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SABOA BUS

VEHICLE OF COMMUNICATION OF THE SOUTHERN AFRICAN BUS OPERATORS ASSOCIATION



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Bi-
Articulated**



AFRIWAY



AFRIWAY is the all-inclusive solution from a single source

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IVECO BUS

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Creation of GTA to kickstart developments

A SIGNIFICANT stride has been taken towards integrated transport planning and pooling of resources between Ekurhuleni, Johannesburg and Tshwane with approval from cabinet to establish a Gauteng Transport Authority. The move is intended to be mutually beneficial to Gauteng's three key metros, though as a legal entity the Authority would be able to enforce participation from the trio (the Bill is set to be tabled at the Gauteng legislature shortly).

In addition, Gauteng Roads and Transport MEC Ismail Vadi is looking

to spur BRT activity, as development is lagging.

There is also a drive towards integrated fare management, enabling a single card or ticket to serve commuters across all public transport modes, such as rail and bus. The establishment of the GTA is viewed as a crucial step in enabling a Gauteng-wide integrated ticketing system to be implemented.

For insight into other key industry issues, be sure book to attend SABOA's annual conference and exhibition at the CSIR International Convention Centre in Pretoria on 18 and 19 July. Among the

topics to be tackled are the Competition Commission's preliminary observations drawn in its market inquiry into the public passenger transport market, as well as an update on the Department of Transport's turnaround plan for public transport. A variety of informative parallel sessions will run on the second day (including marketing and growing a small business, business requirements to access government intended set-asides in public transport contracting, and requirements for sustainable urban city development).

Cindy Haler, Editor



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MAN maintains bus and coach momentum

By Cindy Haler

MAN Automotive has no intention of keeping pace with market developments – instead, it intends to set the pace, forging ahead with the product and service initiatives which have contributed to the OEM’s continued occupation of top spot in the bus and coach market

WITH plans to introduce a ground-breaking new offering at the SABOA conference and exhibition in July, MAN Automotive SA continues to forge ahead with numerous product and service initiatives which have seen it increase market share by more than 4% this year.

On the product front, the second generation Lion’s Explorer has performed strongly since being unveiled at the SABOA exhibition last year. Launched initially in solo and articulated versions, Buscor has recently taken delivery of seven 27-metre bi-articulated units for operation in Mpumalanga. Buscor pioneered the concept in 2009 – linking an MAN bus to a trailer section – and MAN subsequently supplied 12 bi-articulated units in 2014. The seven new units incorporate second generation Lion’s Explorer upgrades, including numerous aesthetic enhancements as well as tweaks to bolster robustness and improve aerodynamic performance.

“The new Lion’s Explorer has been a huge success,” says Philip Kalil-Zackey, MAN Automotive head of bus sales. “It’s definitely the best looking front engine bus on the road.”

MAN has also derived success with its RR4 26.480 Euro V rear engine chassis, introduced to establish a presence in the coach segment of the market. South Africa’s top three intercity operators have incorporated RR4s into their fleets, says Kalil-Zackey, and the

chassis has also attracted the interest of up-and-coming operators.

While its Lion’s Explorer offerings appeal to a broad swathe of the market, the RR4 is a niche offering which is selling steadily largely on the strength of word-of-mouth recommendations and as the market observes increasing uptake by leading operators.

“MAN has ticked all the boxes with the RR4,” asserts Kalil-Zackey. “From high horsepower, to Euro V, to all the safety systems. It can accommodate a body of up to 15 metres, because of its steered tag axle, and offers bigger front axle capacity. Although some operators have asked if we can supply the chassis to lower specifications, we have opted to remain solely with the premium offering, incorporating the full suite of safety features. It’s a premium product.”

Among the safety features incorporated in RR4 design are electronic stability programme (ESP), lane guard system (LGS), new generation emergency brake assist (EBA) and adaptive cruise control (ACC).

Slotting between the premium and budget strata of the market, MAN’s 280 hp CLA offering, sourced from India, has also established good momentum. In addition, the VW 17.210 budget offering is performing well. Both offerings are supplied in manual configuration, enabling MAN to offer keen pricing.

Mirroring the constant evolution of the OEM’s product portfolio, Kalil-Zackey



Philip Kalil-Zackey, MAN Automotive head of bus sales: mirroring the constant evolution of the OEM’s product portfolio, the bus and coach division also strives for constant enhancement of its sales and service practices

says that the bus and coach division also strives for constant enhancement of its sales and service practices.

