

Urban Bus Sector in India



Implementing Efficient & Sustainable City Bus Systems

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WORLD BANK GROUP

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Presentation Structure

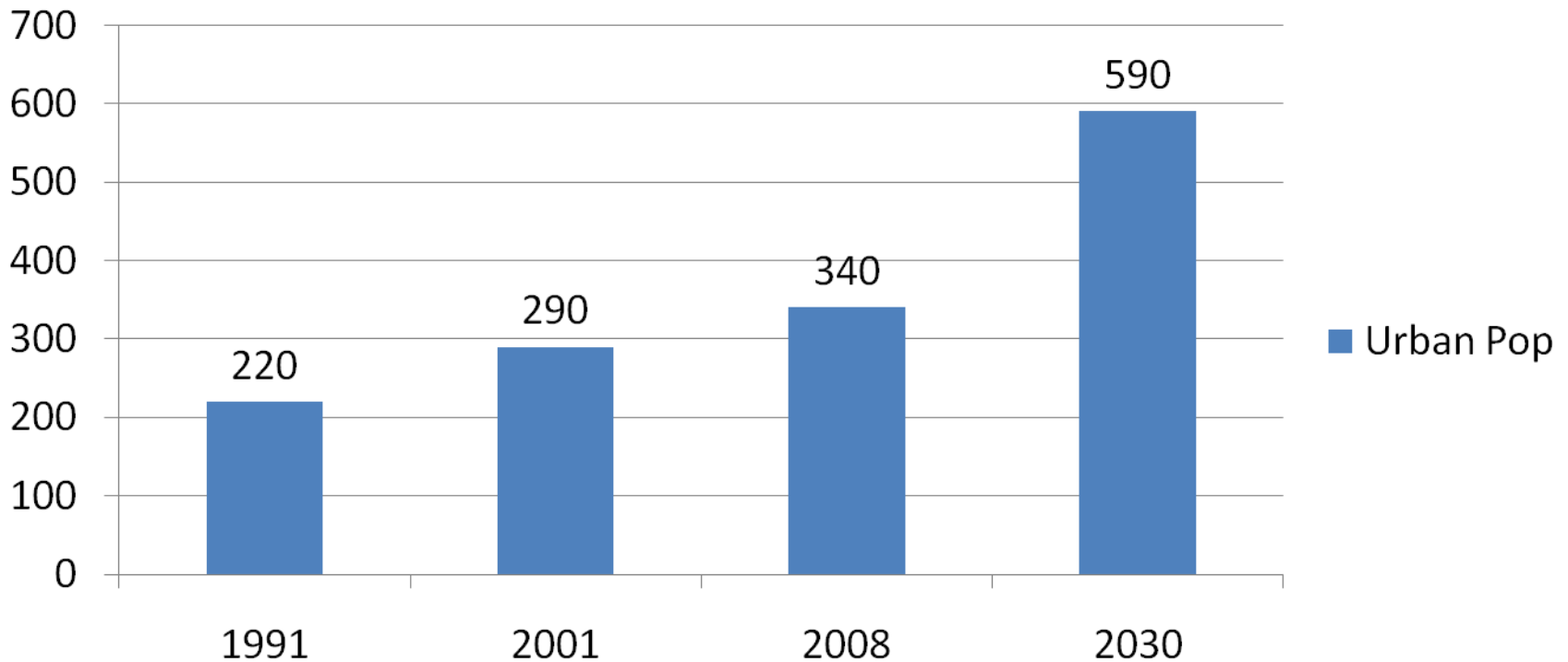
- India's Urbanization
- Trends in Urban Public Transport
 - Performance of STU's
 - Performance of new SPV's
- Key Takeaways

India's Urbanization

India is rapidly urbanising ...

