



## COVID-19 Impacts on the Road Transport Industry

IRU Intelligence Report

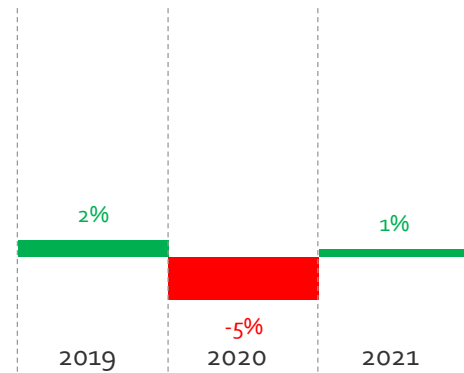
June 2020

# Spain

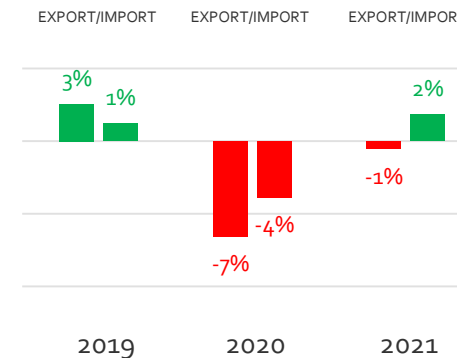
## COVID-19 impacts: Macro-economic indicators

- Spain should fall into recession in 2020, with a real GDP of -5% due to COVID-19. Real GDP is expected to rebound to 1% in 2021.
- Low demand could lead to a drop in global trade with a decline of 7% in exports and 4% in imports.
- The PMI indicator shows a fast deterioration of manufacturing and services output such as the machinery and equipment sectors.
- Fiscal measures intended to support income and employment were announced with a direct cost of about 1.5% of GDP.

**Real GDP growth**  
Annual (year-on-year change, %)



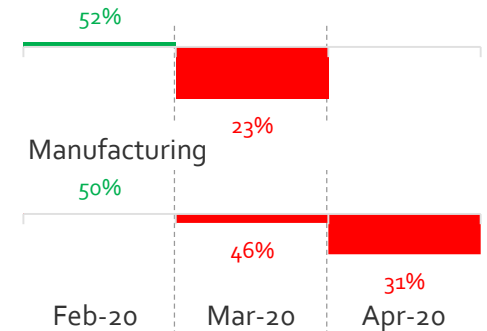
**Export & Import 2019 – Forecast 2020-2021**  
Real year-on-year change (%)



**PMI**

A reading above 50 suggests an improvement, while a reading below 50 suggests a deterioration.

**Services**



**Top risks faced by Road Freight Transport**

High

- High risk regarding **revenue growth forecasts and fixed-asset turnover** due to the slowdown in business.

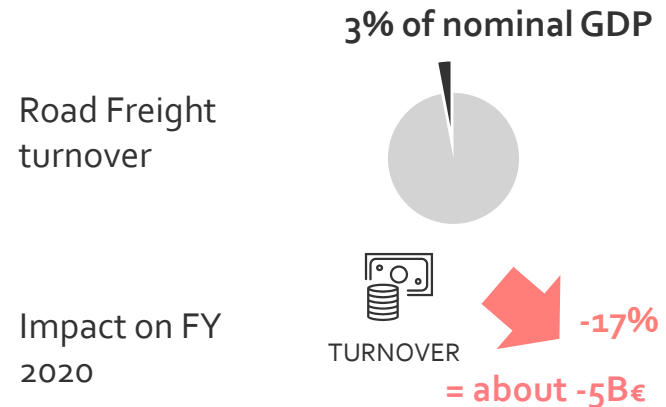
# Spain

## COVID-19 impacts: Road Freight Transport - as at end-April 2020

### Impacts on Road Freight Transport

- The expected recession is leading to a severe estimated impact on freight transport turnover of about 17% in FY 2020.
- Cross-border road freight is subject to capacity constraints and moderate border delays: borders are open with extra checks leading to congestion and disruptions.