The MAN configurator, an online quotation tool, for instance, has dramatically reduced the time taken to generate product quotes, as well as significantly enhancing accuracy.

Instead of taking a day or several hours to produce a quote, the system reduces the process to mere minutes. Because it's a totally mobile solution – which can run on cellphones, tablets or laptops – quotes can be generated during meetings with clients.

“Pricing is accurate and plausibility checks ensure that the proposed configuration is viable. Unlike a truck – which entails specifying a chassis and body for that chassis – each bus is unique, built from the ground up. Training on the system is straightforward. The configurator means that dealers have become far more comfortable generating quotes for customers: it removes the fear of making mistakes, as well as the possibility of costly errors.”

Each quote incorporates a reference number, which ensures both traceability and accountability.

MAN is on constant lookout for opportunities to enhance the configurator and is in the process of integrating live stockholding data, adding extra value to the system. There are also plans in the pipeline to further streamline and shorten the quote process.

MAN's dealer network is playing a growing role in bus and coach business, as MAN has diversified from its traditional centralised bus and coach sales model. The configurator is one element that has empowered MAN's dealers to take a more prominent role in bus and coach sales, removing the complexity from the quoting procedure. Tapping into the dealer network also equips the bus and coach operation with a vastly improved footprint, spanning the country.

Building and retaining close ties to its customers is the goal of these initiatives: by reducing the administrative load, staff time is freed for face-to-face interaction with customers.

Because the bus business is very much a people business, Kalil-Zackey has also concentrated on building a solid team – the division has recently recruited

additional staff members with solid industry knowledge and experience.

“What all this means is that every member of the 11-strong bus and coach team is a sales person, rather than focusing on admin or costing. Even our product manager has closed deals! The key to success is having people in the field – and MAN's bus and coach division is achieving this via its reinforced team, both at head office and throughout the dealer network.”

MAN has a strong track record when it comes to maintaining ties with the large operators who form the bedrock of its client base. Its focus on retail business has also positioned it to explore other growth avenues and knock on the doors of potential new customers.

One trend that has become evident, remarks Kalil-Zackey, is that medium to large operators which may have reached peak capacity but are intent on further growth are acquiring other transport operators – which means that the industry may eventually be populated by fewer but bigger operators.

The scholar transport arena has

proven quiet this year, despite fairly brisk sales last year, but Kalil-Zackey believes that there may be renewed momentum in the latter half of the year.

Numerous tenders are in various stages, a development which MAN welcomes as it signals activity down the line. Kalil-Zackey cautions that organisations issuing tenders should factor in build time to enable local industry to derive the benefit rather than resorting to suppliers overseas to meet tight deadlines.

In terms of future developments, Kalil-Zackey believes that diesel – though possibly with Euro V or VI emission norms – will remain the norm in the commuter bus industry which comprises the bulk (some 70%) of SA's bus parc, as well as the intercity arena. For city operation, Kalil-Zackey believes that there is potential for electric buses to come to the fore, mirroring trends in European cities – with the proviso that the challenge of infrastructure will be met.

“For MAN, our imperative is to evolve with the market – to keep moving forward to ensure that we keep on top.” ■



MAN Automotive SA's product and service initiatives have seen the bus and coach operation increase market share by more than 4% this year. The second generation Lion's Explorer has performed strongly, with Buscor recently taking delivery seven bi-articulated units

Busco's third generation Predator Commuter hits sweet spot for operators and passengers

By Cindy Haler

Evolution is essential for manufacturers to thrive in the bus and coach market and Busco/Busafrica has introduced innovation aplenty in its third generation Predator Commuter

BUSCO's third generation Predator Commuter maintains the robustness for which the brand is renowned as well as incorporating numerous developments and enhancements to equip the vehicles for duty in demanding southern African

conditions. Despite being as rugged as a commuter bus needs to be to meet the challenges of African terrain, the vehicle is versatile enough to do commuter duty in the week and serve as a special hire offering over weekends.

Versatility has become an increasingly

important requirement for bus operators, as the ongoing lack of clarity on the awarding of long-term contracts sees operators increasingly rely on income from special hire assignments over weekends to supplement routine weekly contract work.





Evolution in action: the Predator Commuter was launched in 2008; followed by the second generation in 2013; now, the third generation is poised for its introductory roadshow

Busco/ Busafrica member Mark Tiedemann says that evolution is essential for manufacturers to thrive in the bus and coach market. “You can’t do the same thing year after year in terms of design,” says Tiedemann. “We’ve focused on being very innovative with the design changes incorporated in the third generation Predator Commuter. We’ve integrated stronger, lighter composite materials to reduce the weight of the vehicle, while providing strength and durability. There are fewer maintenance items. The new generation offers better carrying capacity – and it’s aesthetically pleasing.”