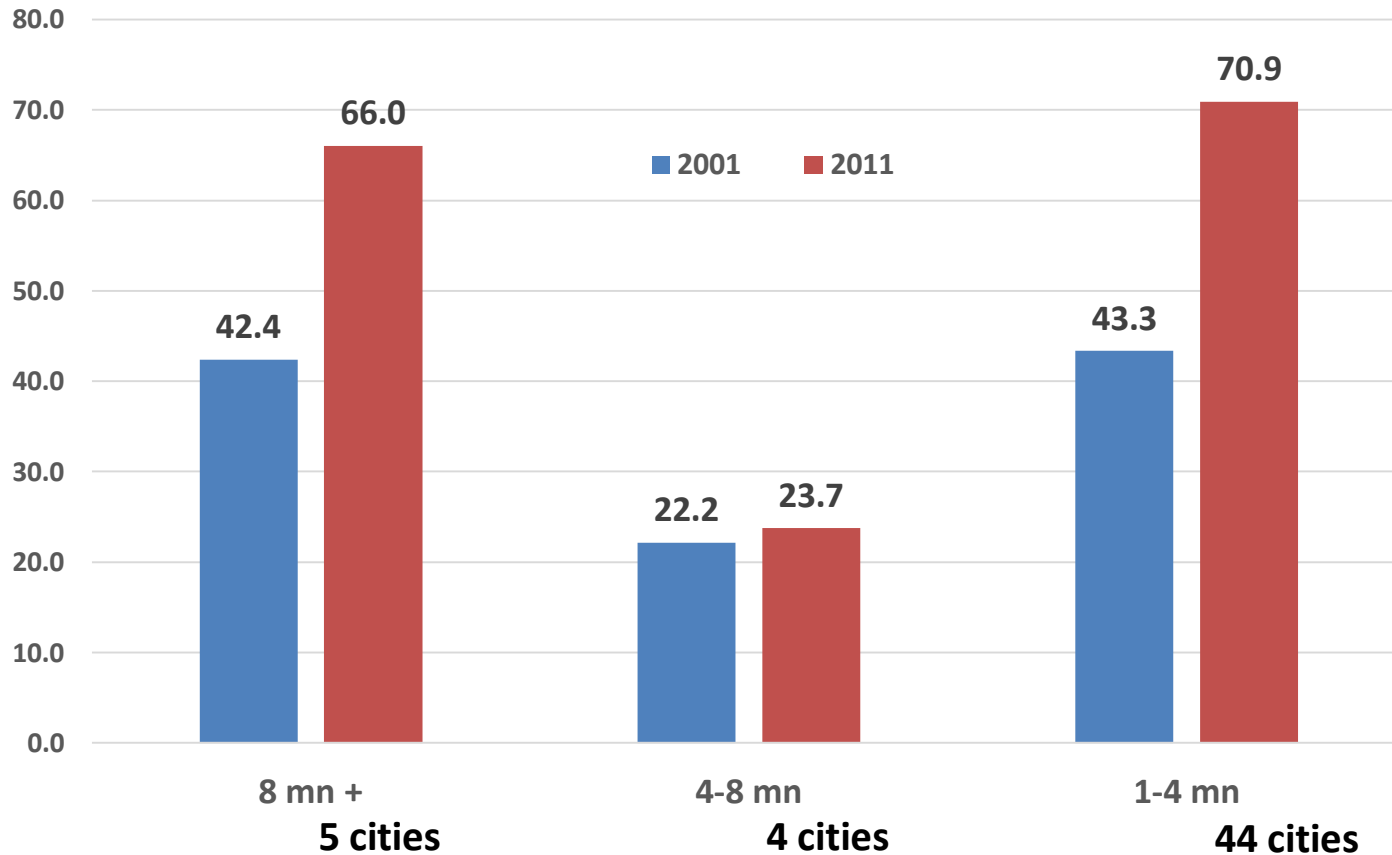
Source: McKinsey

Urban Pop



Urbanisation	26%	28%	30%	40%
GDP Share	46%	54%	58%	69%

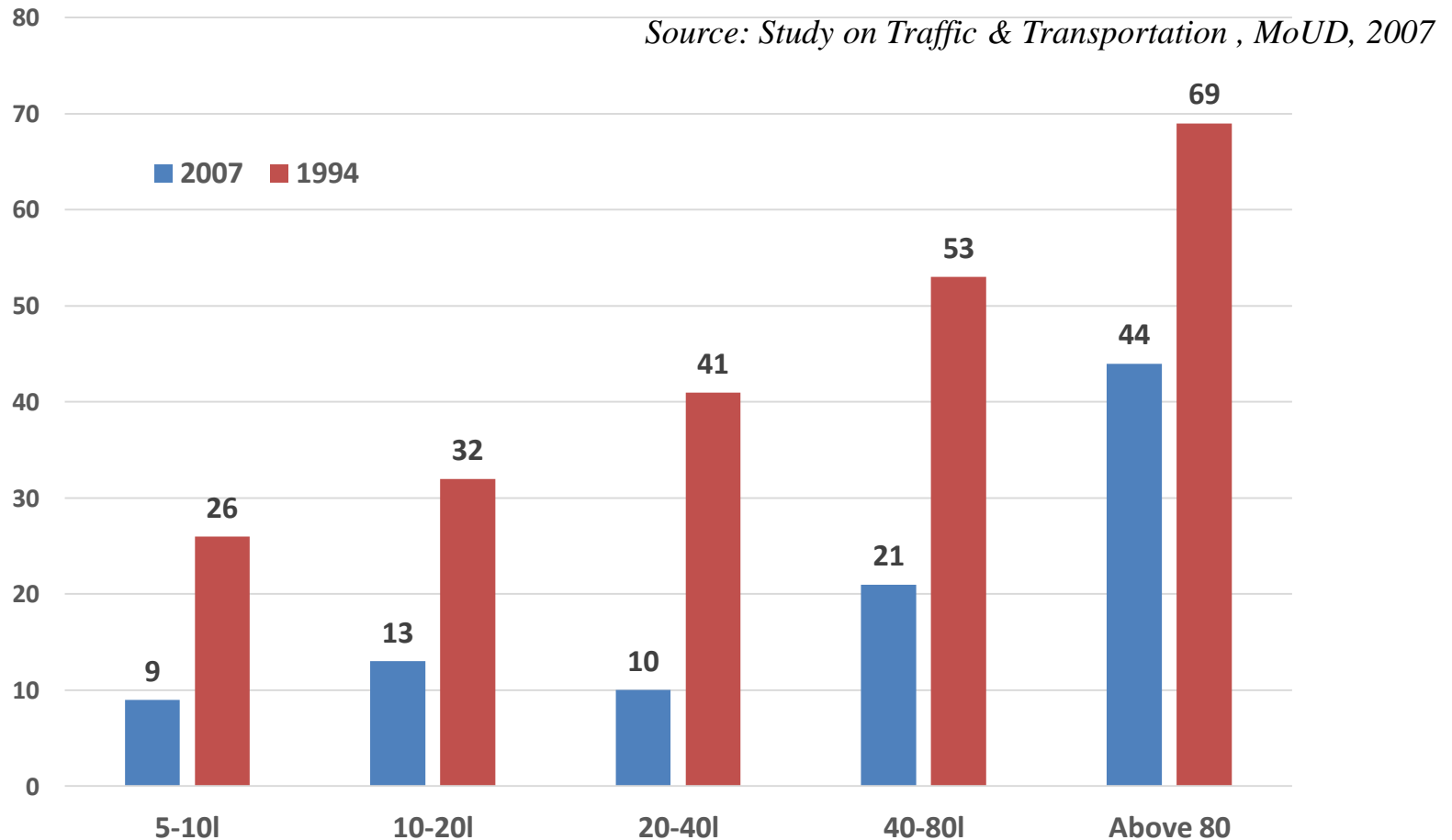
Population Growth by City Size



Indian cities with a population of one million and above grew by 150 percent between 2001 and 2011. The growth was the fastest in the 1-4 mn category

Trends in Urban Bus Sector

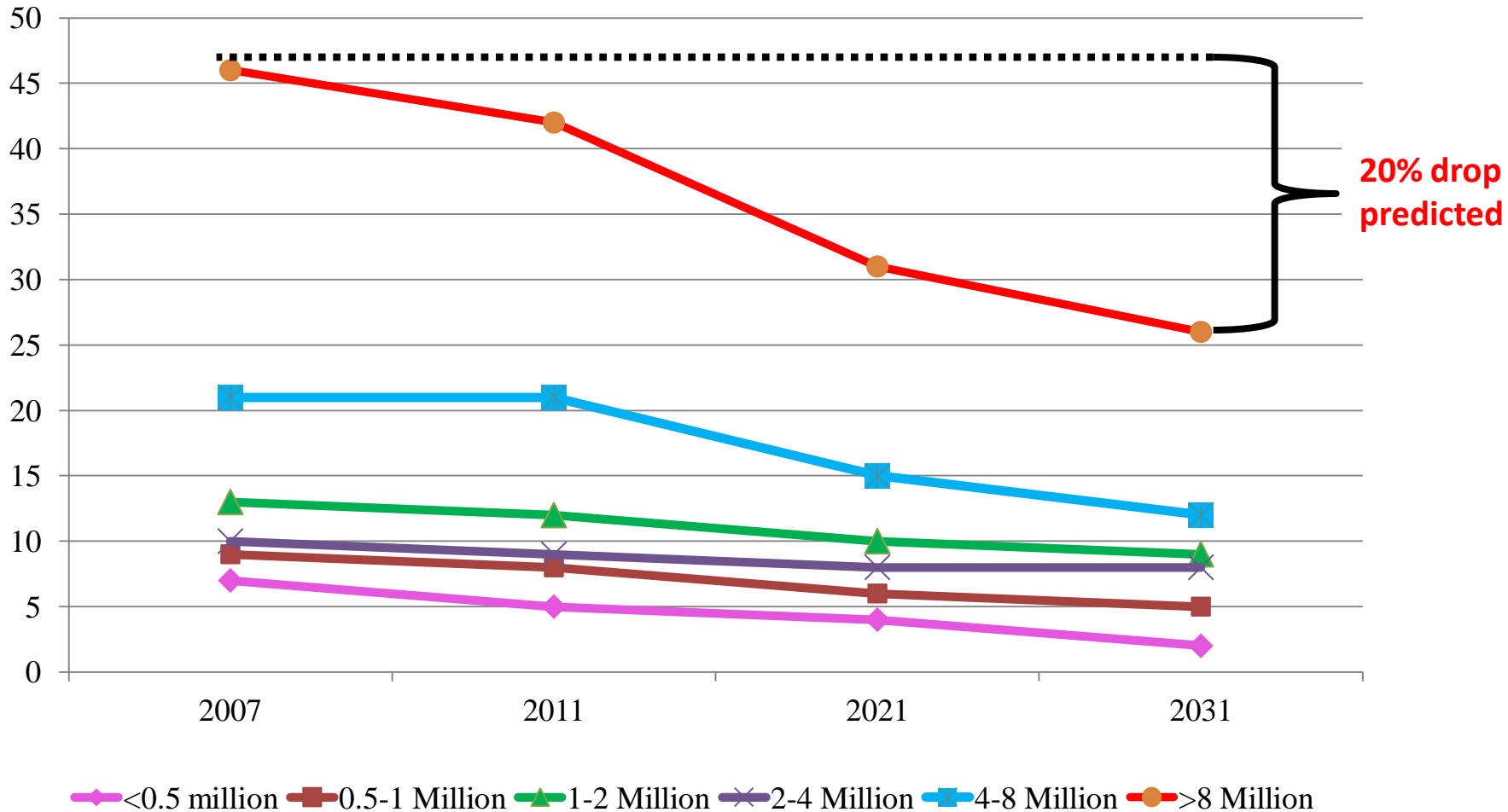
Decline in PT Share in Indian cities ... 1994 to 2007



Absence of attractive public transport alternatives translating into a growing dependence on personal modes and unsustainable investments in costly road infrastructure – growing congestion, road safety hazards, environmental degradation

