

busworld newsletter



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SIZZLING SHANGHAI

The Fifth Busworld Shanghai exhibition broke all records, with more than 12,000 visitors over the three day period from 15 to 17 March. The first day was particularly busy, culminating in a colourful opening ceremony and presentation of the Asian Coach Week awards. The number of visitors rose to 12,078, a substantial rise on the 9,300 who came the previous year.

The Chinese manufacturing industry continues to develop new products and concepts at a truly remarkable pace. Sales of buses and coaches are growing at an incredible rate, far faster than any other country in the world. Last year, it is estimated that nearly 80,000 Medium and Large buses and coaches, from 7 metres upwards, were built in China, and around 96% of those were for the home market.

The size of the industry is quite staggering. The "Automotive Industry of China 2004" directory estimated that, in 2003, there were 9 builders of Minibuses, (less than 3.5 metres long); 56 Light bus builders, (3.5-7.0m); 45 Medium bus manufacturers, (7.0-10.0m); 28 Large bus builders, (over 10.0m long); and 3 making double deck and articulated buses. That is a total of 141 manufacturers, a figure that was broadly corroborated by some of the leading suppliers at Busworld Shanghai.

There will inevitably be consolidation in the next five to ten years, with a few large groups emerging, of a size that makes them important players on a global scale. They will acquire some of the smaller players but it will be a relatively steady process,



Some manufacturers erected very elaborate stands. All the main Chinese engine producers are now able to offer Euro 3.

because of booming demand from customers.

China is the only major market in the world where registrations of buses and taxis are broadly equal to those of private cars. Although the

impressive highway network in and around Shanghai is thronged with cars, that level of traffic is not representative of most of the country. There is about one car for every 200 people in China, meaning that the vast majority of the population, particularly in urban areas, must rely on public transport – now and far into the future.



Xiamen Golden Dragon won 3 prizes in the Asian Coach Week awards.

Ten years ago, the typical Chinese city bus was a simple, low-cost, product, with a high frame, a front-mounted petrol engine and a very basic body structure. The Government has demanded major improvements, some driven by concern for the environment. All Medium and Large buses now have diesel engines, or are fuelled by gas,

or electricity in the case of trolleybuses. Engines are invariably at the rear in larger vehicles and there is a trend towards lower floors, making it easier for passengers to get on and off.

There is still demand for basic low-cost buses, especially in the poorer hinterland of China, but the manufacturers at Busworld Shanghai all wanted to show their best models. On city buses, one suspects that there is a co-ordinated effort to tempt the Government and the major cities to invest in more modern vehicles that are easier for drivers and passengers to use.

China has now adopted Euro 2 emission standards, and will move to Euro 3 in 2008, with two main exceptions. The central part of Beijing already requires Euro 3 and has invested heavily in gas-fuelled buses. Hong Kong is working to current Euro standards and will move to Euro 4 for new models in October this year.

Last year, the Government permitted rigid vehicles to be built to a maximum length of 13.7 metres, up from the previous limit of 12 metres. There were several examples in the exhibition. The greater length has proved popular with companies running sleeper coaches, because they can accommodate 42-44 bunks, compared with the normal 36 maximum in a 12 metre model.

Three or four manufacturers showed 13.7 metre long city buses. All had a large part of their floor only 600-650mm above the ground, with another internal step ahead of the rear axles. Whereas two axle

city buses in China normally only have one double width door ahead of each axle, the longer models had a third doorway at the extreme rear. Typically, their makers were quoting capacity of around 40 seated and 80 standing, but they are likely to carry many more than that, given the heavy overloading in China's cities.

last row above the engine. However, this layout keeps down costs, because it avoids expensive features like angle drives and portal rear axles.

There is some interest in automatic transmissions. Allison recently won an order for 2,200 of their boxes to be installed in new buses in Beijing.



The number of suppliers of components and the quality of their products improve year on year. This company was offering complete driver's cockpit assemblies.

The only articulated bus was from CBC-Iveco, one of 50 units for the first Bus Rapid Transit system in Beijing. Based on the popular EuroRider, this impressive vehicle had its floor only one step above the ground from the front to just ahead of the third axle. Doors were on the same side as the driver, because the buses run on a dedicated expressway. They are largely built in China, using an engine, automatic gearbox and axles imported from Europe.

There were examples of city buses with the floor in the front part of the vehicle only one step above the ground. They are more expensive than buses with higher floors, and some operators believe that they are not suitable for China's streets.