The new version features a host of upgrades, including improved lighting, daytime running lights, low wattage LED indicators, greater airflow into the radiator area, improved sound and heat seal around the engine compartment, better stone protection for the chassis components, streamlined aerodynamics and updated and improved dashboard and bonnet. Moving with the times, the appearance of the vehicle is modern and attractive.

Although vehicle upgrades tend to be accompanied by a jump in price, a great deal of strategic planning has gone into ensuring that there is no price penalty in switching to the new evolution: pricing is the same. Any change in pricing that may occur would be driven by factors such as the weakening rand, rise in steel price and increased labour costs.

The Predator Commuter was the first

vehicle launched by Busco/Busafrica in May 2008 at the company’s inception. The second generation Commuter made its debut at the end of 2013 and the first units of the third generation offering have gone into service in Limpopo, to be followed by a batch of deliveries to the region. The new generation will be introduced via a national roadshow and will be showcased at SABOA’s annual conference and exhibition in July.

“Private operators who are spending their own money are spending it wisely – and they’re spending it on the Predator product,” asserts Tiedemann. “It has a tried and tested track record and has proven itself time and time again. One of our strongest marketing points is repeat business: we’re at 77% repeat business this year.”

Although the market was still perfectly satisfied with the second generation, both Tiedemann and fellow Busco/Busafrica member Willie van Zyl set great store in being innovative, hence the third generation. “The combination of innovativeness, experience and willingness to adapt led to the new evolution, which – from conception of the new model to running off the production line – was developed in just 13 months. There’s no substitute for experience,” says Tiedemann.

“When it comes to design and engineering, generally there’s an engineer who wants to design what’s easy to manufacture, you have the sales team that

wants to build what the customer wants – and then you have the grey area in between. We can customise and be flexible, within parameters, to customers’ needs, bridging that divide between engineering and sales.”

Despite dire predictions that the fledgling operation would fail within six months when Busco was established in 2008, the company is going strong – and is swimming against the tide of the current market downturn, with a healthy order book in hand. How is the company getting it so right? Tiedemann says, “We listen to what the customers want. The product is also selling itself now: it has proven to be very robust and very cost effective. It has the lowest cost of ownership of any bus body in the market at the moment.

“The off-the-shelf guarantee on spares is also a huge positive. Every component that goes into our vehicle is available off the shelf. Operators don’t have to place an order – they can pick it up. We don’t want to cost people time.”

Offering a concise range of vehicles is another factor enabling Busco/Busafrica to maintain comprehensive parts supply.

Because the company regards its parts operation as playing a support role to the vehicles on the road – rather than a second income stream – pricing on parts and spares is reasonable and realistic.

“An operator quickly forgets what he paid for a vehicle – but he remembers what he’s paying for parts and service.”

Purchase price accounts for only 8% of

SUPPLIERS

the total cost of a vehicle over a 10-year period, says Van Zyl, and the value provided by the Predator range's robustness and longevity far outweighs any upfront price premium. "That's why we're not prepared to compromise on materials and don't engage in bargaining. We'd rather lose a deal."

Local content, knowledge and experience have proven to be crucial factors in the success of the Predator range (which has evolved from the initial basic commuter vehicle up to the high spec semi-luxury Predator Supreme line).

Busco/ Busafrica is also a firm believer in working closely with chassis OEMs on developments, to ensure that the mould between the body and chassis is unique to each OEM's chassis. Because it's a local body builder, it has the flexibility to react swiftly should the need arise.

The company strives to build and maintain strong relationships with suppliers for back to back guarantees and to secure consistent supplies.

Strong relationships with customers, forged on honesty, are also crucial to Busco/ Busafrica. The company has the knowledge and experience to accurately assess operators' requirements, says Tiedemann – and if it's unable to supply a suitable product, it will turn away business rather than pursue a sale.

"We've earned our success by building relationships with our customers and working to meet their requirements. Their success is our success, just as our success is theirs: it's a two-way street. It's not a case of delivering a product and heading off. Once you've delivered a vehicle to the client, that's when the partnership starts. We want to be everything for a few, because you can't be everything to everybody. When we get a new client on board, we welcome him into the Predator pride. It's very seldom that a customer who has bought from us buys from the opposition again."

