
Passenger road transport: SMEs fight for survival in the time of COVID-19

Country by country situation

Geneva, 1 April 2020

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Belgium

In usual times, the passenger transport sector delivers significant added value to the Belgian economy of more than EUR 700 million and employs more than 13,500 people. Faced with COVID-19 restrictions, the coach sector is now however in a vacuum, with around 4,500 drivers as well as about 1,000 administration, travel agency, planning and dispatching employees registered as technically unemployed following reports by FBAA.

China

In China's Hubei province, the epicentre of the COVID-19 outbreak, the authorities have now started to ease passenger transport restrictions and transport services have begun to return to normal. The passenger transport sector in the country though has suffered greatly, with rail, air, sea and road passenger transport volumes dropping by 79.9% compared to the same period in February last year.

Denmark

The national transport organisation, DTP, has reported that tourist buses are at a standstill, taxi operations down by 80% and that the national government initiatives put in place to prevent the spread of COVID-19 are already having a dramatic effect on the Danish passenger sector. As being considered in many other countries, industry is calling on the public transport authorities to put in place agreements to cover the costs towards the scheduled and tendered bus traffic so that public transport can continue to perform its essential functions, particularly, in terms of transporting key medical workers. Though there are agreements with municipalities for a deal, there is an urgent need for long term help required to support the tourist coach, bus and taxi sectors.

Germany

According to BDO in Germany, its members – totalling almost 3,000 private, mostly family-run small and medium-sized bus tourism companies – are facing the abyss, with the passenger network effectively shut down.

The German taxi and hire-car industry is facing a dramatic wave of insolvency. Post COVID-19, it will take months for a near "normal" taxi operation to be possible again.

Some SMEs are likely to go under in the next days, which means that transport services, especially in rural areas, will cease to exist.

Germany's Economy and Energy Minister, Peter Altmaier, recently announced that there would be no limit to the amounts that the government was willing to allocate in order to support businesses like the bus and coach sector and individuals such as taxi

drivers – and prevent the COVID-19 pandemic from causing permanent damage to the economy.

The case of Flixbus

As coach companies have been doing in their respective countries, Flixbus has been providing assistance to repatriate people back to their place of residence, in cooperation with the German Federal Foreign Office, several European embassies and cruise lines.

Last week, a group travelled from Frankfurt to Copenhagen, while other trips are under way and more are pending. The difficulty lies in uncertainties as each country has different border management approaches and it is not always clear if buses will be allowed to cross borders. In this context, it has become Flixbus' responsibility to coordinate between the concerned embassies and seek the necessary authorisations.

These administrative difficulties highlight the urgent need for EU-wide guidelines on border crossing procedures. Repatriation efforts should be recognised as an essential service, in order to speed up the processes.

Kazakhstan

Kazakhstan restricted public transport and reduced the number of buses and trams by 50%

Netherlands

Not all transport has stopped in the Netherlands according to KNV, with patient transportation to and from dialysis and chemotherapy centres continuing as normal. In this particular context, passenger transport drivers carry a heavy responsibility and are at the heart of preventing the spread of the virus, in the interest of the patients being transported by taxi or minibus as well as the drivers themselves and other employees.

Some companies fitted their buses with stretchers and medical equipment to help transport patients. Others started delivering meals and groceries to hospitals.

Russia

In Russia, the authorities have temporarily restricted road, rail, pedestrian, and mixed cross- border traffic entering the country. Although the government has stopped short of applying a total national public transport ban, many of the regions have adopted strict restrictions on public transport schedules.

Sweden

The pandemic has led to:

100% decrease in the coach sector

95% decrease in the long distance coach services

50% decrease in the scheduled bus traffic

The bus and coach sector is struggling to survive. Several companies have already filed for bankruptcy.

The taxi industry's sources of income have been eliminated and taxi companies without their own capital reserves will soon be unable to survive without adequate support to weather these challenging times.

The national crisis packages announced to date fail to address the concerns of small companies and are therefore insufficient to meet the urgent assistance needs of taxi companies, which tend to have few or no capital reserves and consist of only a few employees and vehicles.

Ukraine

Ukraine is calling for a halt to rail, air and road intercity and inter-regional passenger transport in the country.

US and South America

The American Bus Association estimates that the US coach industry will lose nearly USD 8 billion over the next five months, while in South America, Colombia's road transport agency has seen passenger reservations drop by an unprecedented 99.87%.

The case of Alto

Alto, the Dallas-based ride hailing business with its own drivers and fleet, has reconverted its business model in response to a 90% decline in its passenger transport activities. It took the bold step of shifting its business model to delivering takeaway and shopping orders from restaurants and supermarkets, and most recently, medicines and COVID-19 tests. Its transition process took only two days to complete. While redirecting its operational focus will not make up for 100% of the company's decline in activity, it will certainly help to counteract the forecasted losses to a certain degree.

It is nevertheless a joint responsibility to prevent the spread of the virus. Bus, coach and taxi drivers who are working have been given checklists to follow in their interactions with passengers. Some taxi drivers have kept on working by using protection devices installed between the driver's cab and the passenger seats in order to reduce the possible contamination risk. Despite these proactive measures adopted by the passenger transport sector, more urgent support is needed at the national, regional and global levels to help the bus, coach and taxi sectors to not only prevent and fight the spread of COVID-19, but also to survive in these challenging times.