



busworld

NEWSLETTER



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RUSSIA UPDATE



The management team of Busworld went to Russia in February to visit Nizhny Novgorod, 400km east of Moscow.

They saw the Yarmarka conference and exhibition centre which has a floor area of 35,000sq m. The first edition of Busworld Russia is planned for June 2010.

Russia is a massive market. Last year, domestic manufacturers produced 70038 buses and

coaches of all sizes, as shown on the Table. The main volumes are of 16-18 seats GAZ Gazelle minibuses, and other small buses.

There is also a large sector for suburban and rural buses, around 8.0 tonnes gross, mainly built by PAZ. They made 13,912 units last year.





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Full size city buses are built by LiAZ, the Likino bus factory. They use not only Russian engines, but also Cummins, Caterpillar and MAN. The Golitsyno, Kurgan, Likino and Pavolovo factories are all members of the GAZ Group, building larger buses and coaches.

Trolleybuses remain popular for city transport. Between them, six manufacturers produced 715 units in 2008. Nearly half came from the TrolZA plant, also LiAZ has extended its range by introducing trolleybuses.

BUS PRODUCTION IN RUSSIA: 2008

GAZ	23557
UralAZ	982
UAZ Ulyanovsk	16817
PAZ Pavlovo	13912
LiAZ Likino	2221
GolAZ Golitsyno	356
KaVZ Kurgan	1499
Russian Buses - Marco	331
Volzhanin	298
NefAZ Neftekamsk	1108
Tushino	552
MZPA Michurinsk	71
Scania Peter	67
Nizhegorodets (Ford Transit)	2141
Samotlor NN	2853
EvoBus Russland	21
Rostov (Hyundai)	361

Buses on truck chassis	2176
Trolleybuses	715

TOTAL 70038

Source: ASM Holding, Moscow

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INDIA SETS A FAST PACE

The third edition of Busworld India was held in Mumbai from 14 to 16 January. The exhibition covered an area of 7,500sq m, divided between 100 exhibitors. Over 10,000 business visitors came to the event.

Busworld and its Indian partner, InterAds, were delighted with the turnout which attracted a wide selection of Indian and international exhibitors. Marc Van Den Bossche, President of BAAV, Busworld's parent organisation, said: "We are happy to see that Busworld India has grown to become an important event in India. We see that globalisation is taking place in India and the evolution in the Indian bus industry is growing faster than ever before. We see clearly the transformation in the manufacturing industry from the first show which was organised in 2005".

It is fair to say that, until recent years, competitors buses and coaches made in India were trailing behind international in terms of performance, comfort, styling and accessibility.

In recent years, there have been great advances. Indian manufacturers formed a number of international alliances, resulting in a wide range of vehicles that now meet global standards. They are supported by a strong





make it difficult for many smaller traditional bodybuilders to survive.

The regulations are broadly similar to the European Bus Directive (EC 2001/85). That was very sensible, because it meant that European technology could be transferred to India without any modification. Known as Bus Code, most of the provisions will come into effect in April 2009.

Rajan Sharma, Managing Director of InterAds, said that it had been the correct decision to develop an exhibition in India exclusively for the bus and coach industry. The Indian industry was going through a transformation phase and he was delighted to have taken part in it. "I am glad to say that BAAV and InterAds have signed an agreement to co-operate on the next five editions of Busworld India."

Just as the vehicles themselves have developed by leaps and bounds in the last few years, the component supply industry has had to keep up. Modern buses and coaches are technologically sophisticated. Engines have to comply with ever more stringent emissions legislation. There is a strong trend towards fully automatic gearboxes in city buses. Heavier and stronger axles have been developed, also air suspension. There has also been considerable development in driver and passenger seats, passenger information systems, doors and air conditioning.

Some of these have been developed exclusively by Indian companies, but other products are the results of joint ventures with European manufacturers who had visited the first Busworld India four years previously.



component supply industry, again working to international standards of design, quality and technology.

Tata has a substantial minority shareholding in Hispano, one of the leading Spanish bodybuilders. They have created greatly improved products in the luxury coach sector. Tata also offers a range of well-designed and economical models through its joint venture with Marcopolo, the largest independent bodybuilder in the world. Ashok Leyland has entered into joint ventures with Irizar.

Volvo, the first outside company to come into India, substantially raised the bar. Its coaches are widely used on express services, and low entry buses have been added to the range.

Mercedes-Benz has started building coaches with Sulej, Swaraj Mazda has launched coaches with Isuzu technology and Cerita Motors is collaborating with King Long.

