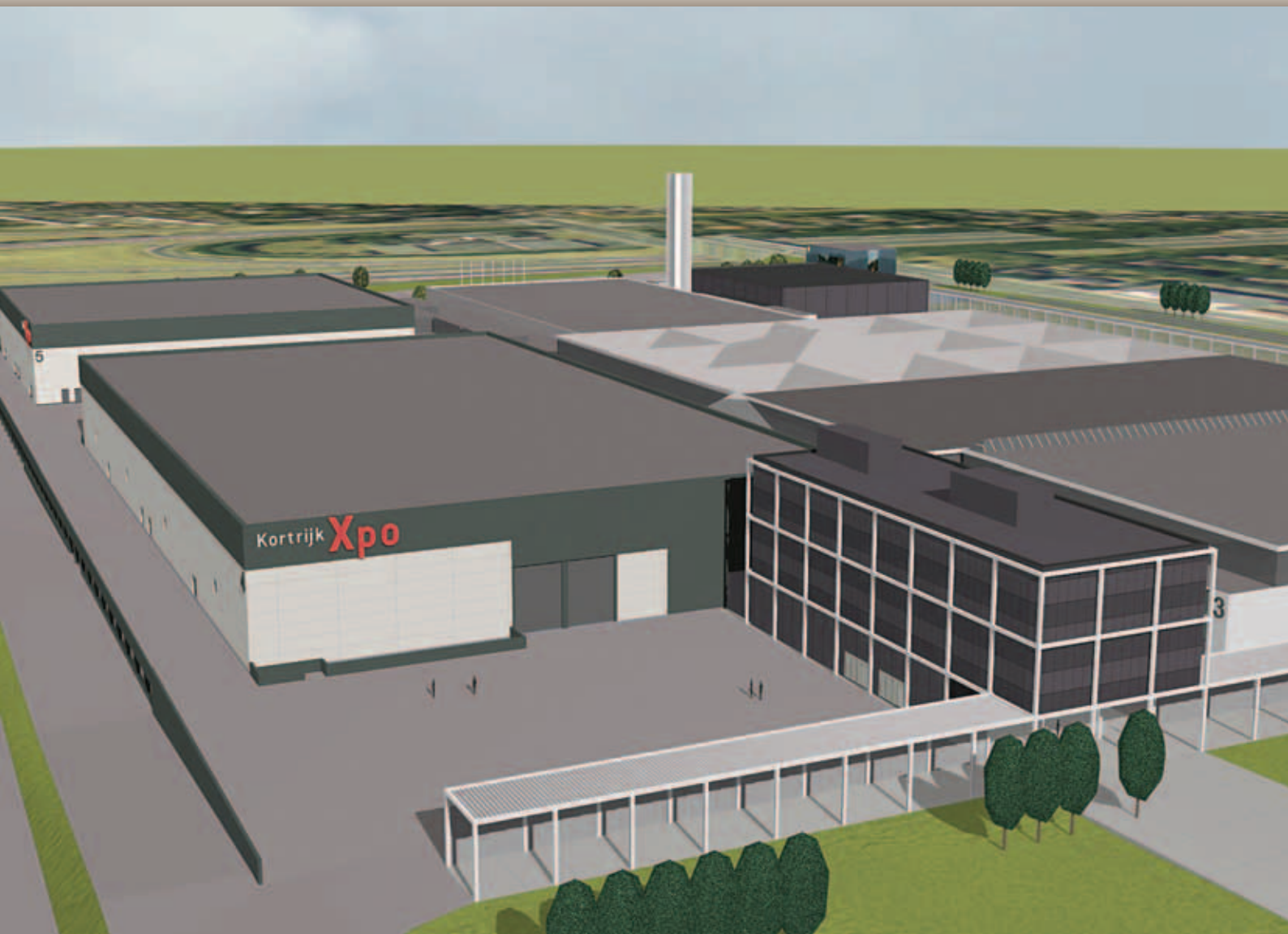




busworld

NEWSLETTER



An artist's impression of the Xpo expansion.

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STAYS IN KORTRIJK

In little less than a year, the 20th edition of Busworld will be staged in Kortrijk, from 16 to 21 October 2009.

Mieke Glorieux, Director of Busworld Kortrijk, advises: "For some reason, quite a number of

exhibitors thought that Busworld was going to move to another location in Belgium for 2009, but I am happy to assure them that this is not the case.