All city buses in China have an engine mounted vertically in line at the rear, normally driving through a manual gearbox to a conventional rear axle. If there is a low floor in the front part of the bus, it means that seats at the rear are considerably higher, especially the

Coaches come in all shapes and sizes. There is still a large market for midicoaches. Specifications vary widely, from very simple for rural services to sophisticated vehicles for inbound tourism and intensive express services. The cheapest models invariably have a complete Chinese driveline. At the other end of the scale, there are premium coaches with European, Japanese or Korean drivelines. Local estimates put sales in this latter sector at around 1,750 units in 2004.

It is a mark of how far the Chinese have advanced on coach design, in a short space of time, that the latest models would not look out of place on any European coach park. Several models have been inspired by current European styles, while others look like direct carbon copies. Although Neoplan only launched the dramatic new Starliner last autumn, there were two or three copies in Busworld Shanghai.

Neoplan has been active in China for a long time and now has two

There is a large market in China for midicoaches. This example was built by Yaxing-Benz.



licensees. Jinhua Neoplan showed a Starliner-based coach, with the driving position located below the main deck, and a double deck coach. The latter are very rare in China, but high capacity premium vehicles will be required for prestigious events like the Beijing Olympics in 2008 and the World Expo in Shanghai in 2010.

Five years ago, there were so few first and second tier component suppliers that they were threatening to hold back the development of the automotive industry in China. The situation has changed dramatically. Many stands were occupied by suppliers, offering every conceivable part for buses and coaches. Several engine builders showed products complying with Euro 3 emission levels. There is a general trend towards higher power ratings, with up to 260-270bhp required for a full size city bus with air conditioning.

The quality and variety of components has improved greatly. The better suppliers are able to offer complete sub-assemblies, like the driver's cockpit and front dash. Western suppliers were also present at Busworld Shanghai, some with stands, but others came simply to get first-hand experience of this amazing market.

Like the Chinese industry, Busworld Shanghai is going from strength to strength. The sixth annual exhibition will be held from 28-30 March 2006. Many exhibitors have already signed up for next year. If you missed Busworld Shanghai this year, make a note in your diary.

ASIAN COACH WEEK AWARDS

The Asian Coach Week tests and awards have become a very popular part of Busworld Shanghai. A team of judges from China and Belgium assessed an impressive array of the latest city buses and luxury coaches on the two days immediately before the exhibition opened. There were 29 vehicles entered for 15 categories. They were lined up in large parking area in Pudong from where they went out on road tests to assess ride, handling, comfort and other attributes.



We were delighted to have Mr. Jean Wyns, president of FBAA, join us in Shanghai.

Some manufacturers entered more than one vehicle, but they all had a team of sales and engineering staff who were eager to explain the latest developments. In previous years, they have asked Busworld experts and Western journalists for candid assessments of their products. To take just one example, in China, there are normally fewer hand rails to help less agile passengers get on and off coaches.

The Chinese listen intently to constructive comments and take great delight, the following year, in showing improvements that they have introduced. It is all done in a very friendly manner and helps to establish Busworld as the global leader in bus and coach exhibitions.

Awards were announced and handed over at the opening ceremony on the first evening of Busworld Shanghai. The suspense was high, with successive envelopes being opened for each category. The classic announcement: "And the winner is" was followed by whoops of joy, clapping and cheering, and proud representatives of the various winners coming forward to collect their prizes. Next day, large Busworld plaques appeared in the screens of the various winning vehicles



There was a strong delegation from Busworld Europe headed by president Mr. Guido Vlieghe.

Winners of the various categories in 2005 were:

- **Best Luxury Coach of the Year**
Jinhua Youngman Neoplan Vehicle Co
- **Best Travel Coach of the Year**
Xiamen Golden Dragon Van Co
- **Best City Bus of the Year**
CBC-Iveco
- **Best Green Bus of the Year**
Beiqi Foton Motor Stock Co, AUV Bus Company
- **Best Appearance of the Year**
Zhongtong Bus Holding Co
- **Safest Equipment of the Year**
Kinglong United Automotive Industry (Suzhou) Co, and Yangzhou Yaxing Motor Coach Co



Mr. Francisco Pacifico of the IRU handed over one of the awards.