At the first edition of Busworld India in 2005, the Government announced plans to introduce regulations on the construction of buses and coaches, including conformity of production. These were intended to tighten standards in the manufacturing industry, even if it would

1. A totally new small coach by JCBL on a Swaraj Mazda chassis.

2. HMM has evolved from building bodywork on chassis to offering an integral coach.

3. A Swaraj Prestige coach on an Isuzu chassis.

4. The new bus code is creating interest in wheelchair lifts and safe door systems.



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ASIA

Busworld's Chinese partners are gearing up for the 9th edition of Busworld Asia, to be held from 8 to 11 April. There have been delays in signing up some exhibitors, because of the Chinese New Year holiday, but there will be several manufacturers and, at the latest count, more than 125 companies promoting components, accessories and services.

This sector of the industry has grown dramatically over the years that Busworld has been active in China. Even as recently as the start of this decade, many vehicle manufacturers were heavily vertically integrated, because of the shortage of specialised component suppliers.

Since that time, there has been a dramatic increase in supplier numbers. Some of the leading European, North American and Japanese companies have gone into China, sometimes in joint ventures with local partners, but some setting up their own subsidiaries.

The main cities in China are just one step behind the European Union in the application of Euro emission standards, but most of the rest of the country requires Euro 3. That has created strong demand for the latest technology and not just in diesel engines, China has abundant supplies of natural gas and has also developed highly advanced vehicles, including hybrid and fuel cell powered.

In the main cities, there is demand for fully automatic gearboxes, making life more comfortable for drivers and passengers. Allison is well represented in this sector, and ZF and Voith are also active. There are also many companies specialising in other mechanical components, like springs and air suspension systems, fuel tanks, steering gear, braking equipment, electrics and lighting. Hubner, the world's principal manufacturer of turntable systems for articulated buses, also has a strong presence in China.

Similarly, there are many companies specialising in components for bodywork, including doors, seats, air conditioning, glazing and entertainment systems. When visiting successive Busworld exhibitions, it is easy to see how product quality has improved. Many of the exhibitors at Busworld Asia are exporting actively. With pressure on prices in the current economic downturn, demand for their products could continue to grow.

Busworld Asia will be held in the Pudong International Exhibition Centre from 8 to 11 April 2009. The centre is modern, with good facilities,

and easy to reach, from the city centre, and from the international airport by high speed monorail.

1. Crowds gather when a new coach is launched.

2. Vehicles in the Asian Coach Week go through a series of tests.

3. All sizes of vehicles compete in the Asian Coach Week.

4. Ceremonies in Shanghai are loud and colourful.



temsa

TARGETS INDIA

Temsa, the rapidly expanding Turkish manufacturer, had a major presence at Busworld India. Ömer Sözütek, International Relations and Business Development Director, said that his company had been looking very closely at the market. He hoped by the middle of 2009 that Temsa would decide whether to set up a factory on its own or to enter into a joint venture with a local partner. He said that the bus manufacturing facility in India would primarily cater to the large domestic market, but would also become a regional hub for exports.

Temsa now has a substantial product range, including low floor and low entry city buses, midcoaches and full size coaches with various deck heights and overall lengths. All are integrally constructed. This would be a new concept for India, where the vast majority of vehicles have the more traditional combination of chassis and bodywork.

A Temsa team had been in India looking at more than 30 potential suppliers and their products. Ömer Sözütek said that they were



The Temsa Safari attracted many visitors.

satisfied with levels of quality. "In future we will use some Indian companies as a component supply base for export to our international operations."

Temsa is a strong supporter of Busworld exhibitions. The company will be taking a stand at Busworld Shanghai and will also have a major presence in Busworld Kortrijk in October.

DESTINATION DEALS IN INDIA

As part of the new Bus Code in India, all new city buses from October must be fitted with passenger information systems. This will create demand for up to 30,000 electronic systems displaying route numbers and destinations.

Two of the leading European manufacturers of such equipment have entered into joint ventures with Indian partners. Gorba AG of Switzerland has made an agreement with Integra Hindustan Control Ltd, an associate of Integra Holding, another Swiss company.

Daniel Fähr, Chairman of the Board of Gorba, said that his company believed in equal partnership. "If you are looking for long term success in India, then you need a production facility. I am happy to say that we have been able to achieve the same global quality in India from the very first day."

Mobitec, part of the DRI Corporation, has established a joint venture with Castmaster to build electronic passenger information systems in



Oliver Wels is flanked by Mr V Talwar, VP Operations of Castmaster and Thomas Jacobsson, Director Sales & Marketing of Mobitec.



Daniel Faeh (left) with Shashank Mehta, CEO, Gorba-Integra and Nico Hess of Gorba. Gorba has programmed its software into five Indian language scripts.

