

Auto rentals accelerate into fast lane



A microbus of a car rental service provider is parked in front of its office in Dhaka. The biggest clients of these rental services are the telecom operators, star-studded hotels, multinational companies and non-governmental organisations.

SAYEDA AKTER

ABDUL Matin was unsure about his future after serving Bangladesh Army for years as a driver when he faced compulsory retirement follow-

ing an accident in 2003.

The 41-year-old then purchased a second-hand reconditioned Toyota Corolla car to make a living with five years back spending all he got as retirement benefits.

He contacted some of his old pals who got him addresses of several companies that needed to hire drivers with vehicles to transport staff from home-office-home. He began with two such contracts -- one with a local television channel and another with an individual.

Many businesses these days prefer hiring vehicles with drivers than purchasing new vehicles and managing them for staff transportation, Matin said. This is a good reason that car rental companies and car owners are getting more work now, he added.

He picks his clients in the morning from their residences and similarly drops them off in the afternoon. Matin's job at the TV channel starts at 10 pm, where he has to go for at least two trips every night.

"There are eight more drivers working for the TV channel like me. Most of them were hired with vehicles years ago. The payment is satisfactory," added Matin.

He earns his salary as a driver along with the rent for the vehicle from the channel. In case of individuals, he charges a fixed amount on a monthly basis. Now he earns around Tk 22,000 a month and manages his five-member family.

Matin is one of a few thousand such companies and individuals

involved in car rental services in the capital now. The number of car renters has rocketed in last decade, as more and more business groups chose to rent vehicles rather than owning them.

Industry insiders said the growth in car rental services has been further fuelled by a growth in the local corporate sector and a growing urban habit to travel within the country in comfort and convenience.

At present, there are around 1,000 car rental groups operating in the country, up from around only 100 a decade back. Some companies have a handful of vehicles while larger groups have a fleet of several hundred cars, vans and buses.

For the past few years the car rental market has seen a double-digit growth, as most companies prefer to provide services to different offices on a monthly or yearly basis to maximise their earnings.

The fare depends on the size and condition of the vehicle. For example, a four-seater sedan car will cost Tk 10,000 to Tk 25,000 a month, while the fare of a microbus would range from Tk 12,000 to Tk 30,000.

Currently, the biggest clients of these car rental services are the telecom operators, star-studded hotels, multinational companies and non-governmental organisations.

Sabrina Khan, public relations manager of Sonargaon Hotel in the capital, said the hotel hires cars for different reasons, both for hotel staff and guests as well.

Sabrina's organisation hires cars



mainly for three purposes -- for the hotel's sales team that needs to move around the city, for guests who prefer cheaper options other than that of the hotel's car pool, in which case, guests pay for their use directly, and for some other guests who are staying for long need cars for regular use.

Apart from that, local multinational companies also hire cars to provide transportation to their staff in Dhaka and other regional offices. "It's a cost effective option for us, because when hired cars come from rental services we need not to worry about their maintenance and operations," said a senior manager of Unilever Bangladesh.

Dhaka Tours Rent-A-Car Association, one of the oldest car rental companies in the city, has a fleet of 65 microbuses and cars (sedans). Dhaka Tours rents its vehicles to Nokia, Siemens, Bangladesh Bank, Ruposhi Bangla Hotel, Sonargaon Hotel and different telecom companies.

Rafiqul Islam, manager of the company, said the car rental services boomed in recent years as new mobile telecom operators and multinational companies emerge.

"But it has grown manifold after local garments businesses and buying house owners started providing transport to their employees. Now there are many satellite televisions, who also need transport to commute here and there."

Mollah Rent a Car started its business with only a single microbus five years back in Dhaka. Now it has seven cars. It now plans to expand its fleet by adding another five microbuses by the year end.

"Now-a-days this business has become profitable, as more and more people need cars for different purposes, including marriage, holidays and business events," said Mahmud Hossen, general manager of the Shahbagh-based company.

"We provide cars with drivers' services. Now we are trying to enhance our standard of services." The company also offers its services on phone booking, he added.

Along with local groups, there is presence of an international group, Hertz International Licensee, in Bangladesh's market. Hertz started operation in the city and now it is one of the leading car rental companies.



Hertz shores up Bangladesh operations

SAYEDA AKTER

WHEN local car rental services are booming fast following a growth in the local telecom and corporate sectors in Bangladesh, international companies find the market potential for future.

Hertz International Licensee, local franchisee of Hertz Corporation, largest car rental company for general use in the world,

started its operation in Bangladesh five years back.

Recently, the company teamed up with Mollah Netcom Ltd to operate the brand in Bangladesh, and opened two new branches in the capital at Malibag and Gulshan as part of its expansion plans.

"Bangladesh enjoys strong economic growth. With influx of foreign direct investments, there is increasing demand for top class car rental services," said Michel

Taride, president of Hertz International and executive vice president at Hertz Corporation, at a ceremony to mark the occasion.

The company delivers high quality products and services to meet the growing needs of corporate and leisure customers of telecom, pharmaceuticals and world chain retailers, said Arshal Arafat, chief executive officer of Hertz Bangladesh.

"We have taken over the company's local control from the previous

licensee in July last year, but started formal operations in October."

"Now we provide total mobility solutions for employees, senior management and VIPs working in telecom, pharmaceuticals and multinational companies," Arafat added.

Hertz Bangladesh offers cars of different ranges to cater for leisure and business travel with airport transfers, chauffeur drive and long-term rentals, he said.

Simultaneously, the company

also provides inter-city transfers between Dhaka and other main cities such as Chittagong and Cox's Bazar, he said.

The company has a fleet of 47 vehicles from entry-level cars to luxury ones like Mercedes-Benz and BMW, including bus and microbus.

"One can choose from a fleet of air-conditioned sedans, sports utility vehicles, minivans and minibuses. And our biggest clients are the multinational companies

and telecom operators, including Grameenphone, Banglalink and Robi," Arafat said.

He said the company charges from Tk 55,000 to Tk 2.5 lakh a month for each vehicle depending on type and size of the vehicles.

Arafat said the company plans to increase the number of cars in the fleet to 250 cars in the next five years, and also to take a major initiative to train the drivers properly so they can provide services of international standards.