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**How do governments within Europe contribute to the survival of
bus and coach operators during and
after the COVID-19 crisis?**





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BUS & COACH SECTOR

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Europe

- Population: 741 million
(about 11% of the world population)
- Levels of governance
 - European Union (EU27)
 - Member State
 - Region
 - Municipality
- The public transport system varies per Member State. The public transport system is run under a public regime OR the operations by bus, special services and rail services are tendered out to private operators, totally or partially.
- UK is the most deregulated country, followed by the Nordic countries and The Netherlands.
- In some Member States, it is allowed to operate long distance commercial services by coach and in some Member States it is not allowed.
- The coach and bus business is mostly run by SME companies
- The Covid 19 has had an impact on ALL European countries





Sweden - a European country in the North

Population: 10 million

Levels of governance

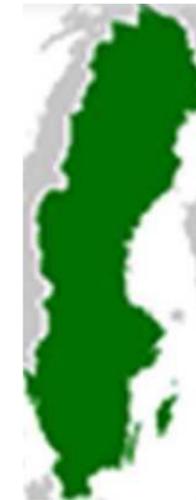
- Member State
- Region (20) - public transport authorities
- Municipality (290)

The Swedish municipalities and regions are primary providers of public transport services and infrastructure, apart from the national road and railway networks.

Since 2012, the market for public transport is totally deregulated for both trains, coaches and buses, but most of the services provided are still tax subsidized by approximately 50%.

The coach services are mainly operated by private SME companies

The covid 19 pandemic has lead to 100% decrease in the coach sector 95% decrease in the long distance coach services 50% decrease in the scheduled bus traffic



Impact of COVID-19 in Europe

Bus and coach traffic has decreased, but it varies a lot between the different segments in the business and between the European countries:

- Charter operations down by 100% across Europe
- Commercial long distance coach services down by 95% across Europe
- Suburban and urban bus traffic (organized by the PTA or tendered out totally or partly) has decreased above 50% across Europe
- In some countries the suburban and urban bus traffic has decreased with 100% due to restrictions for citizens to be outside their own homes
- School services down by almost 100% in many countries: NO service NO revenue. But in Sweden the schools are still open so here the companies still run the services.

The impact relates not only to the **decrease in revenues** and the **additional costs** needed to implement social distancing measures in transport vehicles and infrastructure, but potentially dire **consequences on employment** in the passenger transport sector.



Examples from Europe as per today

Sweden

- The covid 19 pandemic has lead to:
 - 100% decrease in the coach sector
 - 95% decrease in the long distance coach services
 - 50% decrease in the scheduled bus traffic
- Sweden has not been closed down, but the Swedish government has declared that people are not allowed to meet at event with over 50 participants. But people are still allowed to use public transport, go to restaurants, to go to their offices or working places if the companies don't make other decisions on their own.
- The bus and coach sector is struggling to survive. Several companies has already filed for bankruptcy.

Norway

- For public tendered transport, Government will compensate for loss of ticket income (4 weeks)
- Financial aid by Government for companies with documented drop in monthly turnover of 30% or more. The support covers all relevant industries.
- As per today, no Government support to uphold a minimum offering of commercial express and airport routes. Is being discussed

Denmark

- Financial support to companies who has lost more than 40% of their business compared to the same period last year
- Deal with trade unions to send home drivers without paying salary costs
- Deal with the PTAs that the operators will get paid as during normal circumstances, deducted variable costs saved and the potential help obtained from the State
- Deal the national federation for regions and municipalities that the operators wnl get paid as during normal circumstances, deducted variable costs saved and the potential help obtained from the State

Portugal

- In a scheme approved recently by the European Commission for Portugal, bus and coach are excluded. We came across that the tourism industry is pretty well covered but not the associated transport anywhere (apart from car rental).
- We need support as we are part of the tourism ecosystem.

Challenges: What is expected?

Short Term

- Financial support - the survival of SME is crucial
- Availability of the relevant sanitary equipment and products to transport operators to protect the health and safety of their employees, as well as the passengers.

Long Term - post COVID19

- Tourist and transport sectors - Will private businesses survive? Consolidation, less players in the market, less benefit to consumers -is this going to happen?
- Peoples attitude towards travels - will people look forward to travel or will people be afraid of travelling and going on holiday trips and weekend breaks?
- Will people take the bus or prefer their own car when we open our societies again? What effects will be seen on our cities, regarding to environment and congestion?
- If the world will enter a recession, will the governments and regions be able to enlarge and obtain a public service network that attract people to take the bus to their work and the universities?



What we really need as a sector

- **Direct support**, especially to SME companies - bus and coach sector not getting any direct benefit from schemes. The provision of special funds is urgently required to sector
- **Indirect support, specifically relate to the postponement of repayments on overdraft facilities**, bank advances, loans, mortgages and leasing operations in particular should be done without delay
- **Agreements with the PTA** or the governments on national level for the companies who run suburban and urban tendered bus traffic - **at least cover the fixed costs**
- **Additional Government support schemes** to our drivers and other employees in the transport sector, depending on the model for each country
- **Temporary changes in the legislation(s)** - for example, rules on Passenger rights and Driver Training need to be flexible as these are extraordinary circumstances and the situation is beyond the control of the companies - it's a force majeure



We will for sure need collective transports after this

- To limit the social, economic and financial consequences, exceptional measures must urgently be adopted by governments so that the sector survives. The decision makers need to ensure basic continuity of the passenger transport services as they are essential for society and the economy.
- These measures, including financial support, need to be deployed very rapidly to private transport networks in order to ensure the continuity of services during the crisis and to swiftly resume regular operations once COVID-19 is under control.
- We, as a sector, must raise our voices that urban and intercity transport and coach tourism are all vital to the economy and any support measures would not only benefit the sector but also the whole of society - jobs, growth and investment.