Business as Usual Scenario – Projected Decline in PT Share

Source: Study on Traffic & Transportation, MoUD, 2007

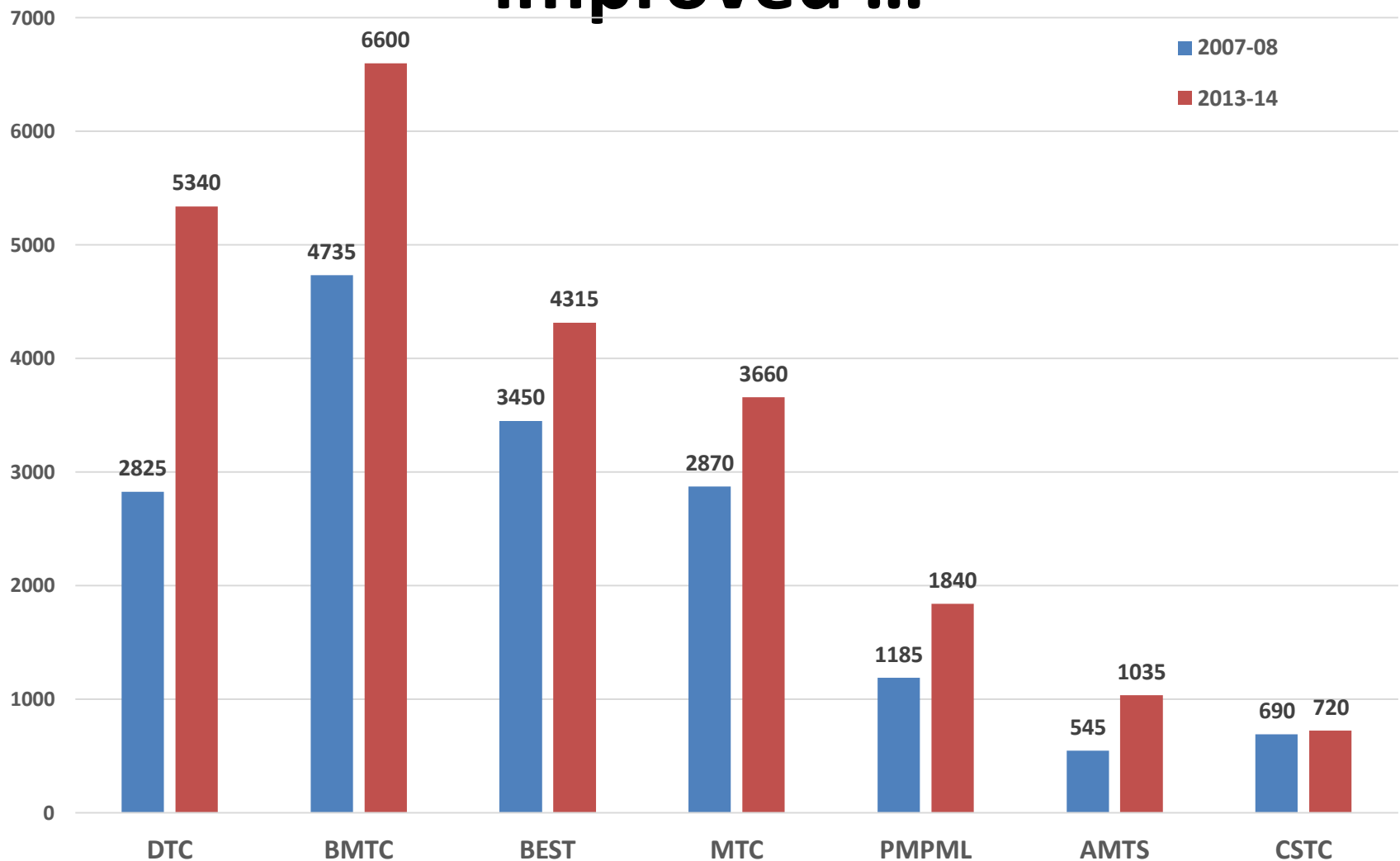


National Policies & Programs

- Only 20 cities had organized PT; serviced by STU's which were generally loss making, dwindling fleet sizes owing to lack of investments
- Unregulated minibuses/IPT proliferated
- NUTP 2006 launched followed by National Urban Renewal Mission - BRT systems in 12 cities
- Bus Funding Scheme launched in 2009 – 10,000 buses sanctioned to 61 cities, plus a follow up phase
- Metro system funding

City bus systems can be a cost effective PT solution for most Indian cities

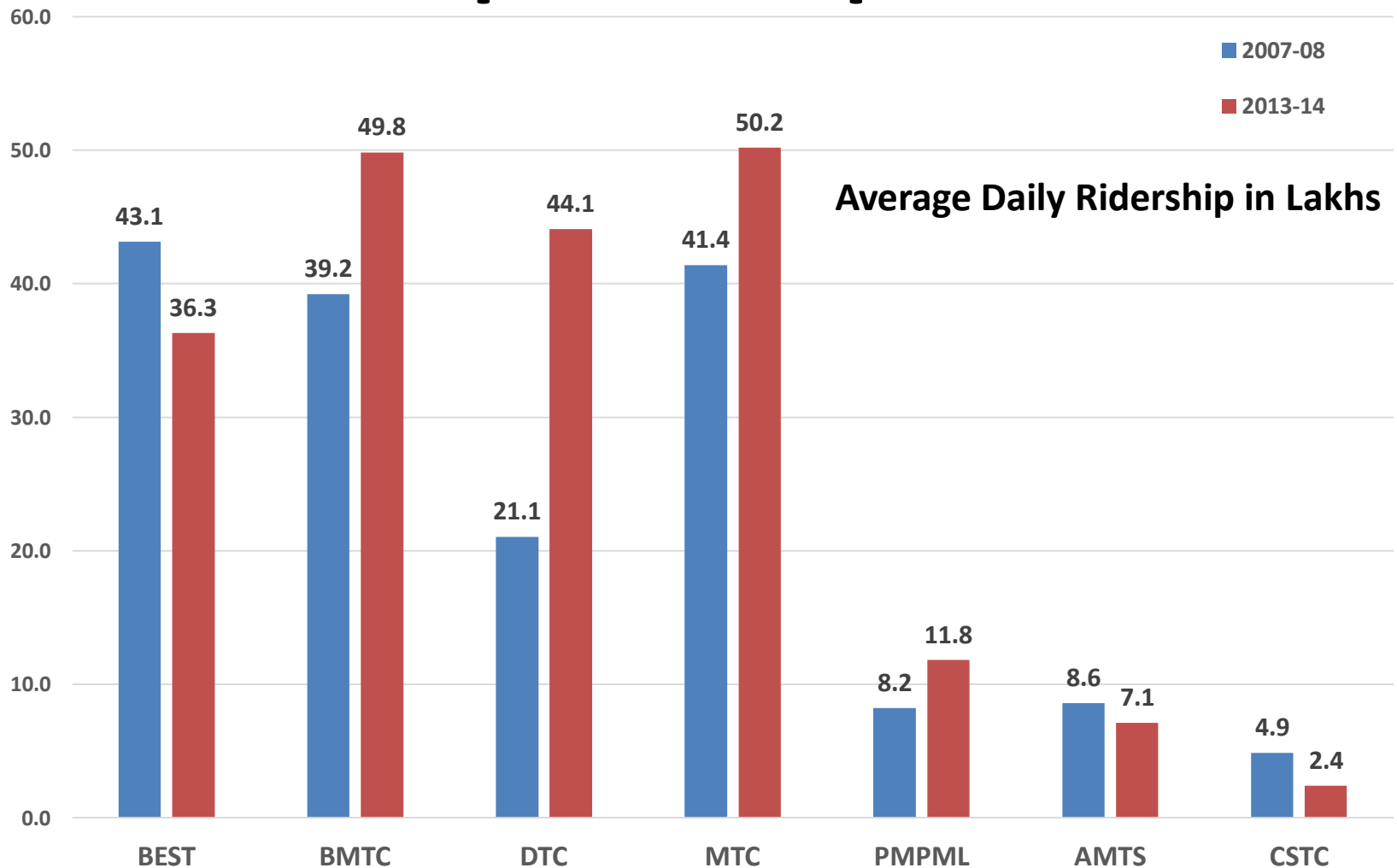
Fleet Strength of STUs in Major Cities improved ...



