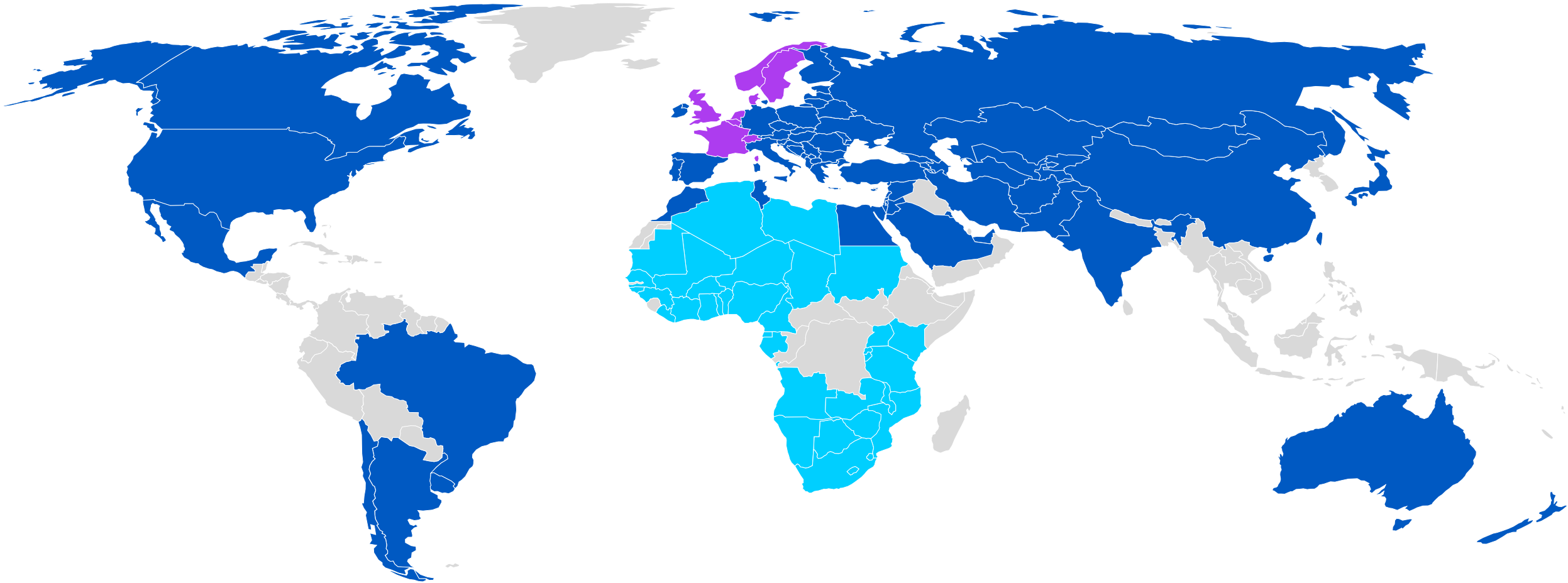




COVID-19 – Analysis of the impacts on road transport



Today: present in over 100 countries



- 14 Founding IRU Members in 8 countries
- IRU Members
- IRU Regional Committee for Africa including FESARTA Members



IRU Mission

The IRU upholds the interests of truck, bus, coach and taxi operators to ensure economic growth and prosperity via the sustainable mobility of people and goods by road worldwide.



Since 1949 the IRU is mandated to manage the TIR System

IRU UN Public Private Partnership (PPP)



COVID-19 IMPACT ON ROAD TRANSPORT

Disrupted supply chains and reduced demand has led to a dramatic situation in the road transport industry.

