



**COVID-19 – Analysis of the  
impacts on road freight transport**

# COVID-19 IMPACTS

## MACRO-ECONOMIC INDICATORS

Overall, an estimated decline in GDP by -5.6% in 2020.

It will take at least 3 years to return to pre-crisis level.

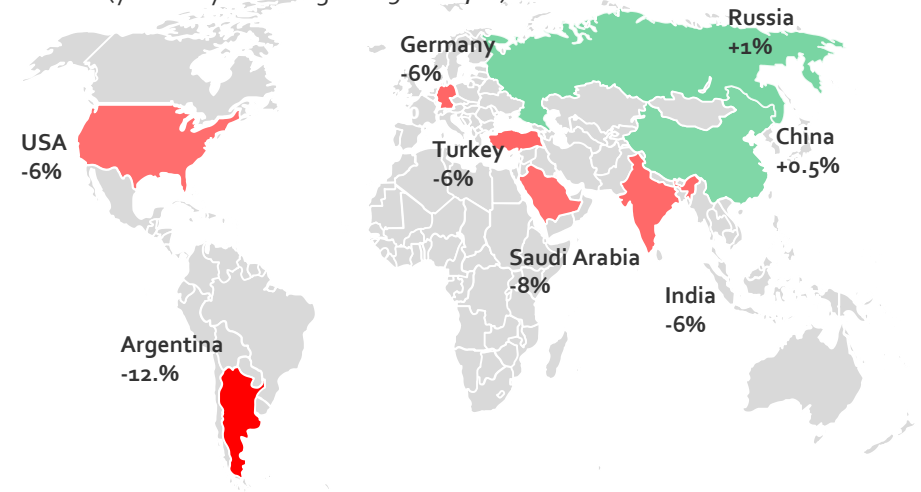
### Real GDP growth – By region – FY 2020

Annual (year-on-year change 2019-2020, %)

SOUTH AMERICA	-10%
EUROPE	-10%
ME & NORTH AFRICA	-8%
EURASIA	-7%
NORTH AMERICA	-6%
REST OF AFRICA	-4%
APAC	-2%

### Real GDP growth – By country – FY 2020

Annual (year-on-year change 2019-2020, %)



# IMPACT OF COVID-19

## ON ROAD FREIGHT TRANSPORT TURNOVER

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

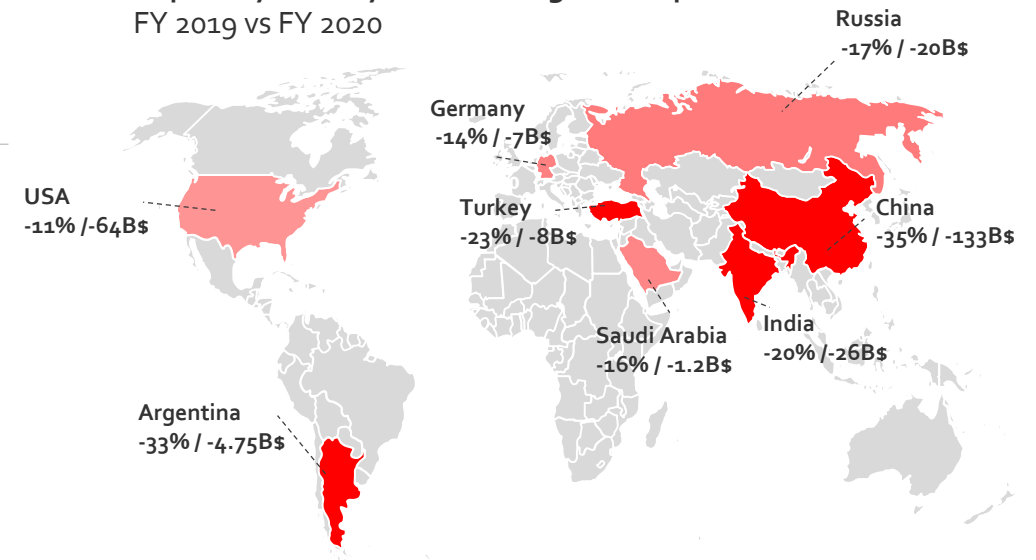
### Impact on road freight transport turnover FY 2019 vs FY 2020

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



# LEVEL OF BUSINESS DEFAULT

# IN THE ROAD FREIGHT TRANSPORT INDUSTRY

A situation which is being completely ignored by governments.