### Impact on Road Freight Transport



# Spain

## COVID-19 impacts: Road Passenger Transport - as at end-April 2020

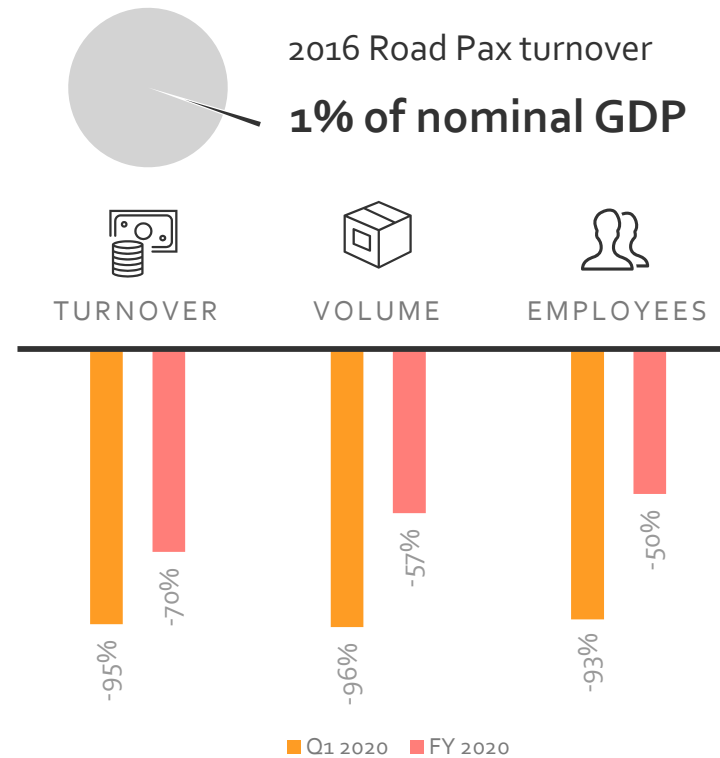
### Impacts on Road Passenger Transport

- Expected high impact on passenger transport turnover of about -70% and -57% on volume in FY 2020.
- -50% of employees could be laid off.

### Top issues reported by Transport Operators

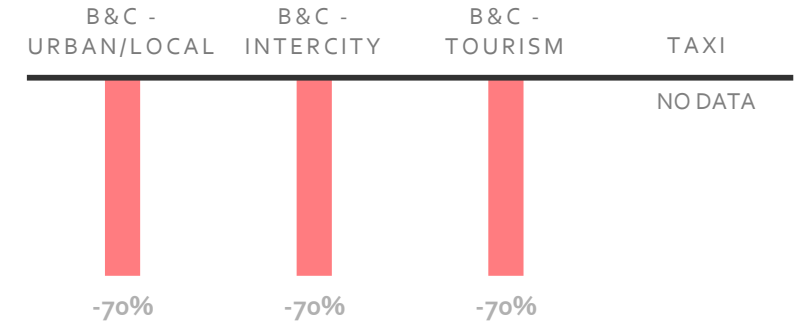
- Lack of economic and financial liquidity to maintain business activities.
- Decreasing demand (urban, regular and tourism).
- Mistrust in the use of public transport services concerning to social distancing and late payment by public authorities in public procurement.

### Impact on Road Passenger Transport<sup>1</sup>



1. Impact not including Taxi segment

### Impact on 2020 turnover by market segment



### Efficient measures

- Regulations to make salary costs more flexible.
- Punctual payment of administrative obligations.

### Additional measures to implement

- Support to avoid cashflow breakdown.
- Extend length of franchise periods.
- Regulate and subsidise health measures, adapted to industry characteristics.
- Promote the use of public transport amongst population.
- Payment of school transport services and extension for one more year.
- Deferral of VAT and corporation tax, postponement of leasing and rental payments.
- Creation of a public fund for transport (cashflow).