- **Best New Product of the Year**
Zhongtong Bus Holding Co
- **Best Chassis of the Year**
Dandong Huanghai Automotive Co
- **Best Bus Builder of the Year**
Zhengzhou Yutong Bus Co
- **Special Prize for Export of the Year**
Xiamen Golden Dragon Van Co
- **Best Engine of the Year**
Shanghai Diesel Engine Co
- **Best Air-Conditioner of the Year**
Thermo King Asia Pacific
- **Best Electronic Equipment of the Year**
Xiamen XOCOCO New Technic Co
- **Best Interior Trim of the Year**
Xiamen Golden Dragon Van Co
- **Most Appealing Bus Builder in China for the Year**
Beiqi Foton Motor Stock Co, AUV Bus Company

SHANGHAI BUS & COACH FORUM

One the middle day of the Busworld Shanghai exhibition, a major bus and coach forum was held in the city's International Conference Centre. It was organised jointly by the International Road Transport Union, UITP, the China Road Transport Association and Busworld. The theme was "Profitable Bus and Coach Operations in or with China". Nearly 400 delegates came from China, Asia, Australia and Europe, including Russia.

The forum discussed opportunities for providing passenger transport in China, including inbound tourism, and also the openings for coach and tour organisers in other countries to provide services for the growing numbers of Chinese tourists now travelling abroad. In his opening address, IRU President, Paul Laeremans, said: "Good Chinese contacts are essential for foreign companies hoping to break into these lucrative markets, hence the value of this International Bus & Coach Forum."

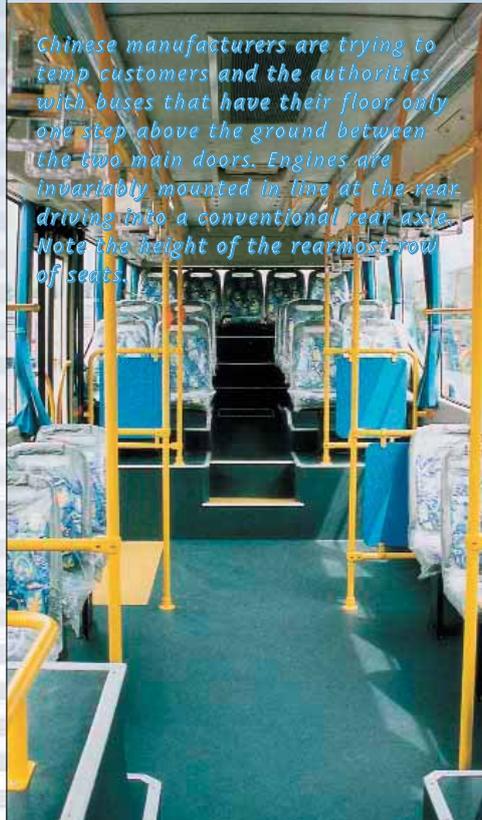
Luc Glorieux, Director of Busworld, threw down the gauntlet in typically robust style. He said: "The Chinese market offers such enormous opportunities that those European colleagues that are not here today have clearly missed the bus."

The Chinese economy continues to grow at a fast rate. GDP rose by 9% in 2003, falling back to 7% in 2004, mainly because the Government allocated more money to poorer rural areas. The



Limei Wang, Secretary General of the China Road Transport Association, one of the co-sponsors

authorities are pressing ahead with plans to relocate 1% of the population, around 12 million people per annum, from rural areas to the cities. That is going to create enormous demand for public transport for many years to come.



Chinese manufacturers are trying to tempt customers and the authorities with buses that have their floor only one step above the ground between the two main doors. Engines are invariably mounted in line at the rear driving into a conventional rear axle. Note the height of the rearmost row of seats.

Mrs Limei Wang, Secretary General of CRTA, said: "The transport market is the fastest growing market in China today. That is why this conference offers a very good opportunity for our industry to progress on its way on improving its safety and environmental record." Adding the international dimension, Hans Rat, Secretary General of UITP, said: "In today's increasing scarcity of space, energy and clean air, investing in collective passenger transport is the winning solution." He praised the development of Bus Rapid Transit in China and called for more exclusive bus lanes.

The scale of public transport in the major cities in China was illustrated by Feng Xingfu, Vice General Manager of Beijing Public Transport Holdings. He had 23,000 buses under his control and said that, by 2008, the entire fleet would be green, ie Euro 2 or Euro 3 diesels, CNG-fuelled, or trolleybuses. They

would consist of a mix of small, medium and large buses, including some to the new maximum length of 13.7m. Currently, around 28% of daily journeys in the Beijing area are carried by the bus fleet, but that will rise to more than 50% within fifteen years, equivalent to 51-55 million passenger journeys per day.

