

# Bus transportation Taking the High Road

The massive upgradation of national highways and the construction of a network of expressways linking important cities have given a boost to the coach-building industry in India, as demand for luxury buses has gone up exponentially, says **Annamma Oommen**.



**T**HEY are among the new crop of expressways that have come up in India, linking important cities. The Mumbai-Pune expressway and the Ahmedabad-Vadodara expressway – each nearly 100 km in length – are among the busiest roads in the country.

Sleek air-conditioned coaches zoom across the fast lanes, hitting speeds of 100 to 120 kmph. Inside the coach, passengers can relax in luxurious pull-back seats, watching their favourite Bollywood flicks.

Travelling along the new expressways, one experiences the sea-change that has occurred in the quality of surface transport. Sturdy luxury coaches, replete with air suspension, comfortable seats, ample sitting space and enormous holds for baggage, zip across India's leading cities, transporting millions of business travellers, holidayers and students.

Many state transport undertakings have also acquired a fleet of fancy coaches, catering to the burgeoning demand from passengers, most of who do not mind paying a premium for travelling in relative comfort.

With demand from passengers soaring, transport operators are also placing orders worth millions of dollars, acquiring hundreds of modern new coaches. Consequently, the coach-building business in India is on the fast lane, and has started luring in major international players.

While European commercial vehicle manufacturer Volvo continues to strengthen its position, other foreign and Indian vehicle majors are also unveiling plans to set up manufacturing and assembling units in the country. They include Daimler-Chrysler, Tata Vectra, Asia Motor Works (AMW), Man-Force, Scania and Isuzu.

Fortunately for the industry, large amounts are being invested by the government in building a network of international standard expressways and national highways, besides upgrading the existing roads. The nearly 6,000-km Golden Quadrilateral project, which links the four metros of Mumbai, Delhi, Kolkata and Chennai through a network of four-laned highways, is nearing completion.

According to the National Highways Authority of India (NHAI), the country has a total road length of 3.3 million km. While national highways comprise a mere two



**COMFORTABLE RIDE:** Holidayers are increasingly travelling by luxury coaches to destinations like Goa

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per cent of the overall road network, they carry about 40 per cent of the total road traffic. With the improvement in overall road connectivity, the potential for surface transport is obvious.

Akash Sheth, ceo, Raj Travel World – which operates coach services under the Raj National Express brand – says that in spite of the growing popularity of air travel, there is a growing trend for travellers to opt for buses.

It makes more sense to take a coach while travelling between two cities that lie within a distance of about 250 km and are well-linked with four- or six-lane highways or expressways. This would, for instance,

include Mumbai-Pune, Delhi-Chandigarh, Delhi-Agra, Delhi-Jaipur, Bangalore-Chennai and Ahmedabad-Vadodara.

It takes an hour or two to reach an airport – in Mumbai, Delhi or Bangalore – from the city centre; early check-in, security drills and delayed flights due to air congestion or bad weather add another two to three hours to a journey that would take about three to four hours by road.

Similarly, while the luxury coaches have adequate leg-room and offer entertainment, travelling by air – especially low-cost airlines – can be quite tiring. Coach tickets are available even at the last moment. Consequently, coach services are now being used for not just short journeys, but also for inter-state and overnight travel across different states.

Demand for buses and luxury coaches is expected to expand phenomenally over the coming years. India's bus transport business is already huge – the country ranks among the top-10 in the world in the bus segment – with about 30,000 vehicles being sold every year.

But the market for air-conditioned luxury coaches is limited, less than about 1,000. The luxury-bus segment, however, is growing at a compound annual growth rate of about 25 per cent.

Volvo Buses India Private Ltd (VBIPL), the newly-formed company of the European major, is targeting public transport companies, starting with Karnataka. It has already won an order for 240 city buses from the Karnataka government. Volvo buses can now be seen even on



**HIGHWAY HALT:** Food courts, mini-malls, restrooms and other facilities are coming up along the new expressways and national highways

local routes in Bangalore.

“Though we have been fairly successful in bringing about a sea-change in road transport across India with our hi-tech truck and luxury buses, our game-plan is to revolutionise public transport in metros and cities by providing safe, efficient and eco-friendly buses to ordinary commuters,” says Akash Passey, managing director, VBIPL.

Based on the Karnataka success, Volvo is now targetting other cities such as Mumbai, Pune, Chennai, Hyderabad and Ahmedabad, while also looking to participate in the proposed Bus Rapid Transit Systems in Vijayawada, Visakhapatnam and Hyderabad.

In fact, in a bid to improve delivery cycles, Volvo has formed a joint venture with an Indian partner, Jaico Ltd, to set up a nearly \$20 million bus body building plant (with a thousand-unit capacity) adjacent to its truck manufacturing operations in Hoskote in Karnataka. By next year, it hopes to roll out 50 buses a month from its plant.

VBIPL also aims to emerge as a major player in the export market, selling buses to other countries in South Asia, the Asia-Pacific region, the Gulf and Africa. It plans to upgrade its production capacity from the current 450 buses per annum to 1,000 by 2010. This year, it hopes to more than double its sale of luxury buses.

