

A 3D rendering of a coronavirus particle, showing its characteristic spherical shape with a textured surface and several protruding spike proteins. The particle is colored in shades of red and blue. A yellow rectangular box highlights a specific region on the surface of the particle.

Virtual impact of Covid-19 on freight and logistics

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IRU is the global voice of companies providing commercial road transport, mobility and logistics services.



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80+
countries

60%
logistics



40%
mobility

COVID-19

Impact on road transport



COVID-19 and corresponding restrictions on movement and social distancing has had an enormous impact on commercial road transport operators and those they serve.

Well-functioning commercial road transport services are fundamental to drive economic and social recovery.

COVID-19

Impact on road transport: goods operators (global)

- Due to disruptions in global logistics, the estimated impact is **-18%** on turnover in FY 2020.
- The introduction of restrictive measures has slowed down transportation across the globe with **disruptions in the volume of operations** due to movement restrictions, health screening, border controls and closures.
- APAC and Middle East-North Africa are the most impacted regions with a 21% drop in turnover.

Globally, the estimated average decline for goods road transport in annual turnover for 2020 is currently -18%.

Causes

- Movement restrictions
- Health screening
- Border controls and closures

COVID-19 impact on road freight transport

Impact on FY 2020¹

-551B€
(-18%)

¹ Estimation based on 78 major economies, where the road freight annual turnover represents 3% of the nominal GDP

Impact by region on road freight

	Turnover impact in FY 2020	
REST OF AFRICA	-11%	-6 B€
NORTH AMERICA	-12%	-72 B€
EUROPE	-17%	-64 B€
EURASIA	-18%	-22 B€
SOUTH AMERICA	-20%	-29 B€
APAC	-21%	-204 B€
ME & NORTH AFRICA	-22%	-20 B€

COVID-19

Impact on road transport: during confinement

For goods transport

- ✓ Revenue declined by 40%.
- ✓ Many transport operations such as transport of automotive parts, clothing, flowers and construction materials have dramatically slowed to almost 100%.
- ✓ Empty running increased by up to 40%.
- ✓ New contracts have declined by 60-90%.

For passenger transport

- ✓ Revenue declined, on average, by 50-100%.
- ✓ Up to 100% decline for companies running international services and tourist coach services.

Micro, small and medium-sized enterprises, which make up more than 80% of the road transport industry, are especially at risk of bankruptcy.

COVID-19

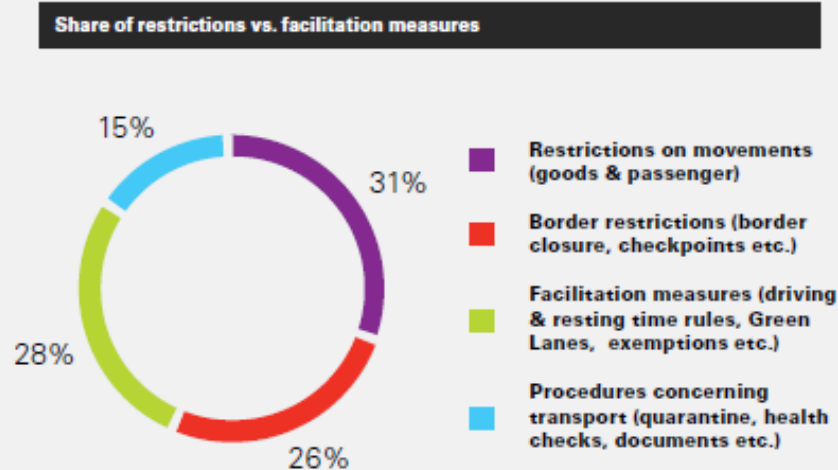
Country responses

Responses to COVID-19 from governments

The first implementation of measures **started in mid-March**, mainly driven by China and neighbouring countries as well as European countries.

Political responses cover a wide range of measures, with restrictions outweighing facilitation measures.

There was an incremental increase of restrictions over time.



Lack of global and regional coordination!

COVID-19

IRU's engagement – providing information



Observatory on Border
Crossing Status
due to COVID-19

Supported by the United Nations Economic Commission for Africa

UN ECA Members States, please send updates to Mr. Tinfissi-Joseph Ilboudo (ilboudo@un.org) and Mr. Molla Hunegnaw Asmare (hunegnaw@un.org)

Supported by the United Nations Economic Commission for Latin America and the Caribbean

UN ECLAC Members States, please send updates to Mr. Gabriel Perez Salas (gabriel.perez@cepal.org)

Supported by the United Nations Economic and Social Commission for Asia and the Pacific

UN ESCAP Members States, please send updates to Ms. Azhar Jaimurzina (azhar.jaimurzina@un.org)

Supported by the United Nations Economic and Social Commission for Western Asia

UN ESCWA Members States, please send updates to Dr. Yarob Badr (badr3@un.org)