"There were some issues in 2007, particularly with the tented pavilions and the entrance arrangements for visitors. Demand for space next year is most encouraging despite the

current financial turbulence. We are confident that the banking system will have settled down long before then and that there will be a return to normal trading.

"We have found in the past that buses generally fare quite well in any recession. People become more selective about using cars, and bus travel goes up. Operators are responding

to this demand in innovative ways, such as the introduction of smart cards and attractive marketing. Quite a number of new exhibitors have already put their names down for space next year.

“We have worked very closely with the management of Xpo Kortrijk. Busworld is the largest exhibition on their calendar, so I am delighted that they have agreed to make a number of substantial improvements which will result in a near 50% increase in floor area.”

The plans are dramatic. For those of you who are familiar with the Kortrijk site, a new three-storey administration building and main entrance hall will be built on land adjacent to Halls 3 and 4, in other words, the side of the site furthest from the centre of Kortrijk. Iris-bus was the largest exhibitor in Hall 3 last year, while VDL Group and Temsa were the main exhibitors in Hall 4.

The popular Ramblas, the spine of Xpo Kortrijk, will be extended to connect directly with the new entrance hall.

A new hall of 2,000sq metres will be erected at the other end of the site, adjacent to that part of Hall 6 that is normally occupied by Van Hool. Mieke says that it will make an excellent and exclusive facility for one of the larger manufacturers.

A further area for exhibitors will be created in the flat area between the original front entrance and the main road leading into Kortrijk. It will be a large concrete platform, fully serv-



Expect to see hybrid buses, like this large order won by Van Hool from De Lijn.

iced with water, electricity and drainage, ready to accept temporary tented exhibition areas.

Mieke Glorieux commented: “This will all be on one level. We will no longer describe such accommodation as pavilions, but as additional Halls, such as 7, 8 or 9. We also recognise that the zig-zag walk through the previous tented pavilions was not popular, so these additional halls will be open, just like the others, with visitors free to walk wherever they want.

“At Busworld we are very excited about the new plans. Having seen the drawings and artistic impressions from the architects, we believe that Xpo Kortrijk will be as friendly to exhibitors and visitors as the best facilities anywhere else in Europe, but keeping the unique character and atmosphere of Kortrijk that makes Busworld so special – and so international.”

Exhibitors have already booked close to 40,000sq metres. Mieke says that further enquiries are coming in all the time. However, she warns that bookings will only be taken for the new facilities when they have been commissioned by Xpo Kortrijk. Busworld has to be cautious, and will not offer any of the additional space until confident that the facility will be fully operational in time for the exhibition next October.

Therefore, if you have not already made a booking for 2009, the sooner you confirm your requirements the better. Please contact mieke.glorieux@busworld.org



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GLOBAL EXPANSION

Busworld has reached agreements to take the famous brand to one of the world's largest and most interesting bus and coach markets – Russia.

Marc Van den Bossche, President of BAAV, the Association of Bus & Coach Operators of West Flanders, the owner of the Busworld brand, said, when announcing the news. “Our strategy in recent times has been to develop the unique Busworld formula into a global brand. As an operator myself, I much prefer exhibitions that are devoted to the industry and the

suppliers who provide vehicles, components, accessories and services. It is so much easier to meet old friends and new contacts who understand my business.

“Dedicated industry exhibitions have been successful in Kortrijk, Shanghai, Turkey and India. As we develop the brand, we look at two main criteria, namely countries that have large domestic and neighbouring markets, and countries with established manufacturing industries. By working with local partners who know their markets well, we believe that we are able to provide fairs which best suit the needs of our exhibitors and our visitors.”

Marc Vanden Bossche

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SHANGHAI 2009

It seems like no time since Busworld first ventured into Shanghai and held the first exhibition for the bus and coach industry in China's sprawling commercial capital.

The ninth edition of Busworld Asia will be held in the Pudong International Exhibition Centre from 8 to 11 April 2009. Already, Busworld's partners, VNU Exhibitions, reports that demand is running at a very high level. As before, there will be two large main halls and a tented area on hard standing adjacent to them. An area of 30,000sq metres has been practically booked out, with only a limited number of small corners available for components and accessories.

There is probably no country that is immune from the current global financial problems, but China is in a much healthier state than most. While some countries will see recession, China might get by with a reduction in growth. There is still enormous demand for public transport, because of low levels of car ownership. That will lead to continued demand for city, suburban and rural buses.