Received an impetus as a result of the bus funding scheme; many cities with no formal systems were able build bus fleets

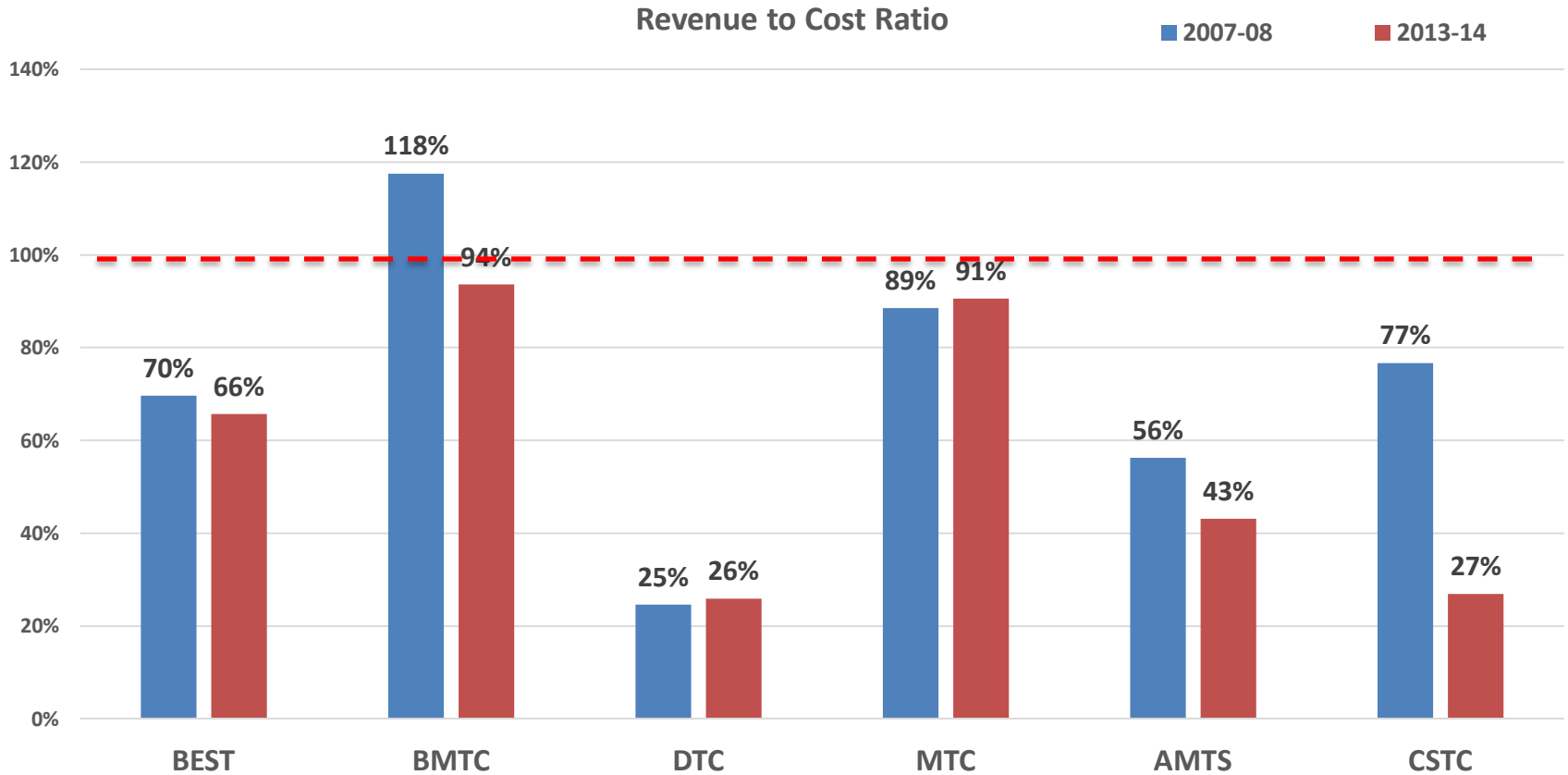
Source: CIRT – Profile and Performance of STUs

Ridership also improved ...



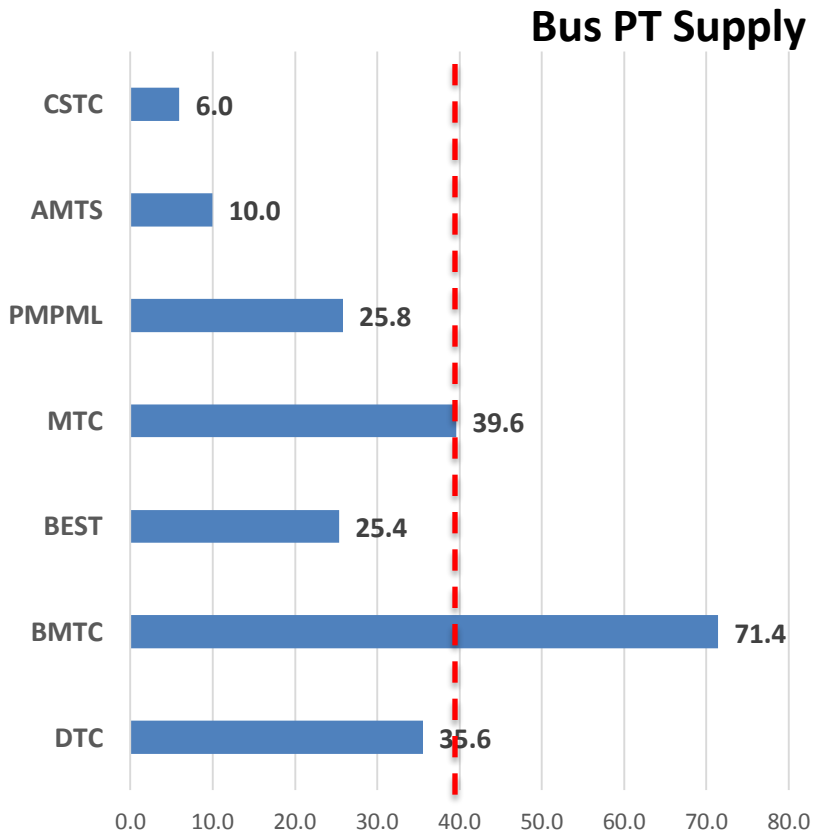
And ridership by and large improved, except in Kolkata and Ahmedabad where there are efficiency issues and in Mumbai where enhancements in rail systems has resulted in a decline.

All urban STU operations were loss making ...

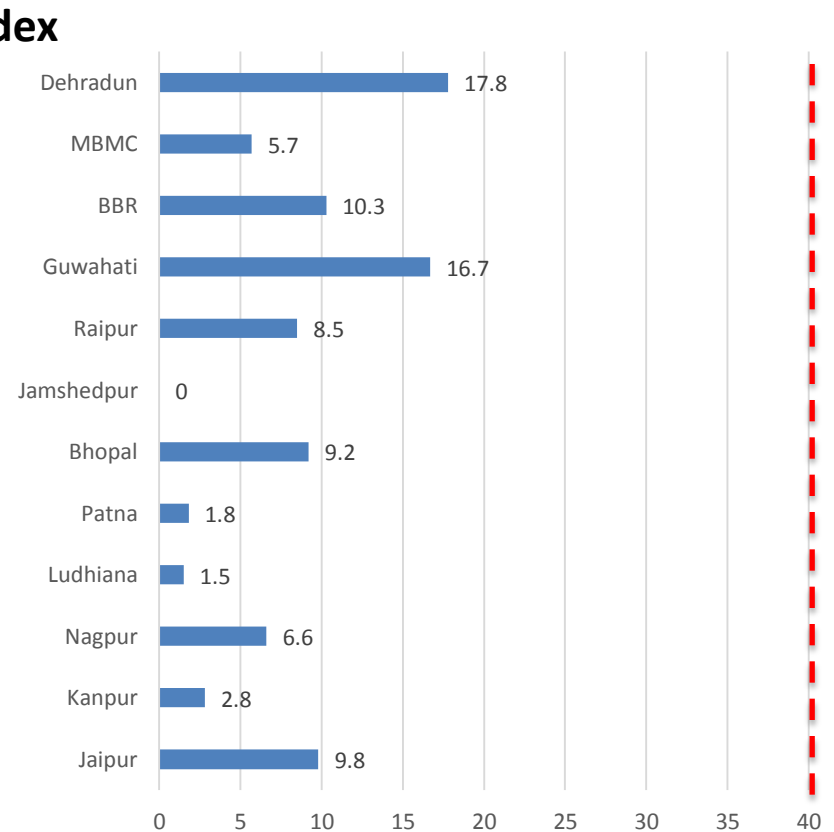


While several new cities launched an organized bus service ...

