

Imperial diversifies, buys into commuter bus service market

In line with Imperial Logistics' strategy to diversify into other, related industries, the company has acquired a majority stake in the largest commuter bus operation in the Free State, Interstate Bus Lines.



Top (from left to right): Herman van Laar (Managing Director of Contract Bus Services Division at Imperial Logistics), Siphwe Madiba-Vara (Chief People Officer, Human Resources at Imperial Logistics), Willem Spangenberg (Attorney for Interstate Bus Lines), Sibongile Zikalala (Transformation Director at Imperial Logistics). Bottom (from left to right): Gregory Hocking (Financial Director at Imperial Logistics South Africa), Christo du Plessis (Chief Operation Officer at Interstate Bus Lines)

Chief executive officer, Imperial Logistics South Africa, Nico van der Westhuizen says “we have been seeking to expand the group’s presence in the general transportation industry in South Africa, and identified a passenger bus service as an excellent fit with Imperial’s current core business activities and culture.” This venture is in alignment with Imperial Logistics’ strategy to acquire new capabilities in order to consistently deliver stakeholder value, he adds.

Interstate’s primary business is providing public transport services on behalf of the provincial government to commuters in and around Bloemfontein. Founded in 1975, the operation comprises a fleet of 253 commuter buses and 32 luxury coaches, and has a staff complement of 800 employees. Interstate transports approximately 50,000 passengers daily and its buses travel approximately 17 million kilometres a year.

“A well-established company that is strongly positioned in the Free State public transport sector and enjoys an excellent reputation in the industry, Interstate Bus Lines is an ideal vehicle for Imperial’s entry into the commuter bus services market,” van der Westhuizen states. “The business boasts a sound financial track record, stable and experienced management team, and its model has the potential to be successfully duplicated in other areas,” he adds.

Interstate Bus Lines is also well-placed from a BEE perspective, with minority shareholders that include employees, drivers selected for an enterprise development initiative and the South African National Taxi Council, van der Westhuizen notes. He says that Imperial's acquisition of a 55% interest in the business reflects the group's commitment to maintaining its leading position in the critical area of transformation, and to pursuing and enhancing all facets of empowerment.

The company has a Merseta-approved technical training centre. "Like Imperial, which constantly strives to be recognised as a leader in the development of human capital, Interstate's commitment to skills development has been a key element of the bus lines' successes," he says.

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