Busco/ Busafrica has eschewed the widespread move to 3CR12 in body construction, favouring WA 350 and, lately, WA 355 steel. "We have buses that have been running for more than 10 years and have never experienced a structural integrity problem," says Van Zyl. "We have

never had a structure failure – and we're talking vehicles that have done over a million kilometres in off-road applications. We've had vehicles that have rolled and remained intact, because of the flexibility inherent in WA 350."

Tiedemann says, "One of the strongest points is that our buses have been designed for the harsh African conditions, with overloading in mind. Other vehicles have been designed offshore and landed here."

As well as establishing impeccable credentials in South Africa, Busco/ Busafrica has also entrenched itself as the preferred supplier in Namibia, based on its history and success in the harsh operating conditions, where already challenging terrain has deteriorated even further.

"We have numerous vehicles running in various operations, from commuter to tourist," says Tiedemann. "We've adapted the Predator to a unique Namibian spec for the harsh operating conditions. Our vehicles are able to withstand the desert conditions – including powder dust and extreme heat and cold – and provide the luxury interior that tourists expect."

With a build time of four weeks and similar lead time – plus time to reach the front of the customer queue – Van Zyl notes that the wait to procure a Predator tends not to prove problematic, as operators are prepared to wait for quality.

With a busy production schedule, Van Zyl says that the pressure under which the industry is laboring means that hard work is required to maintain momentum and

keep the order book full. "We're feeling it, like everybody else, but you have to be innovative – you have to create business and work harder."

Allied to this, notes Tiedemann, production has to be smarter and leaner to ensure that customers receive the best pricing and value. "We don't believe in skimping on quality. We will not compromise on the product at all."

Van Zyl says, "We may not be the big boys in the industry, but we're getting the concept right. We can look at things and we can take a decision immediately if anything needs to be changed. We've been told that we're overdesigning – but we know what African operating conditions are like. We focus on boosting vehicle strength without adding to weight or compromising structural integrity. The extensive knowledge and global experience of our engineer is instrumental in achieving this."

Emphasising the vehicles' longevity, Tiedemann says that a batch of Predators – having run in Namibia for some eight years – have been repainted and had seats retrimmed and put back into operation in Cape Town. Units in another fleet operating in some of the toughest operating conditions in South Africa have racked up close to a million kilometres and still feature original floor material.

"The quality and pride that goes into any Predator is unmatched in the industry," concludes Tiedemann. "We're not just another mass producer." ■



Three new Predator Commuter Mercedes-Benz buses in a unique mining specification

Scania assembles top team for bus and coach market

With a young, energetic team in place, Scania SA's bus and coach operation is going places

THE bus business is a people business – and people do business with people they know, like and trust. Alan Hugo, head of Scania SA's bus and coach operation, says the division has focused on assembling a team of individuals who add a great deal of value to the organisation.

“Scania – from a youth and energy perspective – has a great bus and coach team,” asserts Hugo. “The team comprises individuals who are highly ethical and competent and who possess a great deal of drive, energy, enthusiasm and hunger.”

The unit is headed by Hugo, with Esaia Taunyane recently taking up the reins as national sales manager in the bus and coach division.

Full name, age.

Esaia Taunyane, 49

Career path

I started with Scania Finance as a finance representative, financing both trucks and buses, and later went on to specialise in bus finance. I moved over to the sales side and actively sold buses for about three years and was then promoted to sales manager. I am hoping to have a long and successful career in Bus & Coach, continuing to grow and contribute positively to the industry. The reason I chose bus and coach is the passion I have always had for passenger transport. Having been in finance and sales has given me a good understanding of clients' businesses.

Please outline your schooling and any subsequent education history.

I come from a finance background and specialised in asset-based finance.

Please outline your philosophy/strategy in dealing with customers.

Respect for an individual, a customer is always a customer and ensuring good quality service is provided.

What is required for a sales person to be successful in the bus and coach market?

Visibility at all times and being a trusted partner/adviser through good and bad times.

What, in your opinion, distinguishes Scania from other bus and coach OEMs in the market?

Coupled with the well-rounded mix of products Scania is able to offer, we have one of the best after sales support offerings in the industry.

What challenges do you deal with in your position?

Competition in terms of cheaper products entering our market, as well as tough economic conditions, is a constant challenge.

Please detail a career highlight.