STU



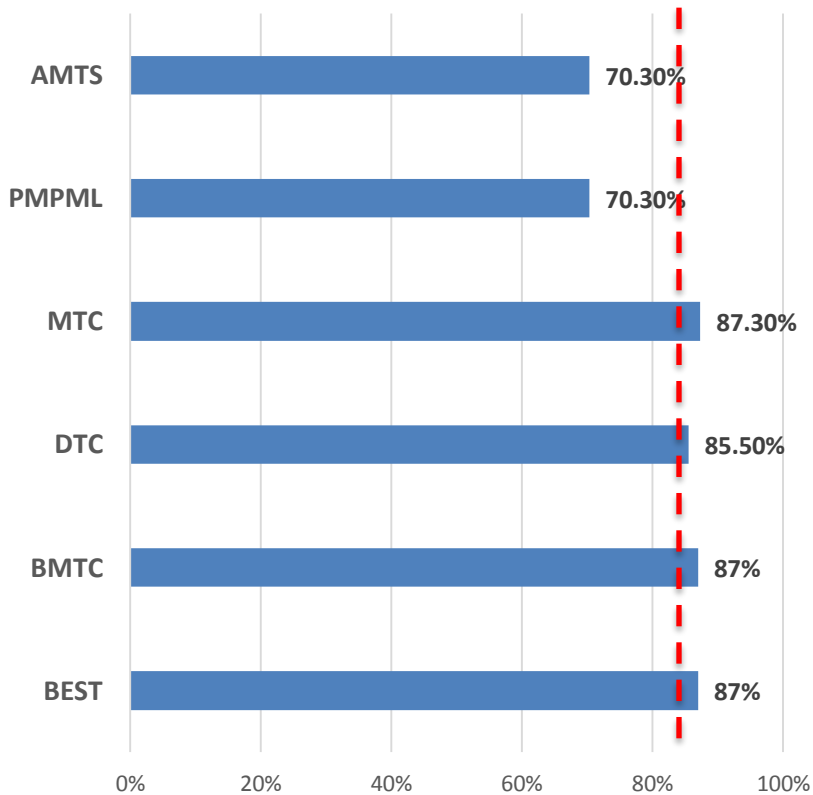
SPV



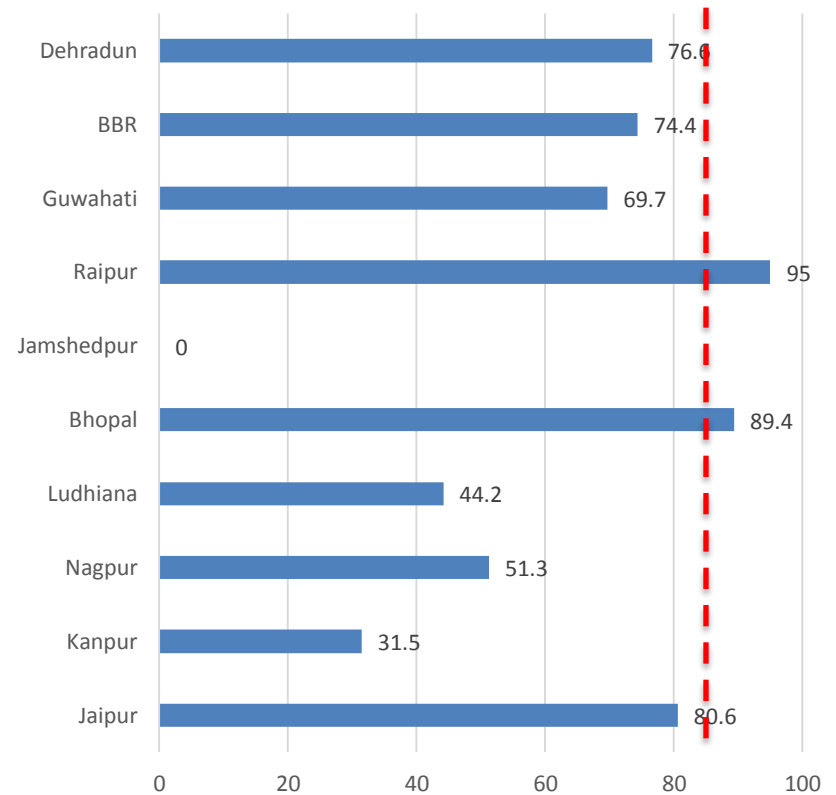
Still large gaps in the PT supply for the new cities, mostly Tier 2 cities. This does not factor in large unregulated presence in several cases

Fleet utilization suboptimal in several instances ...