Jan Vandooren, Sales & Marketing Manager of the Shanghai Sunwin Bus Corporation, one of Volvo's two joint ventures in China, predicted that, within five years, the differences in standards in specification between Chinese and European brands will be dramatically reduced. "The Chinese brands will further upgrade and improve the reliability of their products, therefore the European brands will have to reduce their cost price by localising the manufacture of the main components. This development will give China a strong platform for export."

In the first session in the afternoon, Pedro Ortun-Silvan, a Director of the Enterprise Directorate of the European Commission, said that China was the fastest growing destination market for tourism with 42 million visitors in 2003. In 2004, one million Chinese people visited the European Union. The China National Tourism Authority has been tasked with creating 40 million jobs in tourism in the next seven years. The Beijing Olympics in 2008 and the Shanghai World Expo in 2010 will add significantly to the importance of China as a tourist destination.

Language will continue to be a barrier. One speaker suggested that European operators would need Chinese speaking drivers to carry Chinese tourists in Europe.

The last of the four main sessions looked at the opportunity for investment by foreign companies in China. Mark Schaub, a lawyer based in Shanghai, said: "Be realistic when you come to the Chinese market. In China, all markets are very competitive. Check expectations, the market, the legal and industry requirements. Be friends with your Chinese partners".

Andrés Cosmen Menéndez Castanedo, Chairman of ALSA, one

of the largest private bus companies in Spain, talked about his Group's experiences in China. "Foreign bus companies seeking partnerships in China need to invest a lot of time in building relationships that will last into the years ahead. This time-consuming but essential task is necessary for business in the largest passenger transport market in the world. We had to take into consideration the Chinese characteristics and adapt to the local conditions. It was necessary not only for the service provided to passengers but also for the management of the companies."

Paul Laeremans, President of IRU, concluded: "Whether in China or elsewhere in the world, optimal benefits can only be achieved by working together in close co-operation with international governmental and non-governmental institutions, national and local governments, all modes of transport and other players in the tourism industry, such as tour operators, travel agents, tourist authorities and hotels and restaurants."

At the end of the Forum, a declaration was adopted, urging governments to undertake a range of measures to promote efficient collective passenger transport, including incentives for increased bus and coach travel, investment in public transport networks, fair competition in the provision of transport services, and implementation of international agreement on technical standards.

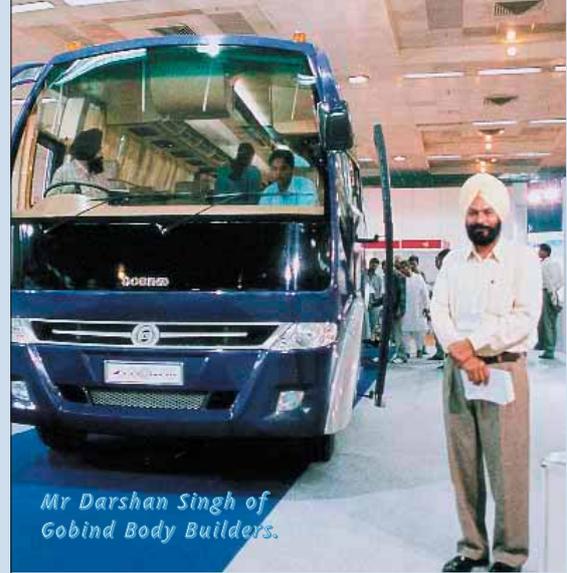
FIRST BUSWORLD INDIA

The first Busworld India exhibition was held in a large hall at the Pragati Maidan Exhibition Centre near the centre of New Delhi from 18 to 20 March. More than 5,200 trade visitors came from all over India to a lively show, where many stand holders reported doing business and making excellent contacts.

Traditionally, Busworld exhibitions have started as acorns and grown into oak trees. It takes time for exhibitors and customers to get used to the idea of a dedicated exhibition for the bus and coach industry, therefore turn-out by vehicle manufacturers was on the disappointing side.

Having said that, many came to see how the exhibition was received by the industry. Some body builders admitted to being reluctant about driving vehicles over long distances to New Delhi but, having been impressed by the first exhibition, said they would take a stand next time. It is also to be hoped that some of the major manufacturers will do the same.

India has not made the same progress in bus and coach design as the other main manufacturing countries, but it is second only to China in the number of vehicles



Mr Darshan Singh of Gobind Body Builders.

produced each year. Almost all consist of chassis made by Ashok Leyland or Tata, although they are now starting to receive some competition.