## Level of business default risk – Regional overview

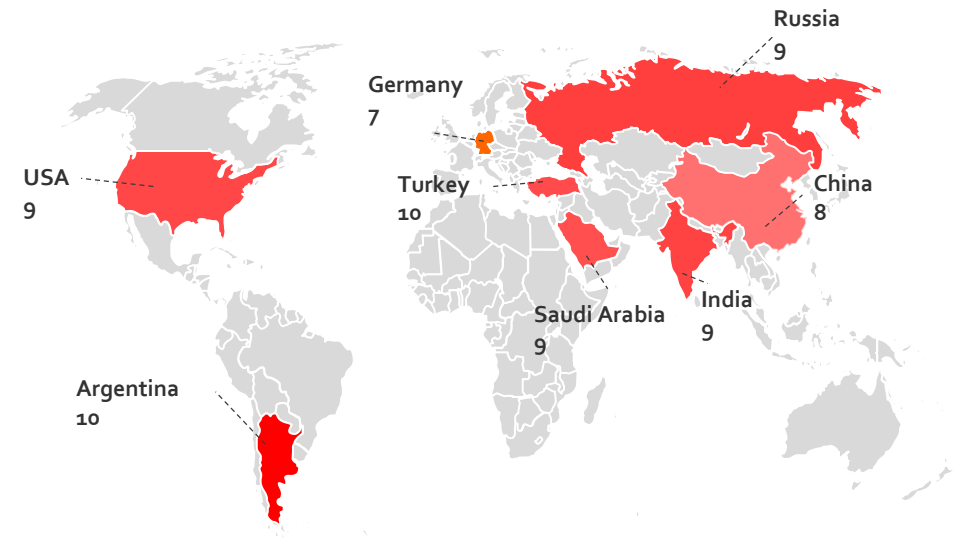
ME & NORTH AFRICA	9
APAC	9
EUROPE	10
SOUTH AMERICA	9
EURASIA	9
NORTH AMERICA	9
REST OF AFRICA	9

## Business default risk

Very high risk 10



## Level of business default risk – Country overview

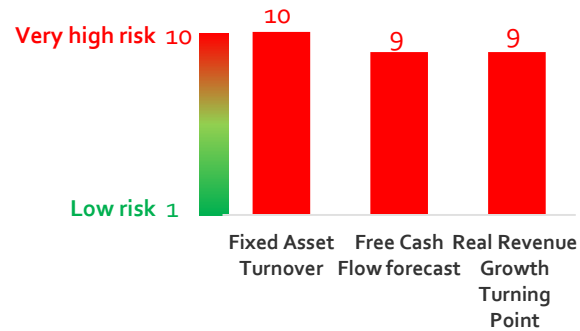


# INSOLVENCY INDICATORS IN THE ROAD FREIGHT TRANSPORT INDUSTRY

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
- 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

# UNDERSTANDING GOVERNMENT FINANCIAL MEASURES TO SUPPORT THE ROAD FREIGHT TRANSPORT

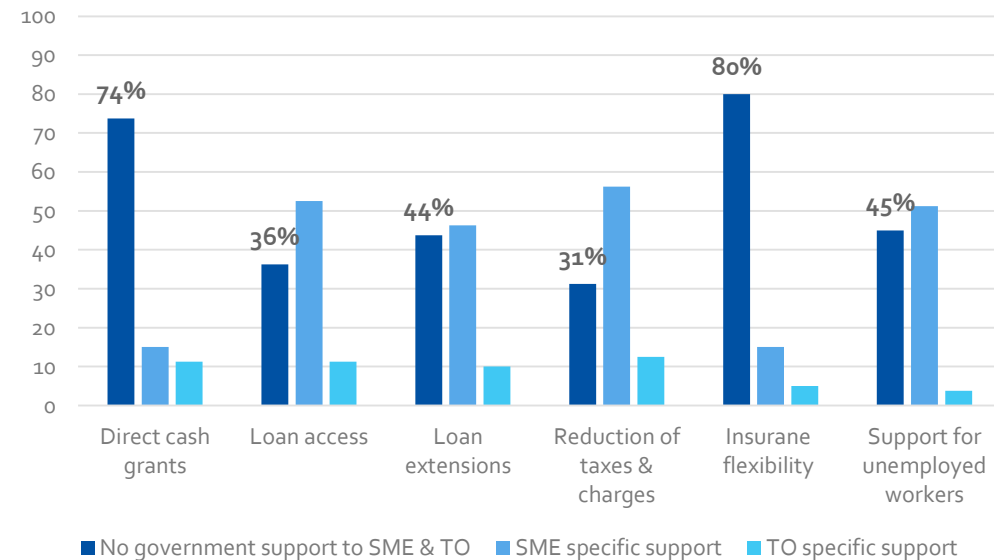
## Feedback from IRU members in 80 countries