Supported by the International Transport Forum

Supported by the International Road Transport Union

IRU hotline: information@iru.org



UNECA



NACIONES UNIDAS
UNITED NATIONS



UNITED NATIONS
ESCAP
Economic and Social Commission for Asia and the Pacific



ESWA



World Health Organization



**International
Transport Forum**



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COVID-19

IRU's international political engagement

UN Secretary General Guterres

Publicly supports TIR; road transport on special task force



ILO Director General Ryder & ITF and IOE
Puts message on road transport industry and job support directly to G20



EEC President Sargsyan & Heads of all Eurasian Union Governments

Council directs Member States to adopt trade & border measures



EC President von der Leyen & Heads of all EU Governments

Develops and steers demands for green lanes on intra-EU borders



EBRD President Chakrabarti
Announces EUR 1 billion Solidarity Package for SMEs



UNECE Executive Secretary Algayerova & all TIR countries

Meets demand for border observation; promotes use of TIR



COVID-19

IRU recovery plan: financial recommendations

Well-functioning commercial road transport services are fundamental to economic and social recovery from the impacts of COVID-19 in all countries.

- Financial grants and new loans to road transport companies.
- Refinance existing credits, especially vehicle loans and for fleet renewal, at low or 0% interest rates.
- Extend payment deadlines and/or temporarily reduce or waive taxes, road user charges and duties including corporate taxes, social contributions and fuel tax.
- Reduce insurance premiums and waive premiums for non-operational vehicles.
- Set-up financial support programmes for temporarily unemployed road transport workers.

Well-functioning commercial road transport services are fundamental to economic and social recovery from the impacts of COVID-19 in all countries.

- Establish green lanes for trucks at all borders, backed by policies and procedures that prevent additional and systematic stopping of trucks at borders.
- Prioritise collective passenger transport, particularly for workers, with appropriate protective health measures put in place.
- Designate road transport workers as key workers, giving them priority access to proper protection, and disinfection equipment and materials.
- 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.

COVID-19

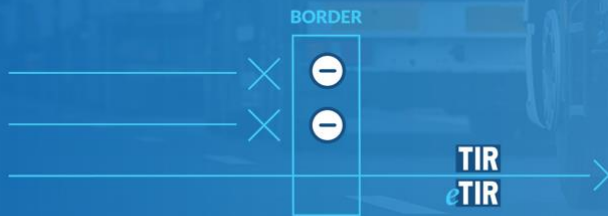
TIR: contactless, paperless

COVID-19

Border crossings: Using tried and tested UN conventions

Without TIR/eTIR

Border crossing restrictions: each driver and load compartment is checked, increasing the risk of spreading the virus to customs officers and drivers



With TIR/eTIR

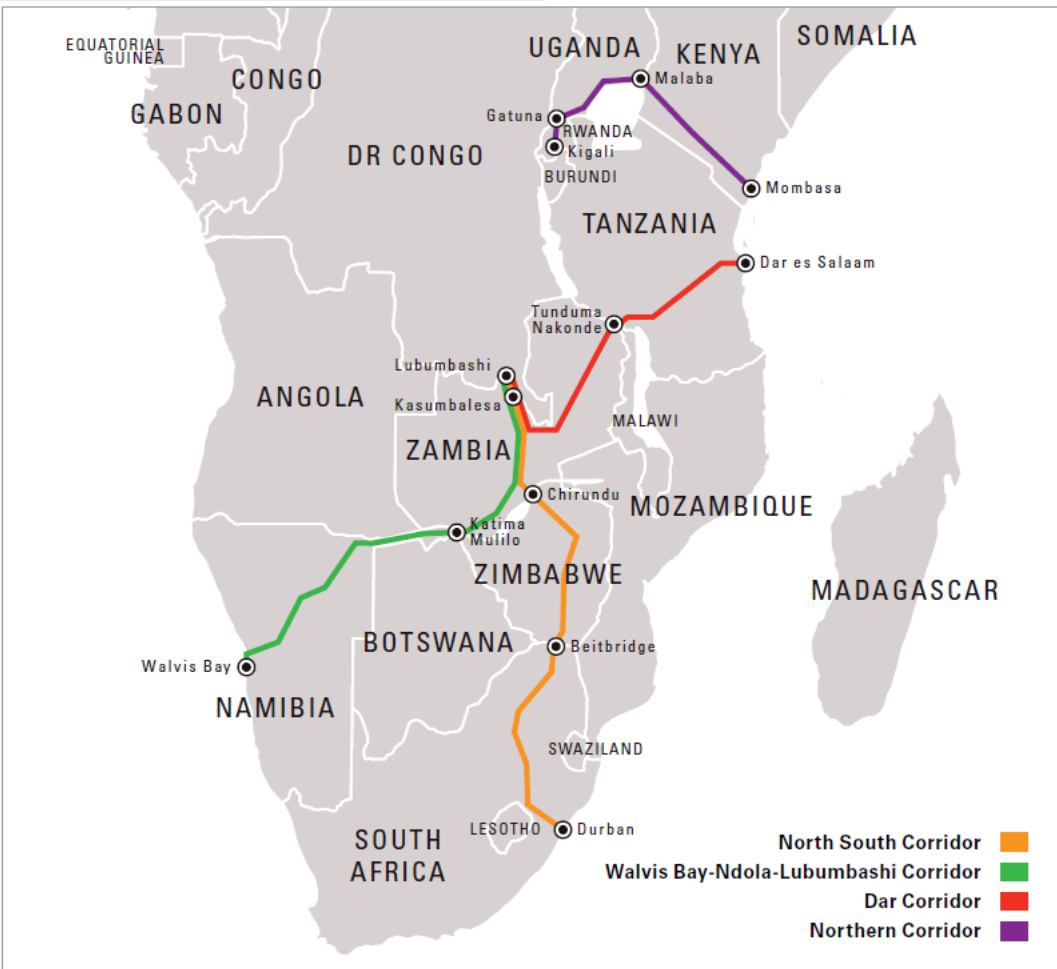
Border crossing facilitation, no need to check every driver and load compartment, reducing the risk of spreading the virus