The top end of the coach sector is comparatively limited, but inbound tourism continues



Vehicles line the long outer walls and component suppliers occupy the central areas of the large halls.

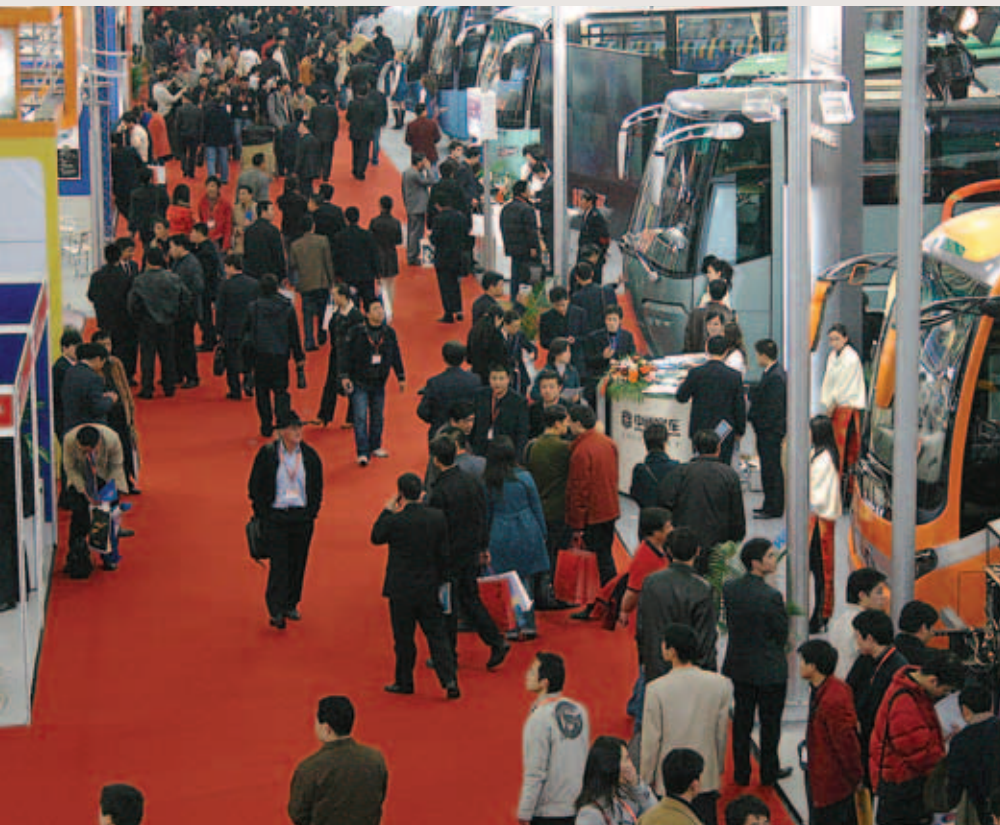
to grow and there is still strong demand for inter-city services.

Registrations of new buses and coaches in China in 2008 are forecast to be around

130,000 units. Much the same figure can be predicted for next year. While there is much talk of exports from China, they still represent a relatively small percentage of total production, probably no more than 10% this year. However, if the domestic market slows down for a year or two, we can expect increased activity in export markets.

Concurrently with the growth in vehicle production, China has developed a strong component and accessory supply industry. Many of them will be represented in Busworld Asia. Prices remain highly competitive, but the better suppliers have improved their standards of quality and reliability, thereby increasing their potential for export.

There are further exciting plans for Busworld Asia. We will bring you more information in the next edition of the Newsletter.



Thousands of visitors come to Busworld in Shanghai each spring.

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INDIA IN JANUARY

The third edition of Busworld India will be held in Mumbai from 14 to 16 January 2009 in the Bombay Exhibition Centre at Goregaon in the northern suburbs of the city of Mumbai. It is on the same side of the city as the main airport. There are some excellent international hotels in that area, and the Exhibition Centre is within easy reach of them.

Busworld and its local partner, Inter Ads, have taken reservations for almost all the available space but a few units are available for companies which want to exhibit their products and services in one of the world's most dynamic and rapidly-expanding markets.

