



Early Operating Experiences under the Public Utility Vehicle Modernisation Program in the Philippines – *How Modernisation benefits Operators too?*

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The Public Utility Jeepney (PUJ)

- The Jeepney is a cultural icon in the Philippines
- Original old converted Army Jeeps, the Jeepney has served Filipinos for over 70 years, and represents the primary form of motorised transport today
- Colourful and cheap but also polluting and unsafe



Jeepney Operations in the Philippines

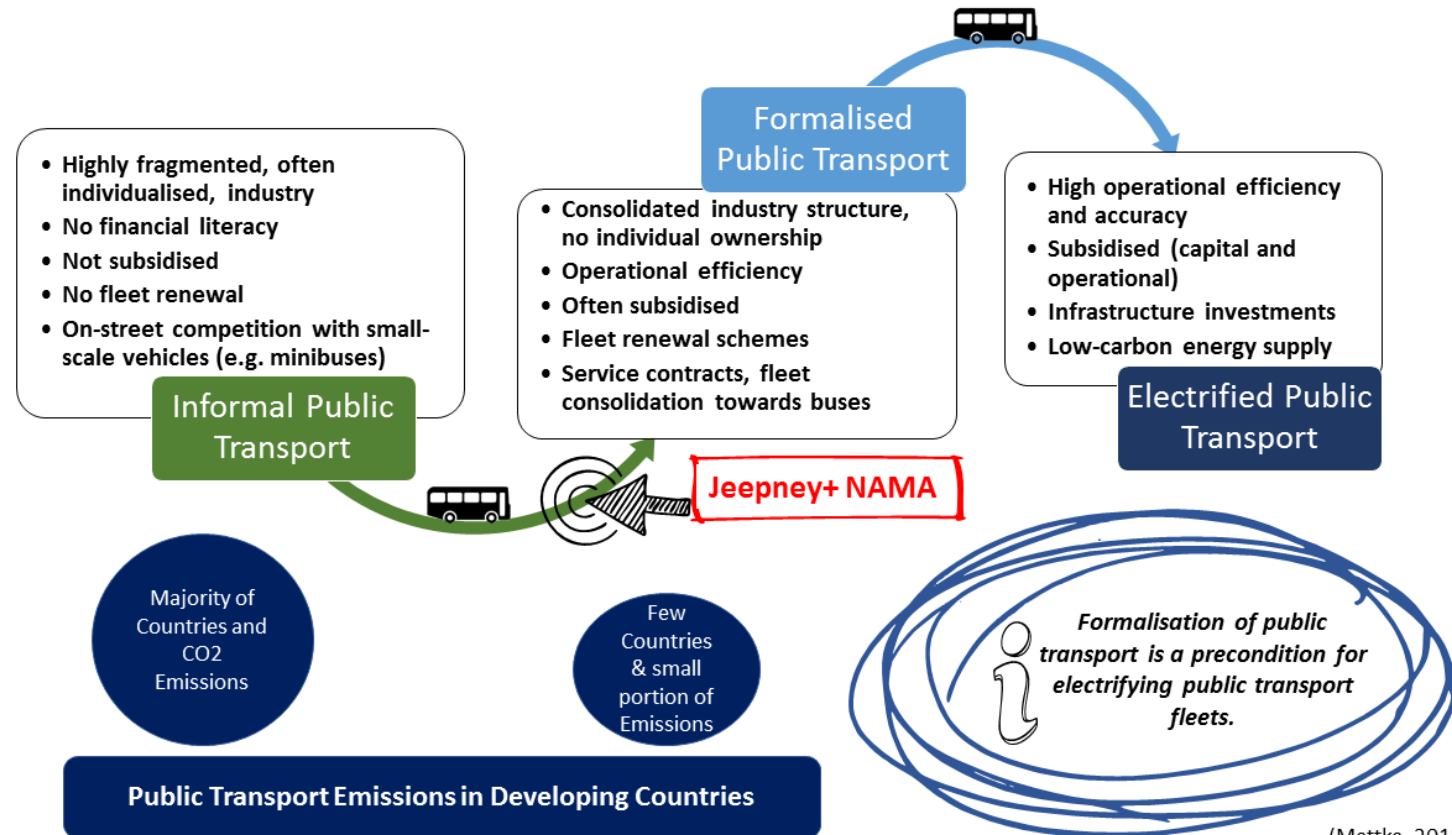
As many as 200,000 Jeepney operating in the Philippines