STU



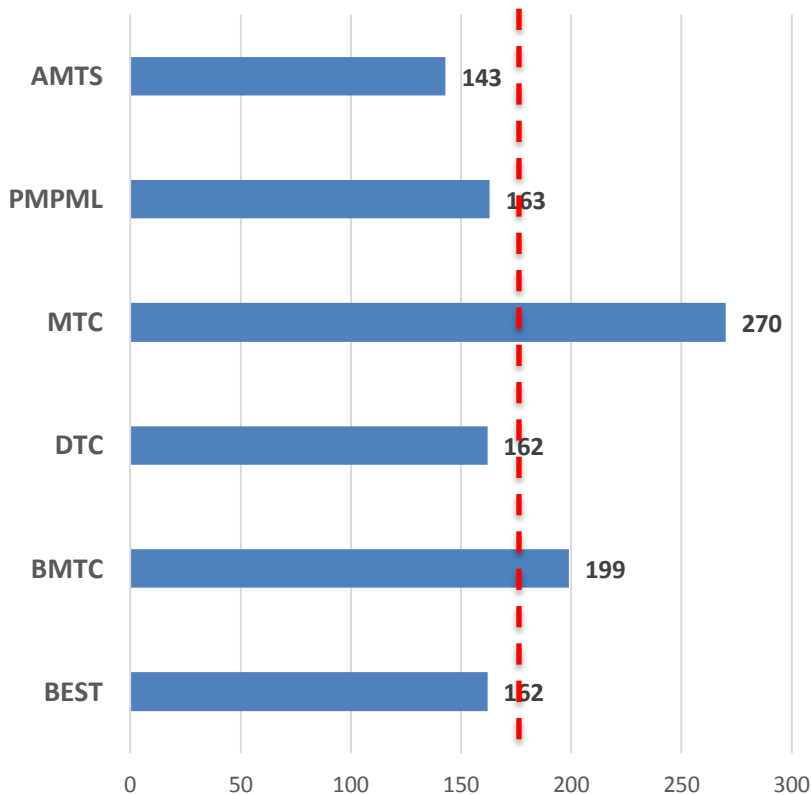
SPV



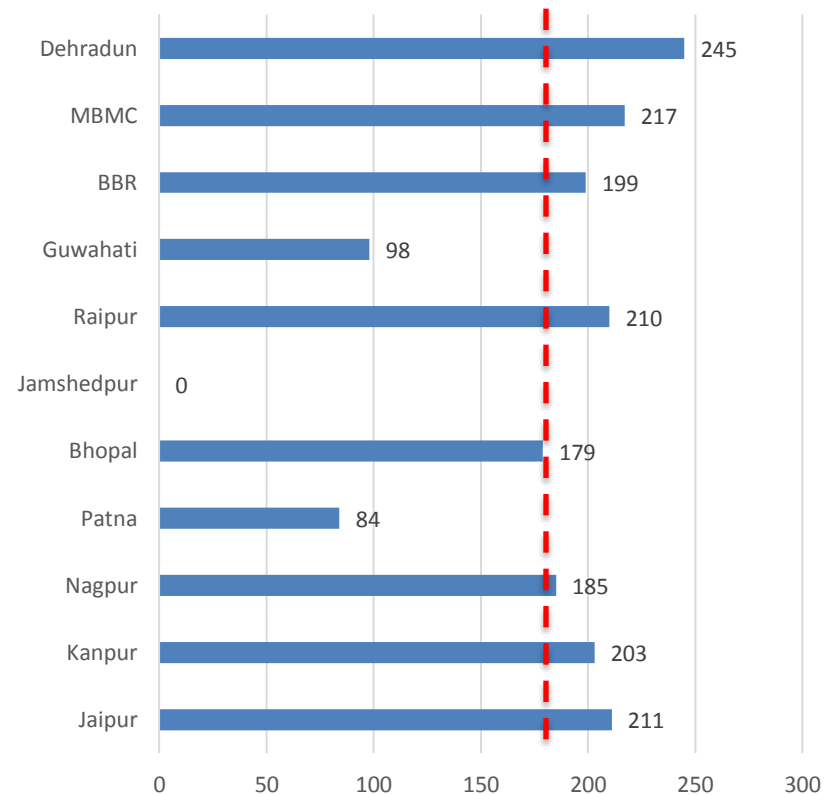
While some cities such as Bhopal and Raipur have done a reasonably good job with ensuring buses on the road, others such as Patna, Jamshedpur, Kanpur, Ludhiana, Nagpur etc. have most buses grounded

Suboptimal utilization ... Bus Productivity

STU



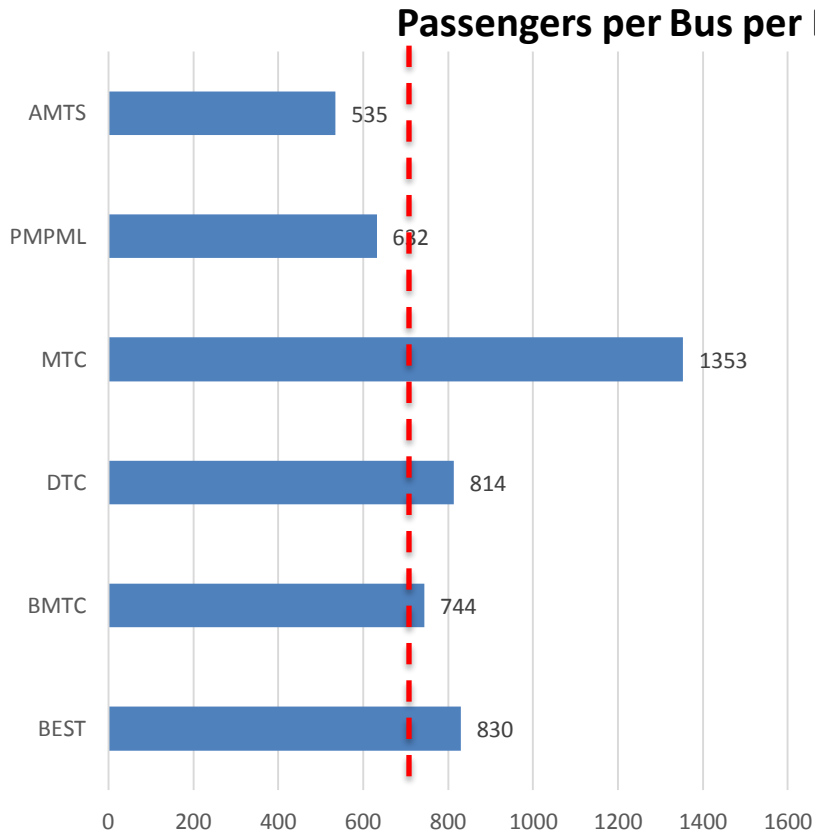
SPV



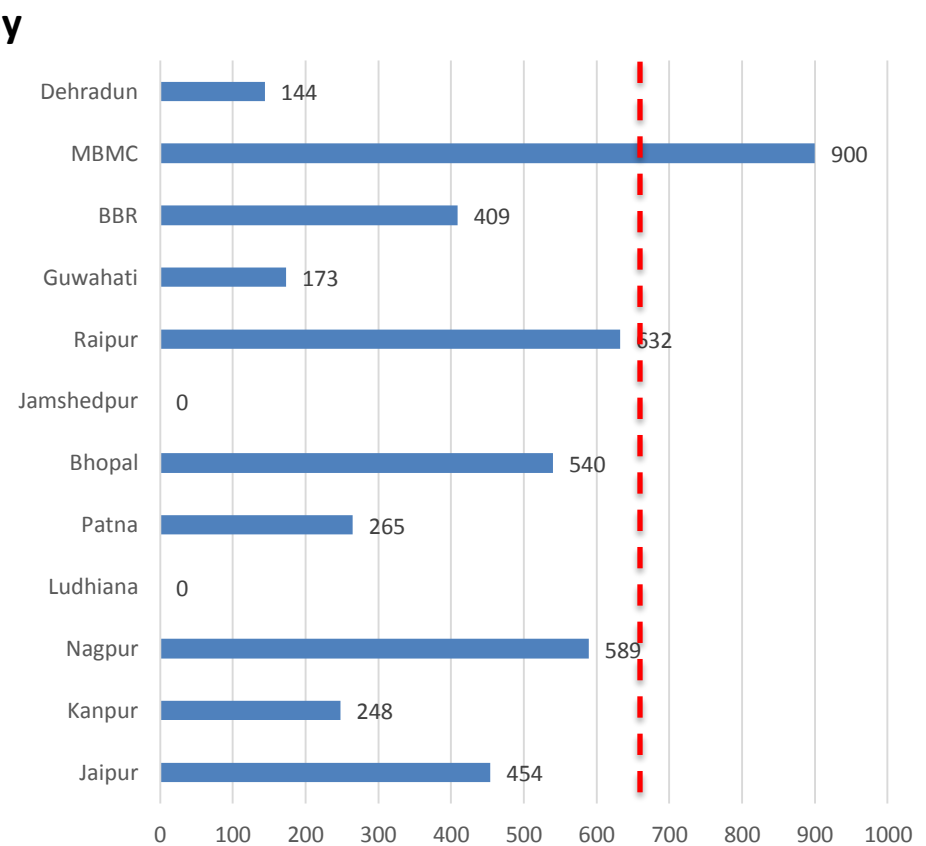
In some instances, Gangtok, Guwahati, Patna, buses plying less than 100 km a day when could easily cover 150-200 per day

Relatively low ridership in newly launched services ...