India is changing at a fast rate. Major new highways have been built across the sub-continent. This has opened up demand for regular express coach services, operated by vehicles with more powerful engines, multi-speed transmissions, and Western standards of comfort, including reclining seats and air conditioning.

There are also projects to connect every community by paved roads to the highway network. This is already leading to increased demand for commuter coaches. People no longer need to live in crowded cities, but prefer to commute to and from the more affordable and peaceful rural areas.

India is adopting Western standards of vehicle construction and use, including conformity of production. Many of the small traditional body-builders, whose standards and materials were inadequate, will simply fail to meet the new requirements. Safety for drivers, passengers and other road users will rise dramatically. The



Delhi Transport Corporation is installing GPS and real time information on some buses.

manufacturing industry will consolidate into a smaller number of well qualified companies, capable of meeting modern standards. Almost as a bonus, this will make Indian products more attractive in a large number of export markets.

Changes have come quite quickly in India. In Delhi, all city buses are powered by compressed natural gas. Floor heights of city buses are coming down, making them more accessible to people with disabilities, and accelerating the flow of passengers. Bus Rapid Transit schemes are being introduced, including articulated vehicles. Top-end commuter coaches come complete with wi-fi connections, so that passengers can keep up with work on their journeys.

A number of joint ventures with Western European manufacturers are up and running. Volvo is building city buses, commuter and express coaches in a joint venture with its local partner. Mercedes-Benz has tied up with the long-established Sulej Motors. MAN is working with Force Motors, initially on trucks, but buses will follow. Isuzu of Japan and King Long of China have joint ventures in India and Irizar of Spain is working with Ashok Leyland.

The Indian component industry has kept pace with this rapid development. There are companies building composite materials, seats and other parts to international standards. Labour rates make their products very competitive.

While some of the new technology has been developed entirely within India, most of the companies have entered into joint ventures and partnerships to obtain technology from Western Europe, North America and China. Vehicle output has risen quite steadily, year on year, but the forward projections are really exciting, as high as 60,000 units by 2012.

Furthermore, there have been suggestions that the Indian authorities will limit the maximum age of a bus or coach to eight years. If that ever happens, demand will become explosive.

Volvo has launched the high capacity 9400 tri-axle coach in India.



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STEPS INTO RUSSIA

On 15 November, Busworld signed an agreement to hold Busworld Russia, with the first edition in June 2010. The ceremony at the Busworld headquarters was witnessed by a number of Belgian, Flemish and Russian dignitaries.

Busworld Russia will be held in the city of Nizhny Novgorod, formerly Gorky, and centre of the Volga region.

Luc Glorieux, International Director of Busworld, has looked at Russia for a number of years. "We had visited a number of exhibitions in Moscow over time, but noted that only a very small percentage of space was allocated to buses and coaches. While there are some excellent facilities in and around the Russian capital, the cost of renting floor space is unbelievably high. It would cost a fortune to exhibit two or three vehicles.

"In Nizhny Novgorod, I believe that we have found an ideal partner. Valeriy Barulin is Minister of Industry and Innovation of the Nizhny Novgorod region and General Manager of the Exhibition Halls in Nizhny Novgorod. The cost of exhibiting in the city is much more reasonable and that is also reflected in other charges, like hotels and restaurants.

In Communist times, Gorky was a closed city, but it is now fully accessible. There are good transport links with Moscow, and an increasing number of direct flights from Western Europe.

Russia meets one of the core Busworld measurements, having built nearly 53,000 buses and coaches of all sizes in the first nine months of 2008. Admittedly, there is a heavy bias towards minibuses, but it is nevertheless a substantial volume.

Nizhny Novgorod is also the headquarters of GAZ Group, the largest and most important manufacturer of buses and coaches in Russia. Other factories in the Group make diesel engines, heavy trucks, and construction equipment. GAZ International promotes the prod-



1. Valeriy Barulin, second from the left, with senior West Flanders politicians and members of the Busworld Board and management at the official signing of the Busworld Russia contract.
2. The new Delfin (Dolphin) coach from Volgabus.

ucts of the Group in world markets. In October 2007, the Group announced plans to invest USD2 billion in development of new products which will replace around 90% of the current range.

The Gorky Automobile Plant in Nizhny Novgorod is known for its extensive range of 15-19 seat minibuses. Many of them work very frequent services, almost like shared taxis, in towns and cities throughout Russia.

