MEDIA RELEASE

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16 NEW AB 350 LTD BUSES COMMENCE OPERATIONS IN KSD, MHLONTLO AND NYANDENI MUNICIPALITIES

A total of 16 new 65-seater buses have arrived to operate in the King Sabata Dalindyebo (5), Mhlontlo (6) and Nyandeni (4) Municipalities this week to improve the public transport service in the eastern part of the Eastern Cape.

A spare bus is also available to assist in improving the mobility and accessibility of rural communities in the region.

This bus passenger service is operated by the newly-established Africa’s Best 350 Ltd, which is one of the biggest 100% black-owned bus companies in the country and the second biggest bus company in the Eastern Cape behind Algoa Bus Company operating in the Nelson Mandela Bay Metropolitan Municipality.

This is the third batch of new buses, which started operations in Qumbu on Tuesday 16 September 2008. The rest of the buses will start operating on Monday, 22 September 2008.

Earlier this year, buses were dispatched to operate in Mbizana and Mzimvubu Municipalities.

The delivery of 16 buses in O R Tambo has enabled this company to provide employment to 45 permanent employees.

“The fourth batch of buses for Phase 1 is expected next month, where 16 buses will commence operations in the Matatiele area on 13 October 2008 and another 45 permanent staff will be employed," said Eastern Cape Roads and Transport MEC Gloria Barry.

On Thursday 25 September 2008, MEC Barry will officially hand over these buses at an event to be held at Mthatha Airport at 10am.

During Phase 1, 220 permanent jobs will be created.

“Negotiations with Financiers are in place to start Phases 2 & 3, which are expected to start operations in February 2009," she added.
Jobs to be created in the next 7 years are 450 direct permanent jobs through the implementation of the 3 phases.

The Department of Roads and Transport is investing R944 million over a period of 9 years in this project.

For Phase 1, the Department is spending R43.3 million and pays a monthly subsidy of R2.75 million for the 7-year negotiated contract.

The rest of the money for Phase 1 has come from the financing consortium, which comprises Scania Finance (R32 million), Industrial Development Corporation (R15.5 million), Development Bank of Southern Africa (R10 million), National Empowerment Fund (R3.5 million) and Eastern Cape Development Corporation (R2.5 million). This means that a total of approximately R107 million will be ploughed into Phase 1.

“This is a victory for our previously disadvantaged communities as government in partnership with private sector is making visible and decisive interventions in an effort to provide a lasting solution to the public transport challenges that continue to haunt the rural communities. It is a major injection of quality public transport services into a poverty-stricken area and enhances accessibility to economic opportunities through improved mobility,” said MEC Barry.

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