Effective April 2nd 2018, public transport fares will increase by 5% from Rwf 20 to Rwf 22 per kilometer in the City of Kigali while passengers travelling from one town to another will part away with Rwf21 per kilometer, the equivalent ate of 7% increase.

The new fares, announced by Rwanda Utilities Regulatory Authority (RURA) were done after a comprehensive study of the industry, the regulator said during a press conference on Thursday.

The rising transport fares have been caused by the increasing petroleum products on the international market, the cost of vehicle insurance and investments done to boost the quality of public transport in Rwanda.

Emmanuel Asaba Katabarwa, the head of transport department at RURA, revealed to the press that the new fares came as a result of the many changes that have happened since 2015.

“Fares have increased because there has been an increase in prices of petroleum products, the move to reduce over speeding vehicles through the use of speed governors, the tap and go technology in public transport and the increase in car insurance fees for public transport,” said Asaba.

According to Asaba, the tariff setting process is a normal regulatory exercise. The last tariff review was in November 2015 and it was agreed that the set tariffs shall be reviewed after two years or if the fuel pump price exceeded Rwf 959 or goes below Rwf 817.

The tariff review process was initiated in November last year, two years after the

previous tariffs setting, and thereafter the fuel pump price exceeded the set threshold.

“The last tariff was set three years ago, since then, the industry has seen many developments leading to the increase of operational costs. We have fairly increased fares to ensure mutual benefits between operators and passengers,” he said.

Anthony Kulamba, RURA spokesman said that passengers should not see the increase in fares as unreasonable, looking only at the fuel prices but should also look at the big picture and what is being done to improve service delivery in the transport sector.

“RURA does not only look at the interests of the passengers but also at the transport operators because it’s them that invest in this sector to see that they improve services for the people. So people should know that the increase in fare was only in the interest of the investors but also in the interest of those in need of better transport services,” said Kulamba.

According to the cooperative secretary of ATPR Eric Ruhamiriza, the increase in fares has been welcomed seeing the kind of service they are offering and the amount of money they have invested.

“We appreciate RURA’s decision to increase the fare because we have invested so much and we always work hand in hand with the regulatory body. We have had discussions about increase in fuel prices to speed governors that have been installed in passenger buses,” said Ruhamiriza.

Rise in fuel prices

Usually when the exchange rate of the currency, for example a dollar has fluctuated due to political uncertainty and the possible downgrade of a country from credit ratings agencies or an increase in the amount of tax paid towards petrol, in particular the fuel levy will lead to an increase in the price of fuel.

Also the rise of the oil price has contributed most significantly to the rise of the petrol price. It will also result in the rise of transport and food costs.

According to Dr Benjamin Rutimirwa, in charge of finance at RURA, alternating prices of petroleum products doesn't mean that fares in transport will keep on changing.

"While determining the transport fare, we set Rwf 1200 per liter as a determinant in trying to set a price," Rutimirwa noted.

Use of speed governors

In September 2016, the government officially launched the installation and use of speed governors in public and commercial vehicles in an attempt to curb road carnage resulting over speeding.

The hi-tech device limits vehicles to a maximum speed of 60 kilometres per hour and has the capacity to trim down the speed to 25 kilometres per hour every time the vehicle attempts to exceed the set maximum velocity.
It also has a storage computer which allows controllers or traffic offices to check the previous speed of the vehicle, and errors if the device was tempered with.

Operators claim that even after the number of licensed suppliers rose to five, the high cost of speed governors increased the amount of money invested in the transport sector thus calling for an increase in fares.

Prices of speed governors range between Rwf180,000 and Rwf260,000 depending on the technology and the supplier.

Use of ICT in transport

Rwanda is promoting the use of different technology-based tools and facilities as it moves to achieve its cashless economy target in the medium-term. The push toward digital has seen a number of service providers, including the public transport sector, embrace e-payment and e-commerce tools.

The move by city public transport bus firms to adopt “tap and go” the e-bus fare payment system has been, for instance, touted to decrease time spent haggling and waiting for change, promote road safety and boost operators’ revenues, among others.

Unveiled about two years ago, e-payment of public transport fares is part of the Smart Kigali initiative meant to improve services in Rwanda.

Buses connected to 4G Internet

As part of the broad Smart Kigali initiative, more than 400 buses were connected to 4G Internet connection, which allows passengers on board to have full access to

free super-fast internet.

More than 487 buses belonging to Kigali Bus Services, Royal Express and Rwanda Federation of Transport Cooperative (RFTC) had been fitted with special-purpose internet devices.

This made Kigali the first city not only in the region but also across the continent to provide citizens with the wireless internet in public transport.

According to passengers, the wireless provides genuine benefits to people on the move in terms of business continuity, entertainment and staying connected.

Be it responding to that email to close a deal, not missing your favorite team play or just catching up with friends and family. The world is moving fast and one can accomplish much without being bored on the bus.

After the changes in the public transport fares, RURA has increased routes by adding 16 more to the existing ones in the country.