PAZ, the Pavlovsky Auto Factory, builds an extensive range of high floor midibuses. These are widely used on country services and for the transport of workers. Production is around 10,000 units per annum and they are to be found all over Russia. Recent developments include the more attractively-styled Aurora midicoach and accessible midibuses.

Similar vehicles, some adapted to severe Siberian conditions, are built by KAVZ, the Kurgan Bus Factory, in western Siberia.

City buses are sold under the LiAZ brand, and made by the Likino Bus Factory, near Moscow. Many are fitted with Caterpillar Euro 3 engines. Recent developments include low floor models and trolleybuses, which remain very popular in Russia.

The fifth main bus factory is the impressive Golitsyno plant, known as GolAZ, situated west of Moscow. Originally built to make the former

Mercedes-Benz O303 integral luxury coach after production ceased in Germany, the plant now makes a range of vehicles, including medium and full size coaches, and also some LiAZ city buses. Recently, it has started building mid-size coaches using technology from Marcopolo of Brazil.

The GAZ Group fully supports the inauguration of Busworld Russia. Although levels of car ownership have grown rapidly, especially in the major cities, there is still strong demand for public transport, and also simple buses for schools and factories. Although GAZ is the largest supplier in the industry, there are a number of other important players, some nationally, and some more on a regional basis. There are also companies building or adapting vehicles for the harsh climate and basic roads in the mineral-rich areas of Siberia.

Scania has had a factory in St Petersburg for several years, building the low entry OmniLink

city bus. This has the same structure and running units as vehicles built for Western European markets, but some of the interior components are sourced within Russia and are more suitable for local conditions. The OmniLink has established itself as a premium product in the market.

The Volzhsky Bus Manufacturing Plant, trading as Volgabus, makes a range of low floor city buses using Alcan components and Western drivelines. At a recent exhibition, one of their executives joked that the only Russian content was the aluminium! The modern factory also builds high floor midibuses on Tata chassis and has recently launched the Delfin (Dolphin) coach.

Another important player is MAZ, the Minsk Automobile Factory in neighbouring Belarus. That plant has developed a modern range of low floor city buses including articulated and trolleybuses, also some coaches. MAZ attend-

ed Busworld Kortrijk last year and is developing its export activities.

Presently, the Russian industry is highly vertically integrated. Factories make a very high percentage of the component parts. There is a requirement for more modern and higher-quality equipment like seats, doors, luggage racks, heating systems, etc. Good potential sales volumes exist. Busworld Russia may well be the ideal opportunity for many suppliers to take a closer look and carry out their own research on the spot.

Extensive information on the Russian market, including manufacturers and production volumes, is contained in the latest edition of the European Bus & Coach Guide, offered to all readers of the Newsletter through Busworld. Please contact mieke.glorieux@busworld.org for further information.



BUSWORLD SOUTH AMERICA ON HOLD

Busworld and CMP Information Brazil have decided to postpone the first edition of Busworld South America, which was scheduled to take place in São Paulo, June 3-5, 2009. The current global market situation is creating a very challenging business environment for bus and coach manufacturers and their suppliers and the industry considers that 2009 is not the right year to start with Busworld South America. Busworld is committed to organising top level international bus industry events in Europe and Asia and to develop the bus industry in other parts of the world. South America, and especially Brazil, is considered a high priority market to host Busworld, because of the market size and growth numbers, and the first edition of Busworld South America is now planned to take place in June 2011 in São Paulo. FABUS, the Brazilian Bus Manufacturers Association, and OTM, the leading bus industry publisher in Brazil, which both had committed their support to Busworld South America, will continue their cooperation with the organisers of Busworld to make this event a success in 2011.

NEWSLETTER ON LINE

The Busworld Newsletter is now available on-line at www.busworld.org. Alternatively, we can arrange to send it to you by e-mail.

Please make your request to mieke.glorieux@busworld.org.

INDUSTRY NEWS

If you need to keep up with what is happening in the fast-changing world of buses and coaches, including manufacturers, component suppliers and services, then log on regularly to www.busworld.org. On the menu page, there is a facility called NEWS. The latest information is gathered from around the world and summarised in brief informative articles.

It takes only a few minutes of your time each week, but it will keep you right on top of what is happening in the global industry and in areas where your company is active.



SEASONS GREETINGS

The Directors and Management of Busworld wish all our readers, exhibitors, partners, visitors and friends very best wishes for a Prosperous New Year ...