

JOINT SARPBAC AND SABOA MEDIA STATEMENT – 05 SEPTEMBER 2022
DIRE CIRCUMSTANCES FACING PUBLIC TRANSPORT AS SOUTH
AFRICAN BUS AND COACH INDUSTRY IS SLOWLY ERODING
UNDER PRESSURE

STATS SA = TRANSPORT SECTOR SHEDS 54000 JOBS

**SARPBAC RESEARCH STATS = 7000 JOBS LOST IN THE BUS PASSENGER SECTOR
32 COMPANIES CLOSED DOWN.**

SABOA and SARPBAC have been canvassing the Ministry and National Department of Transport for well over two years for a BUS INDABA- with no success nor commitment for engagement at this level forthcoming. During this period (and for the decade prior) the Bus and Coach industry has slid into a declining state of sustainability to the point where the entire industry value chain and stakeholders are facing a point of no return.

It is concerning to now note that the findings from SARPBAC (South African Road Passenger Bargaining Council) effectively confirm that the industry is being eroded due to an “almost perfect storm” of COVID-19, macro-economic factors and the depressed localised conditions.

Recent research into the effects of Covid-19, focusing on employment within the industry, reflect a dire situation. COVID has directly impacted **40% of entities** (parties and non-parties) of the industry, to a point of no return. SARPBAC research also found that during the Covid period 2019 to present, **THIRTY-TWO (32)**, mainly small to medium non-party companies have closed their doors and are no longer in existence. Out of the 32 companies, it appears that two are attempting to re-enter the market but it will take a long time for them to re-establish themselves.

The impact on parties was slightly different but still with dire outcomes. Many entities opted for the retrenchment route to ensure sustainability and remain in business. Notwithstanding that option one party entity has closed down and we are aware of two other entities that are under business rescue.

- **THE INDUSTRY HAS LOST APPROXIMATELY 7000 EMPLOYEES FROM THE MEASURES IMPLEMENTED.**
- **THE LABOUR ENVIRONMENT HAS BY EXTENSION FELT THE IMPACT**
- **ALL 15 UNIONS OPERATING WITHIN THE INDUSTRY LOST MEMBERSHIP, LEAVING SOME UNIONS ON THE BRINK OF EXITING THE SECTOR COMPLETELY.**
- **UNION STATISTICS INDICATE LOSSES OF MEMBERSHIP TALLING AROUND 6000 MEMBERS.**

This is a clear indication that there is a need for the industry stakeholders to make a concerted and collaborative effort to stabilise the industry for survival as well as to be able to provide a service to our communities and continue to provide employment whilst ensuring the nation has access to mobility.

However, the prevailing conditions –

- the current economic climate
- with increased fuel prices, and
- increasing inflation, together with
- demands for higher wage increases from labour workforce, coupled with
- increased operating costs,
- and highest levels of unemployment,

all make for unrelenting pressure on the industry.

Add to this an escalating level of crime, intimidation and extortion of the bus industry from “rogue elements” attempting to further erode the bus sector, the bus and coach passenger industry, “is running out of road”.

The industry cannot solve the systemic faults and long-standing policy issues in public transport on its own.

The time has come for a Bus Indaba and for the Minister of Transport to urgently engage with the industry.

This will allow for a focussed approach to the priority issues to be addressed collectively with commitment from all social partners.

It will create a platform for further policy certainty and thus attract the desired investment into the sector, sustaining current workforce and generating additional employment opportunities.

The bus and coach industry is the only viable cost-effective option for mass transit – given the failure of PRASA and the time required to get that infrastructure back on track. Employing hundreds of thousands of people (directly and indirectly), the value chain cannot be allowed to crumble any further after already losing 7000 jobs.

SABOA and SARPAC, thus implores the Minister of Transport and the National Department of Transport to urgently engage the industry.

ENDS.

Note:

**SABOA (Southern African Bus Operators' Association), and
SARPBAC (South African Road Passenger Bargaining Council),
collectively and individually represent the interests of the industry stakeholders.**

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