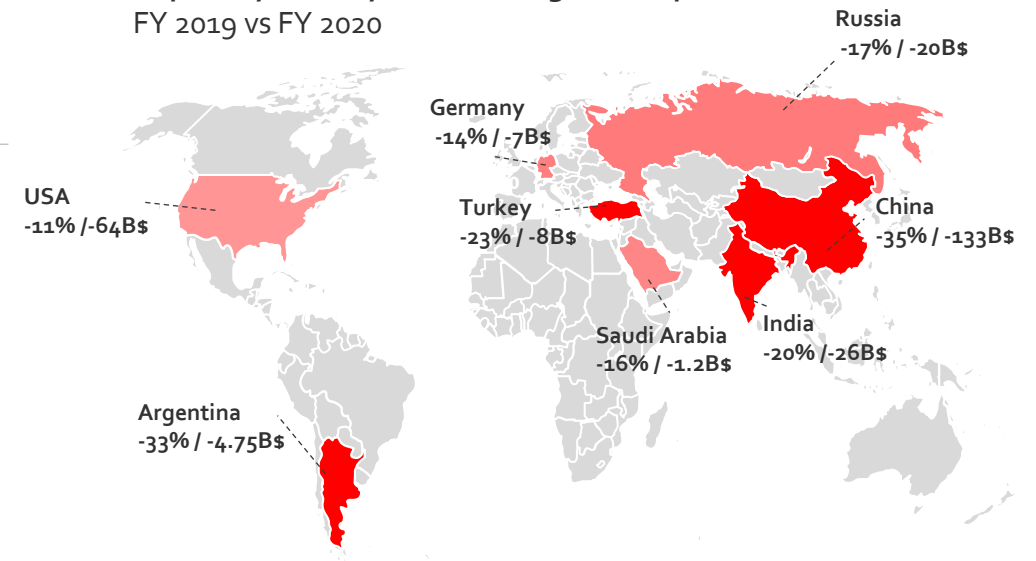
Impact on road freight transport turnover FY 2019 vs FY 2020

REVENUE LOSS **-18%** Globally **-675 B\$**

Impact by region on road freight transport FY 2019 vs FY 2020

ME & NORTH AFRICA	-22%	-24 B\$	≡
APAC	-20%	-384 B\$	▲
EUROPE	-20%	-127 B\$	▼
SOUTH AMERICA	-20%	-34 B\$	≡
EURASIA	-18%	-26 B\$	≡
NORTH AMERICA	-12%	-85 B\$	≡
REST OF AFRICA	-11%	-7 B\$	≡

Impact by country on road freight transport FY 2019 vs FY 2020



Impact on road passenger transport turnover (public and private) FY 2019 vs FY 2020

REVENUE LOSS **Up to 50%** Globally **Up to 500 B\$**
(on average)

LEVEL OF BUSINESS DEFAULT

IN THE ROAD FREIGHT TRANSPORT INDUSTRY

A looming wave of bankruptcies, which is being completely ignored by governments.

Level of business default risk – Regional overview

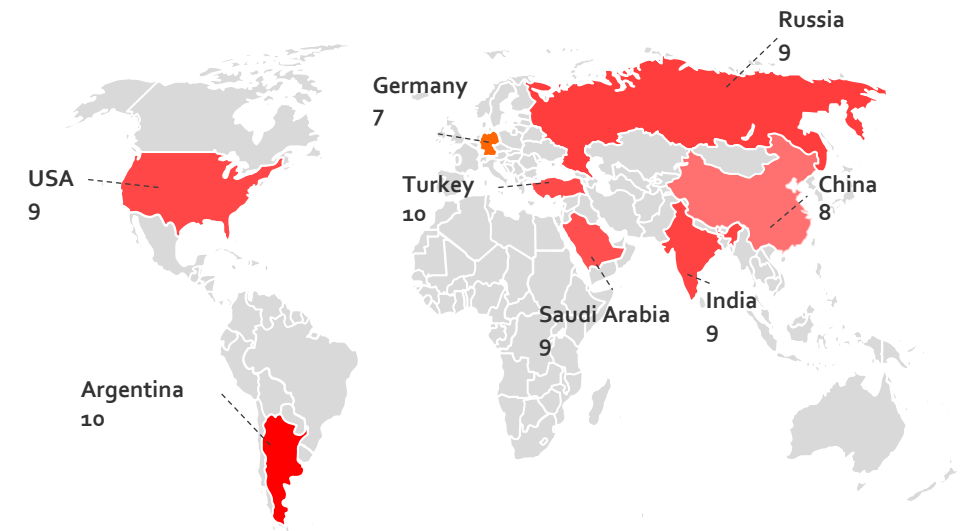
ME & NORTH AFRICA	9
APAC	9
EUROPE	10
SOUTH AMERICA	9
EURASIA	9
NORTH AMERICA	9
REST OF AFRICA	9