STU

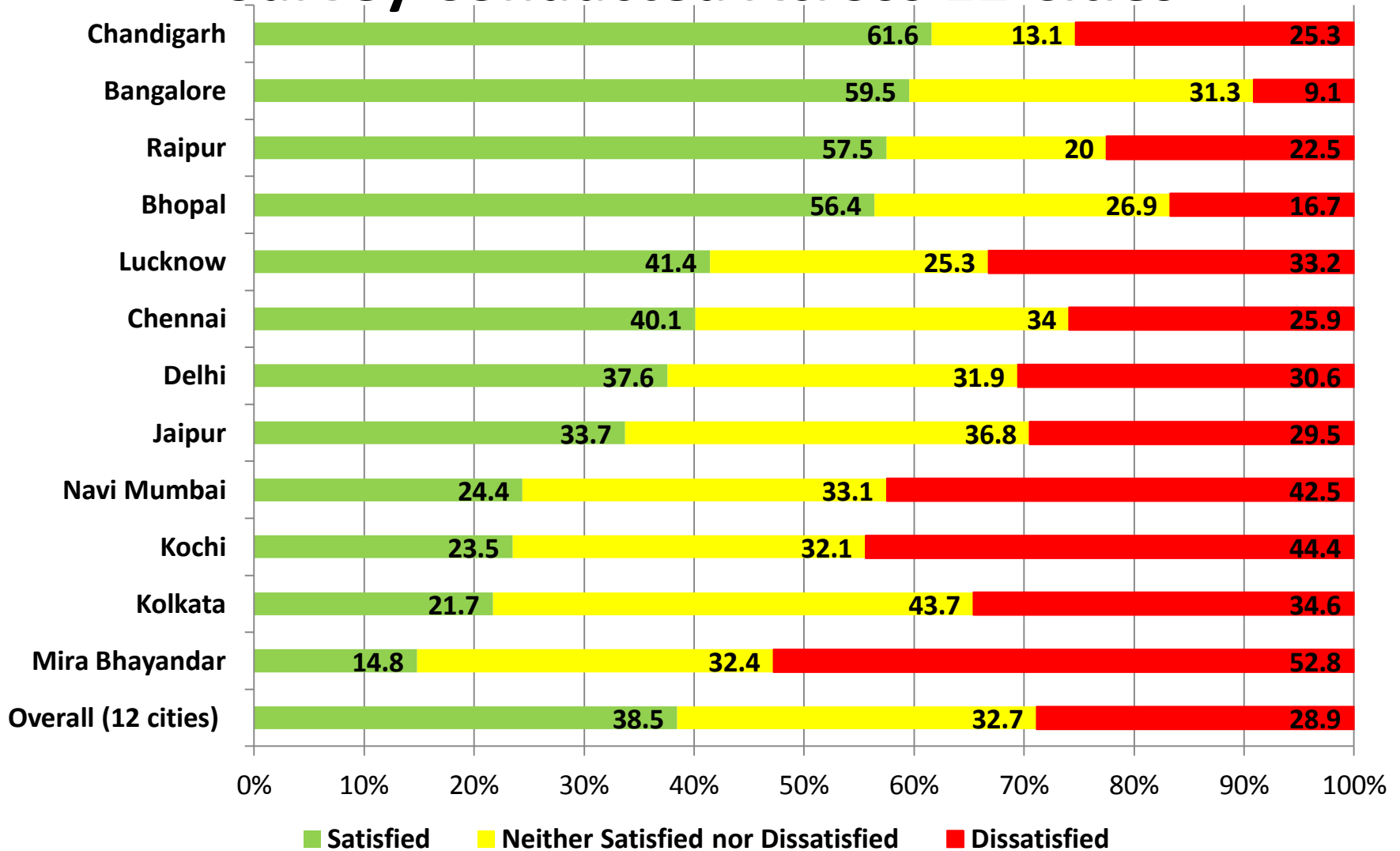


SPV



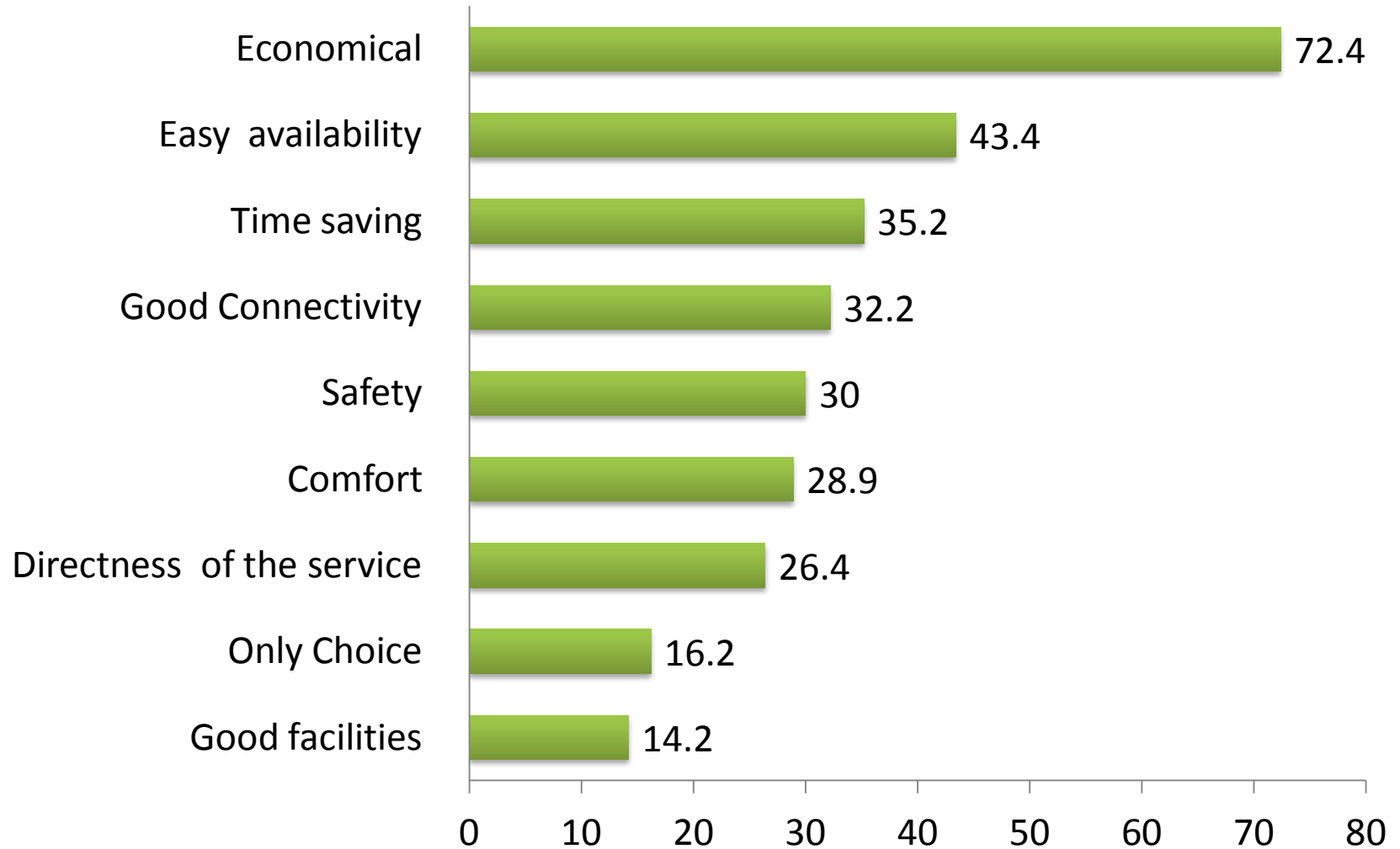
Number of passengers per bus per day are quiet low in the new cities, ranging between 150-500 compared to over 700-1000 in the better managed systems, owing to issues of poor service planning, reliability and most of all a competing unregulated sector

