

COVID-19 recovery plan

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Amidst an increasingly bleak global economic outlook, IRU is calling on governments to ramp up efforts to support road transport operators so they can drive broader financial and social recovery.

The global economy is projected to contract sharply by up to 8% in 2020, according to the World Trade Organization, with global trade decreasing by up to a third.

Road transport services underpin all economic activity, as the foundation for all intermodal supply chains and mobility networks. New findings however reveal the scale of the impact the pandemic has had on the over 3.5 million companies that provide road transport services around the world.

Passenger transport operator revenues have been decimated by up to 100% during the confinement period, compared to the same period last year. This ranges from 50% for urban bus, up to 80% for scheduled intercity services, and up to 100% for tourist and cross-border coach services.

Goods transport operator revenues have declined by up to 40% during the confinement period, although some freight segments have also been decimated, such as clothing, flowers, automotive parts and construction materials.

“All over the world, commercial road transport companies, including millions of small and medium-sized firms, are struggling” said Umberto de Pretto, IRU Secretary General. “Their most pressing problem is liquidity and many are now on the brink of bankruptcy, with financial difficulties expected to continue at least until 2022.”

“Drivers have risked their own health to bring food, medicine and essential workers to supermarkets and hospitals everywhere. Now, the industry itself needs help, so it can drive global economic recovery from COVID-19.”

Umberto de Pretto IRU Secretary General

He added that “Transport companies cannot be instantly switched-on as they require qualified safety and operational skills. Operator bankruptcies put the recovery of an entire economy at risk, as well as the steady return to social and community interaction.”

IRU’s findings from transport operators in Europe, Asia and the Americas also point to key operational barriers. In goods transport, these are legal restrictions that prevent drivers working, congestion at borders and delays at loading and unloading points. Passenger firms cite the shut-down of mobility services, mistrust of public

transport for social distancing, and the cost of additional health and security measures.

IRU is therefore laying out key short term measures for governments, international organisations and banks to keep road transport operators in business, supply and mobility chains running efficiently, to drive recovery efforts.

Financial:

- Provide direct cash grants to road transport companies, as temporary aid, which can be phased out as the situation improves.
- Facilitate access to loans for covering variable costs (such as ongoing operational needs), refinancing of pre-existing credits for asset purchase (e.g. vehicle leases), and facilitate credits for the renewal of fleets at low or 0% interest rates.
- Facilitate delays to due dates for loan repayments and lease instalments.
- Extend payment deadlines and/or temporarily reduce or waive taxes, charges and duties including corporate taxes, social contributions and fuel tax.
- Facilitate reduction of insurance premiums and waive premiums for non-operational vehicles due to halted goods and passenger services.
- Set-up financial support programmes for temporarily unemployed road transport workers and facilitate reintegration back into the transport workforce of skilled people made unemployed due to the crisis.

Non-financial:

- Establish green lanes for trucks to be implemented at all borders, backed by policies and procedures that prevent additional and systematic stopping of trucks at all borders.
- Prioritise collective passenger transport, particularly for workers, with appropriate health protective measures put in place.
- Designate road transport workers as key workers, giving them priority access to proper protection and disinfection equipment and material, which have not yet been made sufficiently available by governments.
- Allow for maximum flexibility on the interpretation of driving rules, driving restrictions and tolerance measures to prolong the validity of expired control documents including visas, certificates, and licences.

These measures should be coordinated between countries and trade blocs to avoid confusing operators and to maintain a competitive and efficient transport landscape. A global recovery from a global crisis needs global solutions.

Umberto de Pretto added "Drivers have risked their own health to bring food, medicine and essential workers to supermarkets and hospitals everywhere. Now, the industry itself needs help, so it can drive global economic recovery from COVID-19."