I joined Scania Finance in 2007 and as the portfolio grew it became evident that the bus industry required a different approach from the truck market, with an



Esaia Taunyane: passion, knowledge, perseverance and hard work are vital traits for success in the bus and coach field

entirely different culture. The market has to be managed differently too. That prompted me to specialise in bus finance and I later moved to the sales side where I gained valuable experience in selling the actual product. Thereafter I was appointed as a bus specialist, doing both finance and sales, and later promoted to national sales manager for Bus & Coach in South Africa.

What advice would you give to someone considering embarking on a career in the bus and coach industry?

You need to have passion for the industry, know and understand what is going on, persevere and be a hard worker.

Please provide some 'beyond the workplace' information.

I love cycling, going to the gym and watching tv.

Innovation and improvement integral to BAI progress

By Cindy Haler

Bus Africa Importation is vigilant in ensuring that its customers benefit from continuous improvements to its products and procedures

CONTINUOUS improvement and innovation has seen Zhengzhou-based Yutong Bus establish itself as China's largest bus producer – increasing volumes from under 1 000 units in 1993 to production of 70 000 units last year, with daily capacity exceeding 325 units. The OEM is also emerging as a front-runner in the electric bus stakes, winning key projects around the globe and producing more than 30 000 units a year at its new energy bus plant.

The philosophy of continuous improvement also underpins the operations of Yutong's South African distributor, Bus Africa Importation (BAI). CEO Dave White says that every aspect of the business is assessed regularly, providing the foundation for a programme of continuous improvement.

The programme entails optimising spare parts holdings, for instance, to ensure that the right spares are available at the right time, eliminating dead stock and avoiding insufficient stock. "It's easy to hold a lot of spares – to hold the right spares is not," says White. "We look at spares weekly to see how to incrementally improve supply and accuracy of supply."

Spares purchase history and sales patterns are analysed closely to facilitate accurate forecasting. In addition, BAI regularly visits its customers and conducts visual inspections of their vehicles to identify components which may require replacement or will within a year or two – and then ensures that those parts are held in stock for ready availability.

Another factor bolstering spares

supply is BAI's role as Yutong's regional distribution centre, which means that BAI holds (and can access) spares for the southern Africa region rather than just South Africa. The increased throughput this entails means that a container arrives every three weeks and the increased frequency dramatically cuts lag in tailoring supply to demand.

The constant seeking of opportunities for improvement carries through to the workshop as well, with the standard of workshop output and systems continuously reviewed. BAI hosted Yutong-run technical training in May for its technicians as well as workshop staff of key customers.

While BAI provides servicing – either direct, at its Boksburg premises, or nationally via its agreement with Cummins – a fairly substantial proportion of operators opt for self-servicing. White says that BAI makes a point of maintaining contact with operators who

look after their own vehicles, conducting free-of-charge vehicle inspections and reviews and providing training. "The better the condition of Yutong vehicles on the road, the better for our brand," notes White. "Of course, a vehicle that's well maintained is going to perform well and that customer is going to be happy."

BAI's continual improvement strategy is applied on the administrative front too, with systems under constant review to ensure that customer interaction is managed as efficiently and effectively as possible. Senior management is always accessible, while two after-hours numbers are always on hand for spares support.

Industry is littered with examples of companies that have failed because they failed to innovate or improve. BAI intends to maintain its steady progress in the South African market by ensuring that continuous improvement remains the name of the game.



Spares holdings are analysed weekly to identify opportunities to improve supply and accuracy of supply



Iveco's natural gas powered range – on display during the Trans-European Network for Transport Days – includes vans, trucks and buses for applications ranging from urban deliveries to intercity and long distance haulage as well as passenger transport

Iveco wins Paris natural gas bus contract

Iveco continues its alternative fuel drive: with nearly 6 000 natural gas vehicles in service throughout Europe, Iveco Bus is set to provide 150 Urbanway Natural Power buses to Paris

RATP – a state-owned public transporter with headquarters in Paris – has contracted with Iveco Bus for the delivery of up to 150 Urbanway Natural Power buses between 2019 and 2024, in line with RATP's 'Bus 2025' plan to replace its fleet with non-polluting solutions. The bus, which runs on compressed natural gas or biomethane, is manufactured at the Iveco Bus plant in Annonay, France.

The Europe-wide tender called for the manufacture of 18 metre articulated CNG buses made in France.

Iveco Bus, based in Lyon, France, has nearly 6 000 natural gas vehicles in service throughout Europe. The RATP bus is fitted with Iveco's Cursor 8 NP (natural power) engine, which, according to Iveco, has established a reputation for its technological excellence. More than 1 000 Cursor 8 NP engines are manufactured annually in France for use in transport and industry throughout the

world, including the Beijing bus network.