TIR is the only global transit system enabling goods to be shipped from a country of origin, through transit countries, to a country of destination in sealed load compartments that are controlled by customs via a multilateral, mutually-recognised system.

The TIR system and its IT tools allow secure transport under customs control with limited physical checks and less contact between people at borders, thus reducing the risk of spreading the virus and protecting customs officers and drivers.

COVID-19

TIR Could facilitate transport and transit in North-South Corridor



Lack of a regional transit system makes border crossing a great challenge.

As a global and secure transit system, TIR could harmonise transport and transit in the region, in particular in the North-South corridor.

Time and costs of transport and trade will be reduced under the TIR system.

COVID-19

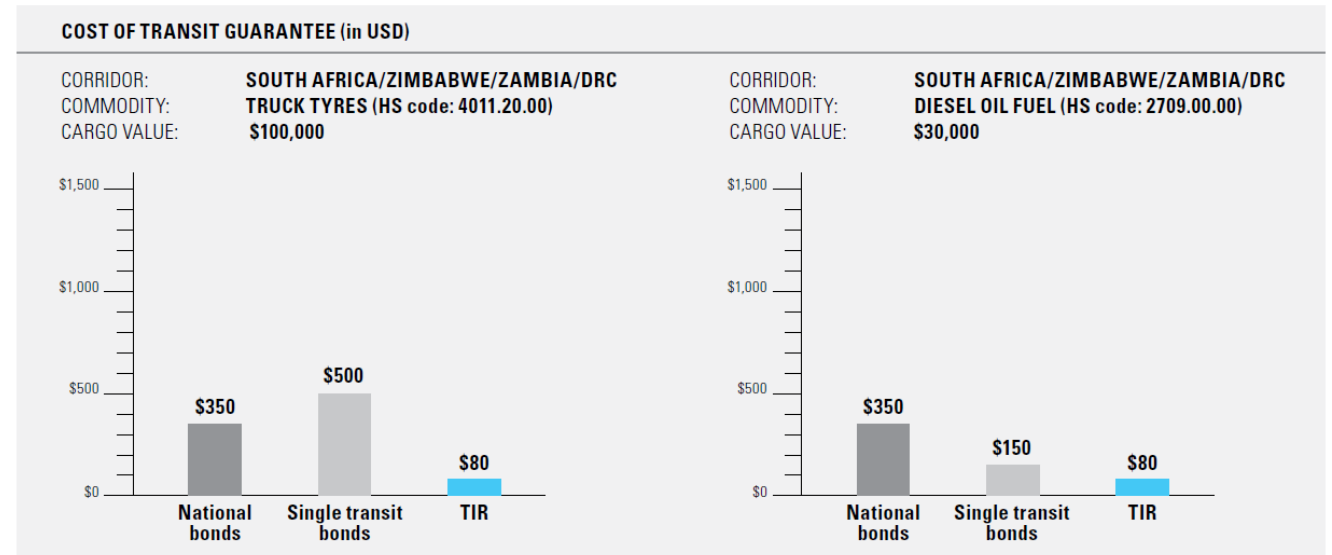
IRU study on transit costs in East and South Africa



Transit costs in East & Southern Africa



Figure 4.1 Comparison of various transit bond options on the North South Corridor route (South Africa/Zimbabwe/Zambia/DRC)



IRU study shows that TIR could significantly reduce the cost of transit in the North-South corridor

COVID-19

The important role of South Africa on regional transport and transit



South African delegation from CBTA visited Geneva and Iran in April 2018 to learn more about TIR.

South Africa could take the lead in accession to TIR in the region.

Accession of South Africa will encourage the landlocked neighbouring countries to join and benefit from TIR.

Thank you for your attention



For a world **in motion**