- In Metro Manila alone:
 - 700 jeepney routes
 - 55,000+ vehicles
 - 39,000+ franchises
- Holding these franchises are 24,500 named operators
 - 78% of operators own just a single unit
 - Only 2% own more than 5 units
 - A small number of co-operatives

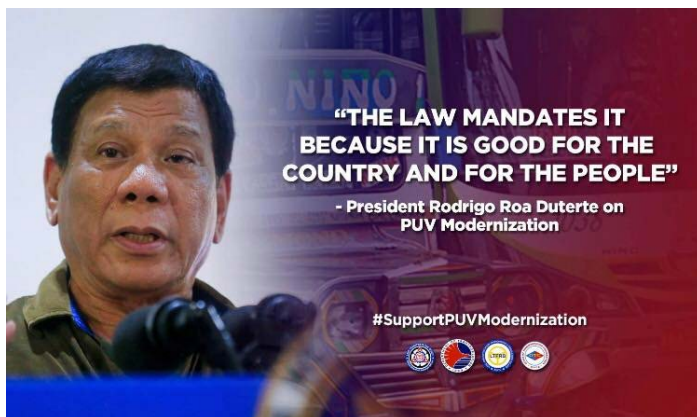
Public Utility Modernisation Program (PUVM)

Sector Reform

Transformational Change

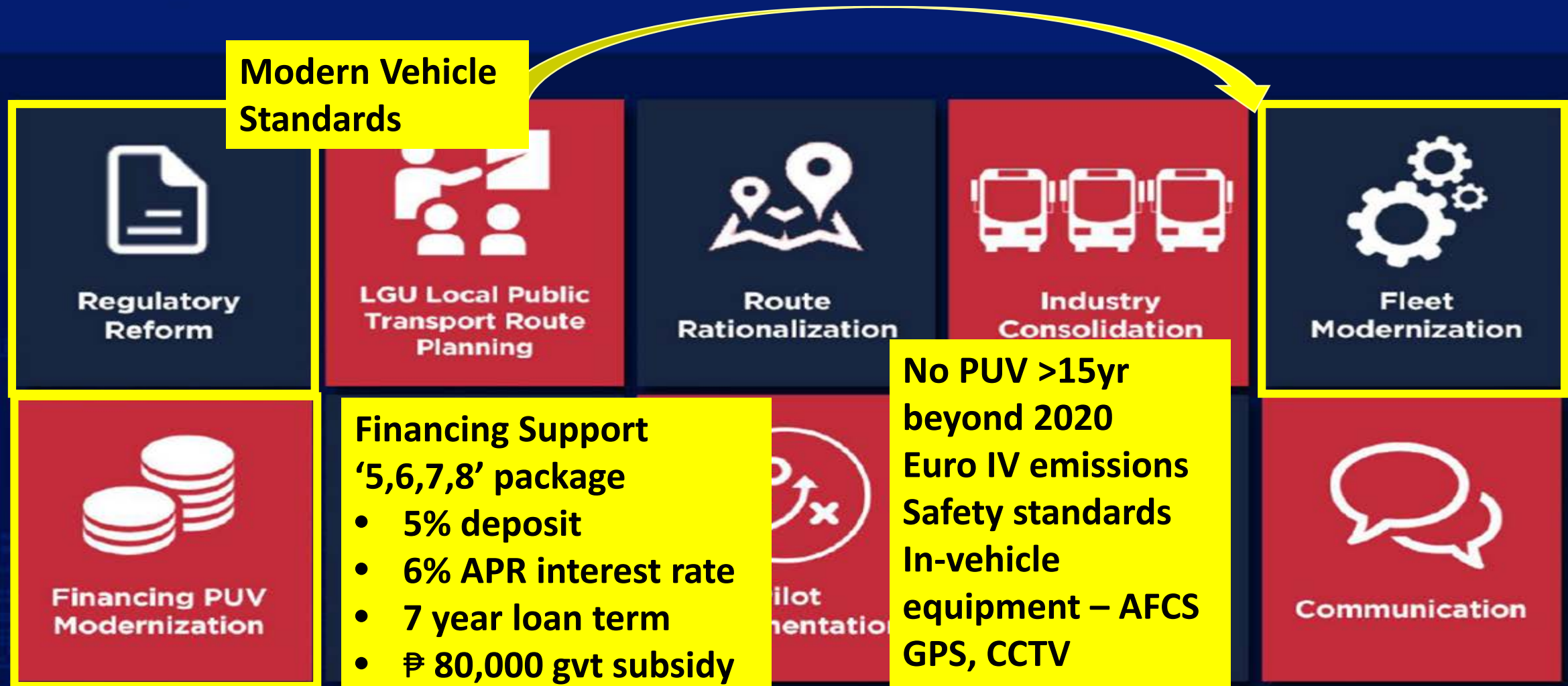


(Mettke, 2018)



MAJOR COMPONENTS

PUV MODERNIZATION PROGRAM



"System Reform and Vehicle Modernization"

Fleet Modernisation





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Early Evaluation of Modernised Routes

- Surveys of 14 new route Operators covering 27 New Routes
- Covering 6 different Regions
- Survey Program included the following:

Face to face operator Interviews

- Operational data
- Experiences of new vehicles and operations
- Operator self-completion surveys

In-Vehicle GPS Surveys

- Route alignment
- Boarding and alighting
- Operating speeds



Capital investment in vehicle

₱350,000
(\$6,800)



Old Jeepney with Franchise



Mahindra Supra
11 seater

₱980,000
(\$19,000)

₱1,800,000
(\$35,000)



Hino XZU343

₱2,000,000
(\$39,000)



Star8 EV

₱2,400,000
(\$46,500)



Izusu QKR
Mahindra T20
Yutong

	Traditional Jeepney	Modern Euro IV Jeepney	Modern Electric Jeepney
Purchase Price	₱350,000 (with Franchise)	₱1.8m-₱2.4m	₱1.8m-₱2.4m
Daily Fare Revenues/unit	₱800 –boundary (₱2,500-₱3,000 farebox)	₱2,500-₱8,000	₱2,500
Other revenues/unit	-	₱250++ advertising	₱250++ advertising
Typical	Similar driver salaries, but shifts and benefits	₱3,800/shift - ₱6,750/day	₱2,500