Tata Motors too is leaving no stone unturned to get a piece of the action. Its bus-building joint venture with Marcopolo of Brazil, and the earlier strategic alliance with Hispano Carrocera of Spain, have fructified in the launch of its new range of fully-built coaches under the ‘Globus’ brand, and a range of branded buses under the ‘Starbus’ portfolio.

The ‘Starbus’ range is assembled and supplied by Tata Motors along with its joint venture partner, Marcopolo, at Dharwad in Karnataka. These 32-seater buses are disabled-friendly and feature roof-mounted alternative fuel cylinders (for Compressed Natural, Gas), gas leakage detection and alarm systems, speed governors, pneumatically-controlled doors operated

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by the driver, rear engine and alpha-numeric destination display boards.

The buses will in the future also be equipped with general packet radio service (GPRS) and global positioning systems (GPS).

“The company has already bagged an order for 500 vehicles from the Delhi Transport Corporation,” says P. M. Telang, executive director, commercial vehicles, Tata Motors. Its buses can also be seen in Mumbai and Pune.

Ashok Leyland, part of the Hinduja Group, also launched a low-floor concept bus – the iBus, priced at \$140,000 – at the Auto Expo 2008 held in Delhi.

The world’s largest selling bus manufacturer, Daimler-Chrysler, has a joint venture with Sutlej Motors Ltd (SML), a Jalandhar-based bus body manufacturer. Production is to start by the end of 2008 in Pune on 100 acres of land acquired by Daimler-Chrysler especially for this project.

The joint venture is seen as a culmination of an India visit by a high powered team from Stuttgart, Germany, headed

by Wolfgang Diez, the head of Daimler-Chrysler, buses and coaches business unit. On its own steam, SML has also set up an independent fully integrated bus manufacturing company – Lexia Motors. It has exported vehicles to South Africa, besides catering to the domestic market.

Another European auto giant, Volkswagen, also plans to start manufacturing ‘business buses’ that will transport executives. “We will start with small buses by the end of the year,” says Jochem Heizmann, Volkswagen’s management board member. “We will import them initially and volumes will decide their

**We will import the ‘business buses’ initially and volumes will decide their manufacturing here.**

manufacturing here.”

Asia Motor Works Ltd (AMW), which manufactures heavy commercial vehicles, will also roll out buses next year from its plant at Bhuj in Gujarat. According to R.C. Mangal, senior vice-president, marketing, AMW, “The company will produce both city and inter-city buses.”

The market for buses is expected to remain buoyant, as millions of consumers travel on holidays, business and for social purposes. With highways being expanded and hundreds of kilometres of new expressways being built, bus travel is set to emerge as a major component of the transport sector. 🌈

## ON THE ROAD

BUS travel is popular in many parts of the world: the famed Greyhound Lines criss-cross the US, Canada and Australia and several top coach operators have services in Europe. In India, however, bus travel never really attracted affluent travellers.

But there has been a sea change in the surface transport business, with the construction of new, international standard expressways and national highways, the deployment of luxury coaches, and the establishment of restaurants, restrooms and other facilities along many highways.

As a growing number of well-to-do Indians travel by coaches on holidays from Mumbai (to cities in Maharashtra, Gujarat, Goa and Karnataka), Delhi (to Uttarakhand, Himachal Pradesh and Punjab) and Bangalore (to Tamil Nadu, Kerala and Andhra

Pradesh), entrepreneurs are building a chain of smart restaurants and shopping malls, amusement parks and other entertainment outlets along highways.

The change is evident right from the initial stage of booking tickets. In the past, booking a bus ticket meant visiting a roadside vendor or a hole-in-the-wall operator, who would issue a handwritten receipt and ask the traveller to wait for the bus to arrive.

Today, many private and public transport operators offer Internet booking of seats on coaches. Portals like MakeMyTrip and redBus.in offer bus ticket bookings on their sites.

Passengers can book online, pay through cards or internet-enabled bank accounts, and reserve seats in air-conditioned, deluxe, sleeper and

semi-sleeper buses across a score of cities in India. The e-tickets are like the ones accepted by airlines and even Indian Railways – a passenger can take a print-out of the ticket and report at the bus terminus with an identity proof.

Even state-owned corporations, like the Karnataka State Road Transport Corporation (KSRTC), have introduced online booking of seats on its vast network.

redBus.in offers home delivery of bus tickets in over half a dozen cities including Mumbai, Bangalore, Delhi, Chennai, Pune and Ahmedabad.

Started by a group of techies in Bangalore – former students of the Birla Institute of Technology, Pilani – and mentored by the Bangalore chapter of The Indus Entrepreneurs, it offers tickets on over 3,500 routes, serviced by over 250 bus operators.

Indeed, a whole new world of high-speed highways, comfortable motels and pubs, spectacular mountain roads and scenic countryside awaits the new-age Indian traveller.