The Iveco Bus Natural Power is 100% compatible with biomethane produced from waste, guaranteeing a neutral carbon footprint. According to Iveco, this is a practical step towards the requisite energy transition and the buses contribute to significantly reduce global warming. In addition, says Iveco, the solution meets all the challenges of 21st century road transport: air quality, climate protection and quiet operation. The project's role in transforming waste into resources also contributes towards energy independence.

In addition, Iveco showcased its full spectrum of natural gas solutions (trucks, buses and vans) at the recent Trans-European Network for Transport (TEN-T) Days – the sustainable mobility conference promoted by the European Commission – in Slovenia.

The ninth edition of the high level meeting on EU infrastructure policy

brought together European ministers, members of the European Parliament and key stakeholders to discuss synergies between transport, energy and digital connectivity and how to contribute to smart, sustainable and safe mobility, relying on the trans-European transport network.

The event included a session dedicated to enhancing the alternative fuels market through vision, targets and policy measures. Iveco – the only truck manufacturer taking part in the meeting – displayed its range of natural gas vans and trucks, as well as offering test drives of its Daily Hi-Matic Natural Power van.

Iveco brand president Pierre Lahutte says, "While we develop electric vehicles such as our city buses or the Daily for last mile logistics and hyper-centres, Iveco clearly sees in methane and bio-methane the broad alternative to diesel in a wide variety of transport applications that offer economic sustainability and potential for a drastic CO₂ reduction from well to wheel."

Iveco saw very early on that natural gas is the most effective technology choice and the mature, affordable solution to address the issue of air quality in urban areas and for the reduction of greenhouse gas emissions. With Iveco's Natural Power technology and its full line powered by this sustainable fuel – from light commercial vehicles to heavy-duty long-haul trucks and buses – this alternative traction is a reality today.

The Iveco Bus Crossway Low Entry Natural Power 12-metre bus has been designed to rise to the challenges of city and intercity passenger transportation while also meeting environmental targets.

Crowned 'Sustainable Bus of the Year 2018' in the intercity category, the bus features patented smart design that integrates CNG tanks on the roof – optimising interior height and allowing the vehicle to operate in any condition, thanks to the low overall height (3 210 mm) – its autonomy of up to 600 km, and its environmentally friendly and fuel efficient Cursor 9 NP engine. ■

BRT: promise vs reality

By Jim Campbell

Solutions to the flow of traffic and passengers are crucial to prevent cities sinking into gridlock, particularly as more people move to cities and urban workforces increase. Has BRT delivered on its promise?

THE challenges and successes of SA's BRT systems formed the focus of a recent Transport Forum Special Interest Group (SIG) meeting, with experts from various fields sharing their views on BRT and its future.

Professor Jackie Walters, head of the University of Johannesburg's Department of Transport and Supply Chain Management, provided an overview of public transport systems around the world and the situation in SA.

The World Bank estimates that over the next 25 years an additional 500 million people will relocate to African cities. Within 19 years, it is estimated that Gauteng's population will increase from 11,2 million to 18,5 million – growth of more than 50% – partially as a result of people from other parts of SA moving into the region. This will result in an increase in the formal workforce to 8,6 million in 2037 (from 3,9 million in 2010).

A review of traffic and passenger movement is required, because if nothing is done to address the public transport system in SA, the average speed of traffic movement will be seriously affected.

The typical modal split of public passenger transport over recent years has been minibus taxis at 66%, commuter buses 20%, and commuter rail 12%.

BRTs are gradually being introduced as one answer to the need to provide a high volume passenger transport solution to meet the growing demand for speedier movement of the public around urban areas.

The situation is not unique to SA: other parts of the world have addressed the problem with the introduction of



Professor Jackie Walters



Jeff Ngcobo

integrated transport systems in urban areas, including BRT and light rail transport systems, that have been emerging since the 1970s.

Balancing act

The capital cost of BRT systems is significantly lower than heavy or light rail, but Johannesburg's Rea Vaya capital cost is among the highest. BRT 'light', with bus right of way, may be considered for most of SA's city areas.

A BRT system, if well designed and operated, can reach a capacity of 30 000 passengers per hour in each direction, provided there is corridor density. Rea Vaya averages just over 5 700 per hour per direction. Rea Vaya passenger boarding per bus per day is currently only around 400 pax. Passenger boarding per bus per km is only two people. South African cities need to be densified to justify and support BRT systems.