India. The main European base is in Herrljunga, Sweden, with another factory in Brazil.

Oliver Wels, Managing Director of Mobitec AB, said that the Indian factory would also supply neighbouring Asian markets. The company had secured an order for 655 sets of equipment for city buses in Delhi.

Both Gorba and Mobitec can offer signs in a wide variety of languages, including Arabic and the regional scripts of India.

update

ON BUSWORLD KORTRIJK

On Friday 6 February, many exhibitors came to Kortrijk to learn about the alterations and additions being made to the Xpo Centre and to confirm their requirements for space in the 20th edition, to be held from 16 to 21 October 2009.

Mieke Glorieux, Director of Busworld Kortrijk, broke news that pleased many exhibitors. "We have decided that there will be no more tents at Busworld Kortrijk. A prefabricated hall of 8,000sq m will be placed on hard and serviced standing adjacent to the old main entrance to the exhibition halls. Known as Hall 8, it will have an interior height of 8 metres, more than adequate for lighting and signage. Together with the new Hall 7, this will give Busworld an additional 10,000sq m of surface and comfort.

"The new main entrance and administrative offices are now being built at one end of the Ramblas, between Halls 3 and 6. Visitors will no longer have to file through tented pavilions to reach the main exhibition area. Once they have gone through the main entrance, all the Halls will be easily accessible.

"With this additional space, Busworld Kortrijk will be by far the largest and most international exhibition for the bus and coach industry in 2009. We are looking at a number of other measures to make the exhibitor and visitor experience even more enjoyable. More will be revealed in future editions of the Newsletter."

The global recession is causing concern, but, as far as the automotive industry is concerned, registrations of new cars, vans and trucks have been hit much harder than buses and coaches. They have also suffered in two or three markets, but registrations held up well in most countries in the last quarter of 2008. Early indications for 2009 are also quite promising.

Buses and interurban coaches tend to survive periods of recession quite well. There is a substantial amount of evidence that, in times of recession, people become more selective about using their cars. This is particularly true when they also have to pay for all-day parking in city centres. There is firm evidence, from a number of companies and trade associations, that more people are using buses, therefore the manufacturing and component supply industries have to keep in contact with their customers. There is no better forum than Busworld Kortrijk.

The exhibition in October coincides with the requirement for all new buses and coaches in the European Union to meet Euro 5 emission standards. In fact, many operators have already opted for Euro 5 on a voluntary basis. Some have also fitted exhaust filters to take their vehicles to the more advanced EEV emission standards, which are likely to be similar to the forthcoming Euro 6 standards.

Concern for the environment is also rising on the political and public agenda. As a broad general rule, younger people tend to be more concerned for the environment than their elders. Travel by coach is the most carbon-friendly form of transport.

The innovative British Stagecoach Group is currently buying 96 double deck coaches from Van Hool for operation on its Megabus network in North America. They have calculated that each of the 81 seat coaches is ten times more fuel-efficient than a 737 aircraft and twenty five times more fuel efficient than a single-passenger car per passenger kilometre. On a fully-loaded coach travelling from New York to Washington, fuel consumption works out at little more than 2 litres per passenger!

Hybrid buses are coming up the political agenda. Daimler Buses have supplied nearly 2,000 to customers in North America. One of the reasons is that 80% of the price of a bus is federally funded.

Hybrid buses are going into service in small numbers in several European cities, with around 60 due in London fleets this year. There will not be a rapid change from other types of buses to hybrid. The additional price,

compared with a standard diesel bus, is around EUR60-70,000. When the price of oil peaked around USD140 a barrel, manufacturers estimated that this higher price could be recovered in fuel savings over the first six years life of a hybrid bus, but that equation has changed, certainly for the short to medium term, with much lower oil prices.

Operators also need to know the cost per kilometre of running hybrid vehicles. The single largest issue is battery life. The preference is for lithium-ion batteries, because they can hold a large electrical charge for comparatively light weight and compact size. The price has come down a little, and at least one manufacturer is now willing to offer a five year warranty.

The alternative, used by MAN and Scania, is to store electric current in super capacitors. Both manufacturers expect that they will last the life time of the bus.

Perhaps the operation of city buses needs more radical planning. Up to 40% of a typical journey time can be spent at bus stops, at intersections, or just stuck in traffic. Measures like dedicated bus lanes and priority at traffic lights can make a dramatic improvement to journey times. GPS systems can track each vehicle and advise intending passengers when the next bus is due. Measures like those make bus travel more attractive and reliable.

We expect to see many innovations at Busworld Kortrijk. If your company has plans for a new product launch, please contact us at Busworld and we will include it in further editions of the Newsletter leading up to the exhibition.

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.



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