### 6 key financial measures to support the road transport industry

- 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.**

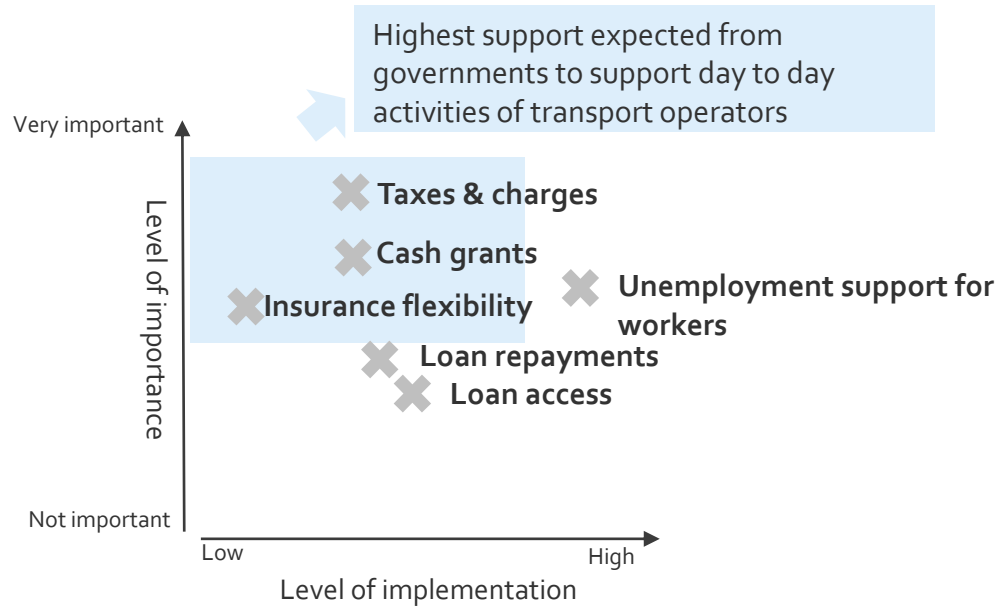
### Mapping government financial measures to support the freight transport industry (in %)



# UNDERSTANDING GOVERNMENT FINANCIAL MEASURES TO SUPPORT THE ROAD FREIGHT TRANSPORT

## Feedback from road transport operators

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

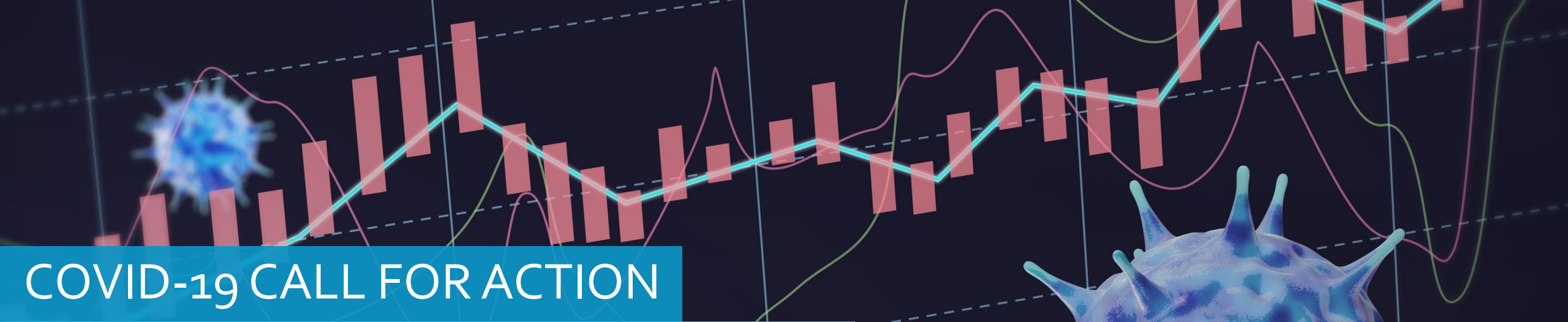


95% of road transport operators consider a reduction of taxes and charges to be essential

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

Source: IRU Survey 2020



# 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





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