Jeff Ngcobo, head of the City of Johannesburg's Scheduled Services Management Agency, outlined the city's view on the background and future of Rea Vaya, as well as plans for a city-wide strategic integrated public transport network (SIPTN).

The city agreed in 2006 to introduce BRT in Johannesburg, the decision spurred by international enthusiasm for BRT in Bogota and other Columbian cities, as well as the need to provide public transport for the World Cup in 2010.

Ngcobo describes the journey as "eventful", with significant lessons on public transport planning, bus operations, implementation of technology in a local context and public transport transformation and governance. Construction commenced in November 2007 and in June/July 2010 307 000 Fifa World Cup fans were transported to Soccer City and Ellis Park stadiums.

Construction on the infrastructure for Phases 1B and 1C are under way or complete, to extend BRT routes to other areas of the city, with plans to extend the system to outlying areas of the metro.

Various plans have been proposed to integrate BRT with Metrobus and PRASA:



Professor Christo Venter

a 10-year plan will seek to do away with the distinctions between various services to provide a fully integrated public transport system for the greater Johannesburg metro.

The future of Rea Vaya

Professor Christo Venter, associate professor in the University of Pretoria's Centre for Transport Development/ Department of Civil Engineering, appraised the promise of BRT versus its reality in SA after 10 years of operation.

If BRT passenger numbers fail to reach expected levels then a subsidy applies, to be paid by Johannesburg to the operation company. To date, the system has required continuous subsidies to offset low fare income over

the full period of operations. Passenger loads on some routes are as low as two passengers per kilometre.

A high density passenger transport system can only be effective in areas with high population levels. Venter highlighted population density by cities around the world (on the basis of a population density of 1 000 per square km): Bogota (Colombia) 13,7; Lima (Peru) 8,8; Porto Alegre (Brazil) 7,7; Mexico City 6,7; Johannesburg, 2,7. Average BRT passenger trip lengths are: Bogota, 11 km; Lima, 7 km; Porto Alegre, 8 km; Mexico City, 19 km; and Johannesburg – with the longest trip average – 27 km.

The difference between peak demand and lowest passenger loading throughout the day in Johannesburg is a ratio of almost 9:1, whereas in other cities this ratio is less than 3:1. This means that more buses are required in Johannesburg to deal with peak loads than in the other cities.

These statistics show that BRT is most successful on routes with high passenger volumes over relatively short distances and that capital and running costs are consequently better amortised. Unfortunately Johannesburg does not meet the operating criteria to enjoy the benefits of other successful BRT systems around the world.

Venter summed up his views on BRT services:

- A successful public transport system should provide an efficient, reliable and frequent service, and should be affordable, safe and secure for passengers.
- The system should contribute to decreased congestion and enhance the urban environment and surroundings.
- BRT is not just about the buses. There should be a focus on service quality, frequency of bus trips, route coverage and fare pricing. Currently, Johannesburg's BRT is attracting more middle income, rather than low income, customers.
- There must be a better integration with existing passenger transport systems, including Metrobus and minibus taxis.
- Some measure of fare integration across different modes is the key to affordability, that is, one ticket price from beginning to end of a journey, regardless of mode changes.

An integrated transported system is intended to move people from one point to another with ease, by integrating various forms of transport. While the BRT system was intended to be a part of such an objective, this has not been achieved.

Some improvements have been realised, but passenger densities must be increased to reach numbers similar to those achieved by overseas operators for BRT to reach efficiency levels to justify its capital and operating costs.

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Steering clear of collusion

Industry association participants may unwittingly risk contravening competition legislation – with dire consequences. The Competition Commission has drafted guidelines on information exchange to ensure that proceedings remain above board

PARTIES which have engaged in collusion have been hit with punitive fines – up to R1,5 billion in some instances. The Competition Commission, constituted in terms of 1998's Competition Act, is one of three independent competition regulatory authorities, with the Competition Tribunal and Competition Appeal Court. While it is the investigative and enforcement agency, the Tribunal is the adjudicative body and the Competition Appeal Court considers appeals against Tribunal decisions.

The Commission is empowered by the Act to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers to achieve equity and efficiency in the South African economy. Its purpose is to promote and maintain competition in South Africa.

Competition authorities have far-reaching power – from investigating and prosecuting, to imposing sanctions – but beyond financial penalties, price fixing, market division and collusive tendering can result in criminal liability for directors or managers.