Business default risk

Very high risk 10



Level of business default risk – Country overview



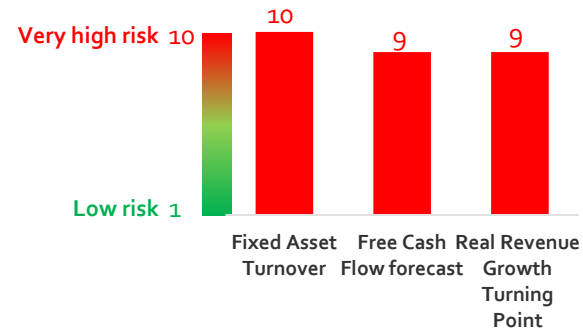
INSOLVENCY INDICATORS

IN THE ROAD FREIGHT TRANSPORT INDUSTRY

Selection of three early insolvency financial indicators in order to analyse the level of insolvency risk within the freight transport industry (on a scale from 1 to 10):

- Free Cash Flow Forecast
- Real Revenue Growth Turning Point
- Fixed-Asset Turnover

Early insolvency indicators rating – Global overview - FY 2020



Early insolvency indicators rating - Regional overview - FY 2020

Region	Fixed asset turnover	Free Cash Flow forecast	Real Revenue Growth Turning Point
ME & NORTH AFRICA	10	7	9
APAC	10	10	9
EUROPE	9	7	9
SOUTH AMERICA	10	8	9
EURASIA	10	8	9
NORTH AMERICA	9	6	9
REST OF AFRICA	10	6	8

Looming wave of bankruptcies

- While transport demand declined dramatically, in some sectors by 100%, the most pressing and immediate problem for road transport operators is liquidity. Insolvency indicators in the road transport industry, including free cash flow, revenue growth and fixed asset turnover, indicate an upcoming wave of bankruptcies.

UNDERSTANDING GOVERNMENT FINANCIAL MEASURES TO SUPPORT THE ROAD FREIGHT TRANSPORT

Feedback from IRU members in 80 countries

6 key financial measures to support the road transport industry

In order to counter the recession, governments all over the world have initiated financial actions to support the national economy.

Some of this financial support is targeted to the road transport industry.

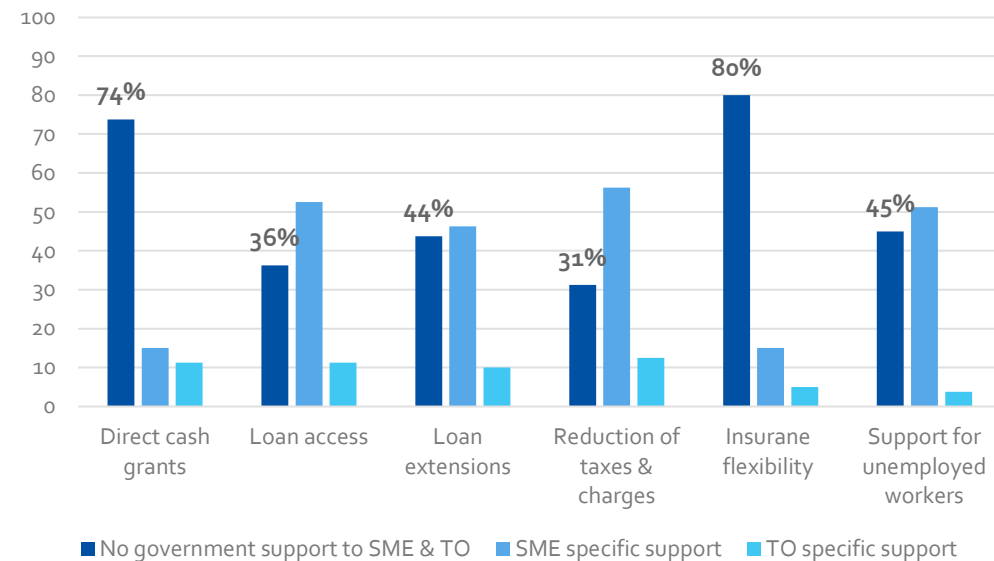
6 key measures identified:

- Direct cash grants
- Facilitate access to loans
- Facilitate extensions for loan repayments
- Reduction of taxes and charges
- Insurance flexibility
- Worker's unemployment support

Most transport operators, 80% of which are SMEs, did not benefit from support measures.

Source: IRU member feedback from 80 countries

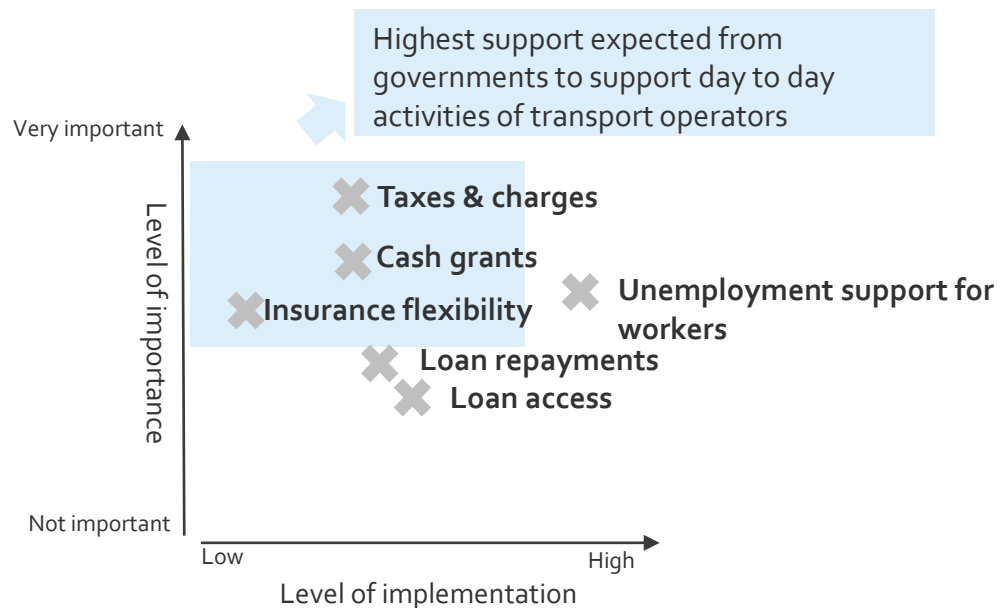
Mapping government financial measures to support the freight transport industry (in %)



UNDERSTANDING GOVERNMENT FINANCIAL MEASURES TO SUPPORT THE ROAD FREIGHT TRANSPORT

Feedback from road transport operators (Results form an IRU survey carried out with 200 transport operators in 10 countries* - Oct 2020)

IRU's call for action sets out the most important measures for road transport industry is either not yet or insufficiently implemented at national level



95% of road transport operators consider a reduction of taxes and charges to be essential

92% of road transport operators consider a reduction of insurance premiums for non-operational vehicles to be crucial

85% of road transport operators consider direct cash grants to be highly important



COVID-19 CALL FOR ACTION

GOVERNMENTS NEED TO ACT NOW

Road transport on the brink of collapse

- Governments ignore state of emergency in the road transport industry
- Looming wave of bankruptcies
- Airlines and railways received bailout

What road transport needs to survive

- Deploy targeted financial support measures
- Make use of the digital tools that already exist
- Coordination at global and cross-border level

What is at risk

- Mass insolvencies of road transport companies are inevitable
- Global recession will be more devastating and longer
- People and essential goods cannot be transported
- Economic development and recovery will come to a standstill



For a world **in motion**

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