

IRD opens Nigeria office

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International Road Dynamics (IRD) has opened an eighth global subsidiary, this time in Nigeria.

With its head office in Saskatoon, the intelligent transportation systems company has operations in the United States, China, Brazil, Mexico, India and Chile, with a total workforce of more than 400 people.

For years, IRD's biggest customer was the United States, but president and CEO Terry Bergan says the company's offshore business is now expected to exceed orders in the U.S.

"It's already just about there," said Bergan in an interview Wednesday. "All of a sudden, we are truly international."

A growing number of infrastructure projects in Nigeria, as well as a need for toll and weight control systems in the area, drove the decision to open the new office.

"We already have a couple of small contracts in Nigeria with the potential of significantly more as the country invests very heavily in building their highway infrastructure, primarily through tolls," said Bergan.

"Our focus there is the truck weight enforcement and toll systems.

"In order to execute the contracts in hand, we had to have a local presence."

In some countries, a local presence is a necessity, he explained. As soon as you reach a certain revenue stream, you're required to have a local office.

"In the case of Nigeria, you just can't do any business without a local company."

Bergan said it was too early to estimate how many IRD employees would be located in Nigeria.

At present, IRD has a small manufacturing operation and a number of sales and service offices in the U.S. There are a few employees in Mexico as well.

In South America, the Chilean office has engineering and administration operations, as well as some manufacturing, adding up to 40 to 50 employees. The Brazilian office is mainly a sales operation, with 20 to 25 employees.

The Indian office is in Delhi, where 40 employees provide operations and engineering support. The Chinese office is a stand-alone operation with 45 employees.

"We're very selective who we do business with and where the offices are located in the countries," said Bergan. "We have not to date had any security issues."

Various countries have slightly different goals for intelligent transportation systems (ITS). In developed countries, said Bergan, the goals are safety, security, environmental protection, economic capacity and less fuel consumption.

In developing countries such as Nigeria, India and China, toll roads become very important. In many of these countries, on top of the toll, they charge by vehicle weight as well, said Bergan.

"If you can keep vehicles moving, and provide information to operators so they can make route decisions, it all adds to productivity in a region."

IRD shares are traded under the same symbol on the Toronto Stock Exchange. The stock has been trading in the 70- to 85-cent range during the last month.

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