User Satisfaction Levels – Based on a Recent Survey Conducted Across 12 Cities

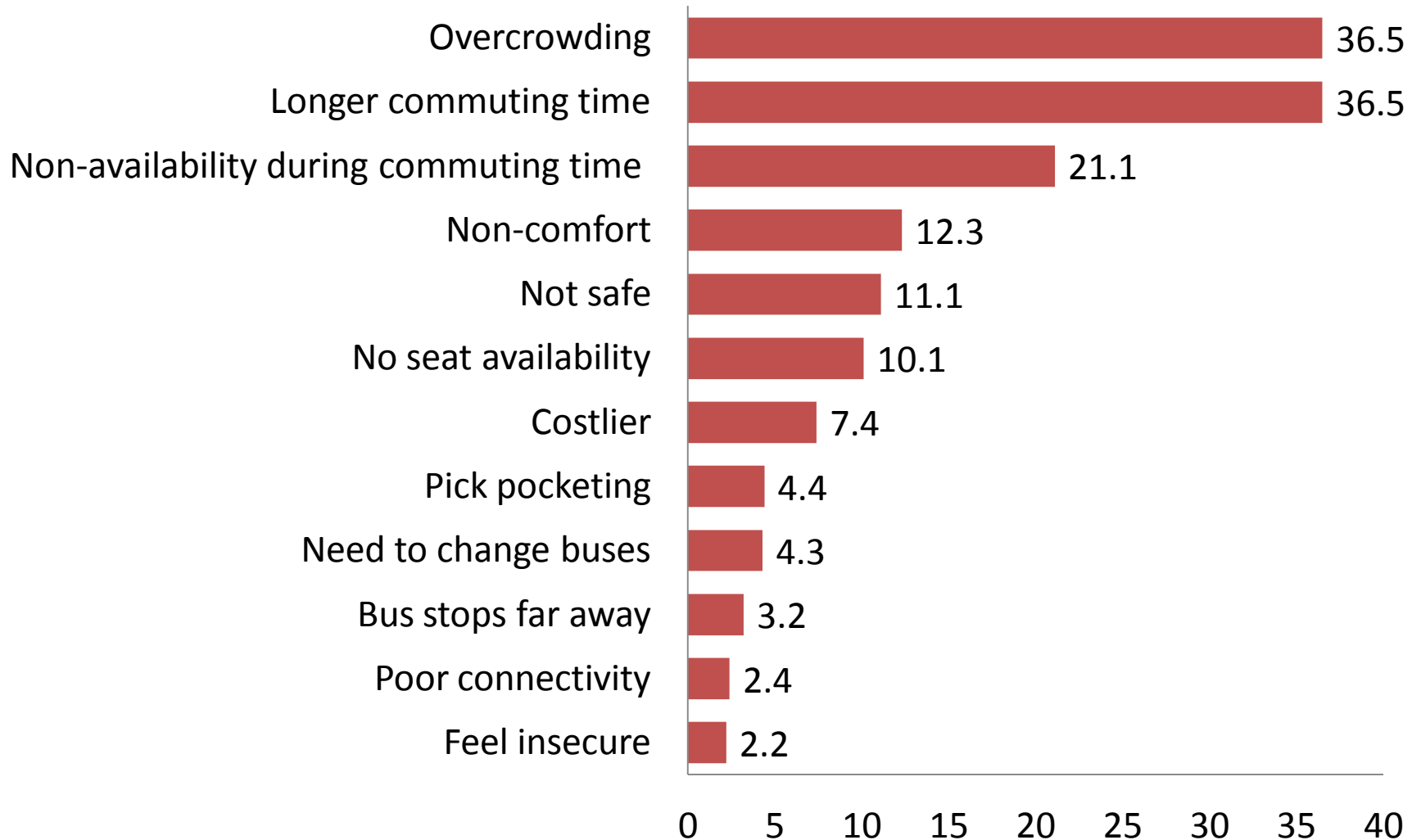


75% users and 65% non users said they would continue using or use the bus service if it improved

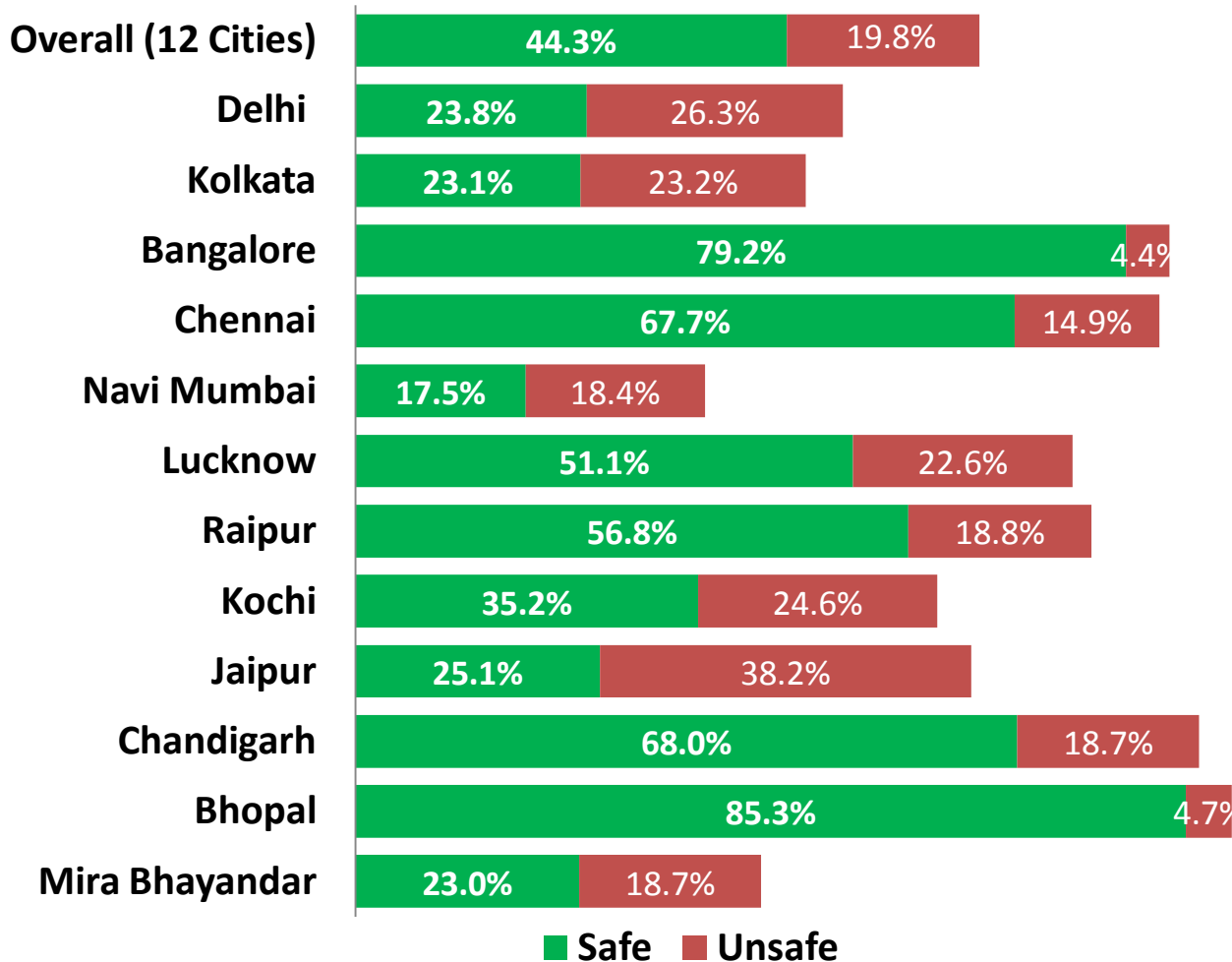
Reasons for Using City Bus Services



Reasons for Non-Usage of City Buses (non users)



Perception on Women Safety



In Delhi, Kolkata, Kochi, Navi Mumbai and Jaipur higher proportion of people feel women are unsafe while traveling on city buses than those who feel otherwise

Bhopal, Chandigarh, Raipur, Chennai, Bangalore considered safer

Key Takeaways... Overall

- *Fleets replenished and new services launched in many Tier 2 cities with no organized public transport.*
- *PT ridership improved (in existing cities) and developing (in new cities)*
- *Some reforms initiated – SPVs created; urban transport funds created; urban departments designated lead; etc.*
- *Profitability remained an issue and generally worsened*
- *New and improved rolling stock resulted in improved user satisfaction; but also led to several issues around maintenance and staff training (including for well equipped STUs)*
 - *Breakdown rates worsened*
 - *Fuel efficiency worsened*
- *Awareness around ITS and new technologies improved for both existing and new players but few successfully implemented these complex systems*

Overall, the national schemes had a positive impact on the urban bus sector

Key Takeaways ... New Services

- *In the cities launching a new service - mixed results.*
- *Cities such as Bhopal and Raipur have launched well operated services with high levels of user satisfaction*
- *Most cities launched services without adequate depot facilities (Phase 2 came too late) or service planning; with suboptimal utilisation*
- *Several cities encountered problems with hiring and management of private operators – weak capacities, poor contracting arrangements, one sided risk frameworks etc.*
- *In almost all instances the new services were launched in competition with the existing informal (or unregulated) presence, seriously impacting the SPV operations*
- *Most states/ cities had not anticipated a requirement of funding to maintain operations*
- *Adequate resourcing of SPV's a major challenge*

The Tier 2 cities have made a start with a formal public transport service, but require a significant scale up with necessary support on the many issues that emerged, if sustainability is to be ensured

Key Takeaways ...

- ***Quantity & Quality***
- ***Sustainable Funding***
- ***Sustainable Institutions***
- ***Sustainable solutions to integrating with unorganized sector***
- ***Technology***
- ***Capacity Building***

THANK YOU

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