Mziwodumo Rubushe of the Competition Commission recently addressed a SABOA Technical Committee meeting to point out the parameters that should be observed when industry colleagues gather under the auspices of industry associations.

Rubushe says that the Act does not prohibit the exchange of information, but that concerns may arise pertaining to the nature of information collected, as well as how and to whom it is disseminated. There are obviously concerns where competitors discuss prices, discounts and trading conditions, or where information is used for collusive purposes such as fixing prices, allocating markets or tendering. Information gathered by a third party or information presented in aggregate form (which made it unable to identify to whom the information belonged) was unlikely to prove problematic.

Because questions crop up regularly, the Commission has drafted guidelines on the exchange of information between competitors, which would be made available to SABOA for distribution. In addition, the observations drawn in the Public Passenger Transport Market Inquiry would be presented at the SABOA Annual Conference & Exhibition in July.

Prohibited horizontal restrictive practices (among competitors in a market) include price fixing, market allocation and collusive tendering, while maintaining minimum resale price (or maximum discounts) is a prohibited vertical restrictive practice (agreement between manufacturers and retailers). Abuse of dominance practices which the Act prohibits include excessive pricing (pricing that bears



Mziwodumo Rubushe of the Competition Commission outlined the circumstances in which the exchange of information could cause concern

no relation to the economic value of the product), refusal of access to an essential facility, buying up scarce supply of intermediate goods or resources required by a competitor, price discrimination, inducing, refusal to deal, tying of unrelated goods or service, and selling goods below their marginal or average variable costs (predation) with the intention to drive a competitor to collapse. Investigations are instituted either on receiving a complaint from a member of the public or by the Commission itself.



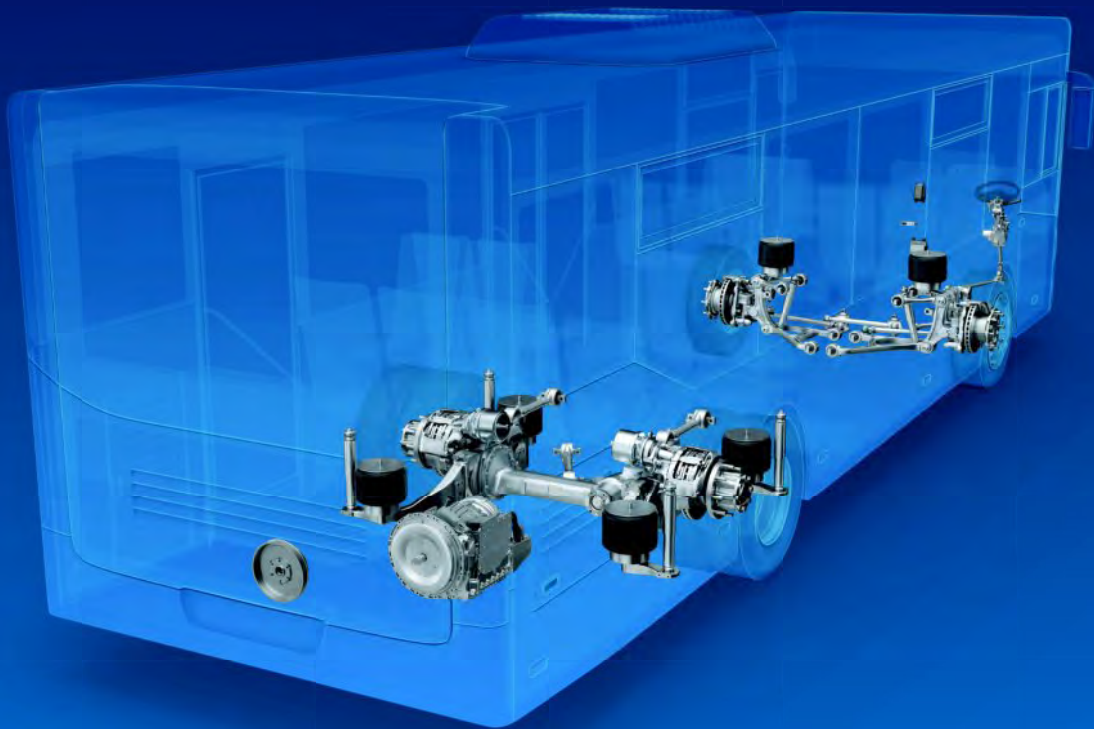
Mercedes-Benz Bus & Coach hosted the recent SABOA Technical Committee meeting

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