Driver/conductor	N/A (driver could earn ₱750 but uncertain)	₱535-₱750 driver (₱450-₱535 conductor) *2.5	₱535
Fuel	N/A (₱1,000 , 7.2k/mth)	₱1,000-₱2,000	₱200-₱300
Maintenance	₱5,305mth ₱220/day	₱1,000-₱2,000 (₱1.5/km) Profile less certain	₱10,000+/mth ₱330/day
Vehicle overheads	N/A	₱150 AFCS,GPS, Insurance	₱1,000 All inclusive
Garage/depot overheads	N/A	₱350 garage rental and dispatchers	₱350 garage rental and dispatchers
Total Operating Costs	₱220 (₱1,970+driver&fuel)	₱5,125 (two shift)	₱1,645
Net take	₱580	₱1,725 - ₱925 amortisation	₱855 - ₱830 amortisation

Preliminary Conclusions

- Majority of operators positive about commercial performance
- Analysis finds net yield per unit can exceed that of traditional jeepney
- Important contributory factors
 - Larger vehicle
 - Higher utilisation rate
- Commercial case for Ejeeps somewhat less compelling
 - Advertising revenues can tip the balance
 - Optimising initial commercial performance not primary objective of Ejeep operators surveyed
- Low capital investment requirement by operator and extended amortization period greatly assists early operating viability

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Challenges



**Regulatory
Reform**



**LGU Local Public
Transport Route
Planning**



**Route
Rationalization**



**Industry
Consolidation**



**Fleet
Modernization**



**Financing PUV
Modernization**



**Vehicle Useful
Life Program**



**Pilot
Implementation**



**Stakeholder
Support
Mechanism**



Communication

“System Reform and Vehicle Modernization”

Thank you
for listening



Star8
GREEN

TRIP MO
TAP MO

Sa ₱50