Volvo and a Singapore university unveiled a driverless electric bus Tuesday that will soon undergo tests in the city-state, the latest move towards rolling out autonomous vehicles for public transport.

Volvo Buses president Hakan Agnevall said the vehicle was "an important step towards our vision for a cleaner, safer and smarter city".

The vehicle is 12 metres (39 feet) long with a full capacity of close to 80 passengers.

It uses 80 percent less energy than a diesel bus of a similar size and is equipped with sensors and navigation controls managed by an artificial intelligence system, the statement said.