The body building industry tends to be regional, with a small number of quite substantial builders, and many very small traditional concerns. They thrive, because almost all chassis in India are traditional high-frame models with conventional ladder chassis. The body structure simply has to contain passengers and, in some cases, carry luggage.

A few years ago, in an attempt to reduce high levels of pollution in Delhi, the Supreme Court instructed that all city buses and shared taxis had to be powered by compressed natural gas. Despite protests from manufacturers and operators, all concerned have done remarkably well to establish a complete refuelling infrastructure. Many new buses were bought and thousands of older models were retrofitted with CNG engines. Because they all had high floors, it was quite simple to install gas tanks under the floor.

The authorities would now like to see buses become more accessible, with easier entry and exit for passengers. There have been some experiments with vehicles having part of their floor only one step above the ground, but a much more practical solution was shown by the Automobile Corporation of Goa on a new Tata chassis with a rear mounted engine. Much of the floor, ahead of the rear axle, was only two steps above the ground, meaning that gas tanks could still be located beneath the floor if need be. The styling was simple and practical, but the overall image and layout was a major improvement on buses seen on the streets of Delhi.



Exhibitors were delighted with the steady flow of visitors. Many of the smaller stands were very busy.

The same builder showed a neat little school bus and a luxury coach mounted on a Tata chassis with a front engine. The entrance was ahead of the front axle, with access by quite steep steps and through a full width bulkhead into a passenger area with 45 large comfortable seats. Considering that this could be used as a tourist coach, forward visibility was severely restricted but that seems to be the practice in India.

Gobind Body Builders was founded in 1989 in the Punjab and can build 400 bodies per year. The owner of the company bought his latest model to Busworld India and was delighted to sell seven off the stand in the first couple of hours of the opening day!

There was a good selection of component suppliers. One of the most advanced, Tech-Force Composites, can initiate new designs or build to the client's styles. One of their exhibits was a complete front panel, including screen surround, for a coach built by Volvo in India.

Most of the smaller stands were located around the perimeter of the hall. They were offering a wide variety of goods and services, and attracted a steady flow of visitors throughout the three days. The Indian manufacturing industry is self-sufficient, with suppliers able to make all the many parts and components that go into buses and coaches.

Busworld's local partners, Inter Ads Ltd, are to be congratulated on organising the first specialised bus and coach show in India, an event that will surely grow in future years in this enormous market. Provisional plans are to hold the next event towards the end of 2006 or early in 2007, but it will not be in the same week as any other Busworld exhibition!

INDIAN OPENING CEREMONY

On the first day of Busworld India there was an impressive opening ceremony in an adjacent pavilion with welcoming addresses from Government Ministers, senior civil servants, the Indian Association of



A typical Delhi street scene. All the buses are powered by compressed natural gas, stored in tanks beneath the floor.

Tour Operators and directors of Busworld.

The presentation that really made the audience sit up and take note came from Mr B Bhanot, Director of the Automotive Research Association of India. This Government sponsored organisation is responsible for introducing and enforcing standards in vehicle construction in India.

It is a stark fact that one person dies on India's roads every six minutes, and thousands more are seriously injured. ARAI is introducing many initiatives to improve vehicle safety.

Mr Bhanot criticised the existing situation in India where major vehicle manufacturers sell drive-away chassis and much of the body design and building is done by wayside body builders who employ poor design, poor quality products, spurious materials and parts, with no uniformity in the construction. This is a major contributing factor to fatal accidents.

It would be wrong to give the impression that all body builders in India fit this description. There are some quite substantial companies building to good standards. ARAI is taking a two-pronged approach to the problem. It will introduce regulations on the construction of vehicles, broadly similar to those laid out in the European Bus Directive (EC/2001/85). This will include the R66 roll-over test, an interesting challenge for a country where many vehicles carry substantial amounts of luggage and other goods at roof level!

Secondly, ARAI will introduce a system of accreditation of body builders, including requirements for conformity of production. ARAI says

that those who want to remain in the body building industry will have to raise their standards. For many of the small jobbing builders, it is likely to be far too big a step. Even some of the medium and larger enterprises will need to modernise their technology very considerably. That could well lead to liaison with European manufacturers who have the relevant experience.

It also helps to explain why Tata, the largest bus chassis builder in India, acquired 21% of Hispano, a leading Spanish coachbuilder, in February this year, with an option to acquire the rest of the company's capital. The deal includes Tata taking technology and brand rights from Hispano



NEW ADDRESS

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NEXT

BUSWORLD KORTRIJK

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