hard work with the development and implementation of the Kuwait Public Transport Masterplan, which will make travelling easier, speedier and safer," he concludes. "I personally feel very privileged to have the opportunity to give our input in developing and shaping the future of public transport in Kuwait." **BE**

For more information about  
City Group Company visit:  
[www.citygroupco.com](http://www.citygroupco.com)

**CITY GROUP**  
**COMPANY**

[www.citygroupco.com](http://www.citygroupco.com)