

North America School Bus Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The North American School Bus Market was valued at USD 1.59 billion, and it is expected to reach USD 2.01 billion in the coming five years at a CAGR of 4%.

The outbreak of the COVID-19 pandemic disrupted schools, businesses, and transportation across North America. The COVID-19 pandemic hit student transportation with school closures. However, post-pandemic, there is a rise in the electric fleet of school buses in the North American countries.

Over the long term, strict emission standards have increased the demand for alternative fuel-powered vehicles. The commercial vehicle segment's adoption of electric vehicles has influenced the school bus segment, which is expected to drive the North American school bus market during the forecast period. Various advantages of school buses, such as rollover protection, protective seating, etc., over other modes of transport are also among the reasons that may help the growth of the market. Moreover, along with the major players, many schools in the North American region are also trying to replace their gasoline fleet with a fully or hybrid electric fleet. For instance,

In October 2022, Montgomery County Public Schools, one of the largest school districts in the United States, deployed the country's single-largest electric school bus fleet. During the previous school year, the district received its first 25 electric buses and installed electric infrastructure at one of its transportation depots. Montgomery County Public Schools (MCPS) plans to replace 326 diesel school buses with electric buses by 2025, and it hopes to have an entirely electric school bus fleet in 10 years.

School buses in North America are purpose-built vehicles distinguished from other types of buses by design features mandated by federal and state/provincial regulations. School buses, in addition to their distinctive paint color (school bus yellow), are outfitted

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with exterior warning lights to give them traffic priority and a variety of safety devices. School transportation is well-organized and has existed for many decades in major North American countries. As a result, demand has been stable in recent years and is expected to remain so during the forecast period.

North America School Bus Market Trends

The Industry's Shift Toward the Adoption of Electric School Buses

School buses are an important part of the transportation network that transports students to school in the United States every day. Approximately 480,000 school buses travel nearly 3.5 billion miles each year to transport students in every state and municipality.

The majority of the North American aging fleet of school buses is powered by gasoline, diesel, or propane fuels, which emit dangerous criteria pollutants and greenhouse gases (GHGs) into the atmosphere. These pollutants not only contribute to anthropogenic climate change, but they can also have long-term health consequences for students who ride in and around school buses. Government support and the demand for emission-free public transportation have boosted the market share of electric buses in North America.

In May 2022, the Environmental Protection Agency (EPA) of the United States launched the Clean School Bus Program at an event. The Clean School Bus Program will invest USD 5 billion over the next five years to deploy zero-emission school buses across the country, with a focus on underserved communities.

Government agencies, school districts, and school bus manufacturers have begun to demonstrate electric school bus (ESB) technology to address the negative impacts of fossil fuel-powered school bus use. Continuous advancements in battery technology, as well as the introduction of an advanced electric bus, bode well for the business outlook. For example, Canada has increased its efforts to electrify its electric bus fleet areas, whereas the United States has been at the forefront of adopting eco-friendly mass transit solutions. Major players are also coming up in support of the government's green drive initiative to produce electric school buses. For instances,

In August 2022, GreenPower Motor Company Inc. opened its new manufacturing facility in South Charleston, West Virginia. The South Charleston manufacturing plant spans 80,000 square feet and will produce fully electric school buses to support GreenPower's customers on the US East Coast.

Electric buses are becoming a preferred option in place of conventional diesel buses. Electric buses generate zero emissions, and their annual operating cost is almost half a diesel bus. Hence, many cities and districts are exploring electric school buses. California has been at the forefront of the adoption of electric school buses.

As of December 2021, 1,828 committed electric school buses were identified across the US. This includes 664 new committed ESBs, a 57% increase since June 2021. These commitments come from 354 school districts or private fleet operators that have committed to procuring ESBs, an increase of 112. Nearly 100 new ESBs, or about 15% of all new buses, were committed with funding from the Volkswagen (VW) Environmental Mitigation Trust.

The United States is Expected to Grow at a High Rate

Buses are rapidly gaining traction in the US market as a result of widespread adoption by school districts, municipal governments, and private partners. There were a total of 12,720 committed electric school buses in the United States as of June 2022. This amounts to about 2-3% of the total school bus fleet in the United States. 40 new school districts have committed to incorporating

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electric school buses into their fleets, bringing the total to 455. This is a 76% increase from the summer of 2021, but it is still a small portion of the total number of districts.

Furthermore, the government has taken positive steps to increase electric school bus demand in the United States. As one of the most important modes of transportation in the United States, the government has announced several plans to increase demand for electric school buses. For instance, in September 2022, in response to "overwhelming demand," the United States Environmental Protection Agency (EPA) announced that it is nearly doubling the amount of money available to states to purchase electric school buses. In May, the EPA made USD 500 million available for clean buses, but that amount has now been increased to USD 965 million for districts across the country.

There are 38 states with electric school buses, with the majority of buses belonging to districts or entities on the coasts and in the suburbs. California continues to lead the way in electric school bus adoption, with nearly 1,400 committed electric buses across the state, 41% of which have been delivered or are in service. This is more than four times the number of buses in the next largest state. Following California, Virginia gained the most commitments since March 2022, with 58 electric school bus commitments, largely due to funds from the Volkswagen Mitigation Trust.

Many regional manufacturers are working with technology companies to develop new and innovative products, driving the competition and market. For instance, in September 2022, California's Modesto City Schools ordered 30 Blue Bird All-American Type D electric school buses. The deal, Blue Bird's single largest order of electric school buses from a school district to date, allows the district to convert roughly 50% of its diesel-powered bus fleet to electric. The district expects to get zero-emission vehicles in the fourth quarter of 2022.

North America School Bus Market Competitor Analysis

The North American school bus market is a consolidated one. The region is characterized by the presence of major school bus manufacturers who also cater to other countries. Blue Bird Corporation, IC Bus, and Thomas Built Buses Inc. are the three main players expected to occupy a major market share. Other major companies are Collins Bus Corporation, Micro Bird, and Lion Electric Company. Moreover, companies are introducing new product features to increase their market shares.

In April 2022, Blue Bird Corporation, the leader in electric and low-emission school buses, received an order for eight electric school buses from Orange Unified School District (OUSD) in California. Due to the purchase, the school district will more than double the size of its current Blue Bird electric school bus fleet.

In December 2021, Meritor Inc. (Meritor) announced that its Blue Horizon 14Xe integrated ePowertrain would be used in the next-generation, fully electric Saf-T-Liner C2 Jouley school bus under the Thomas Built Buses (TBB) brand.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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