



MITIGATION STRATEGIES FOR TRANSPORT SERVICE PROVIDERS DURING AND AFTER COVID-19 IN THE OIC MEMBER COUNTRIES

MAY 2021



Contents

Objective

Conceptual Framework

Background

Methodology

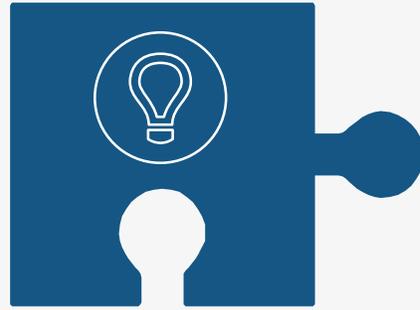
Online Survey

Desk-based Case Study Research

► Objectives



To identify the basic effects and implications of COVID-19 on transport service providers



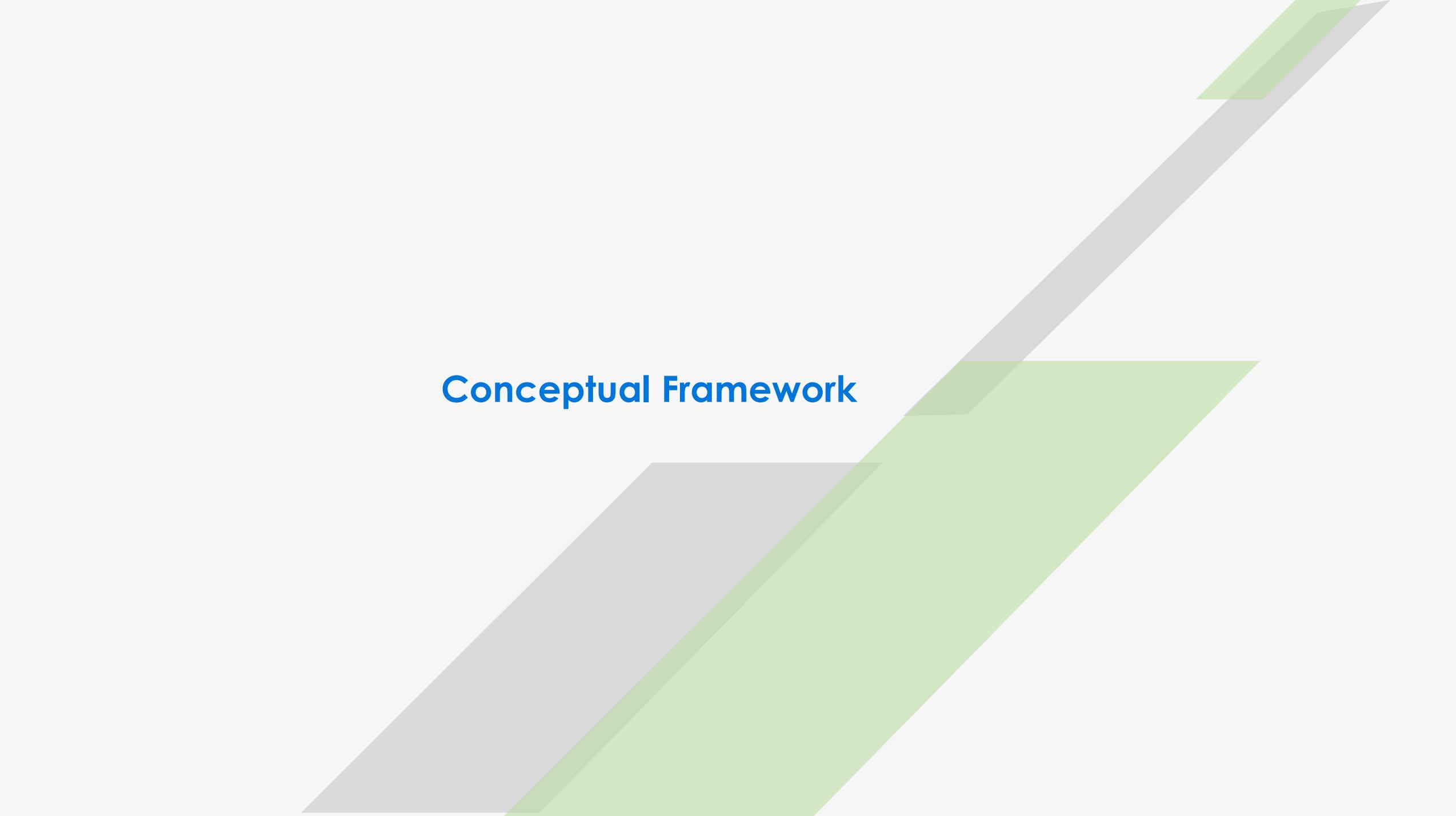
To investigate the major and successful strategies/policies/practices, as well as innovative approaches and successful initiatives related to addressing the adverse effects of COVID-19 on transport service providers outside the OIC geography



To describe the general situation relating to the implications of COVID-19 on transport service providers in the OIC Member Countries

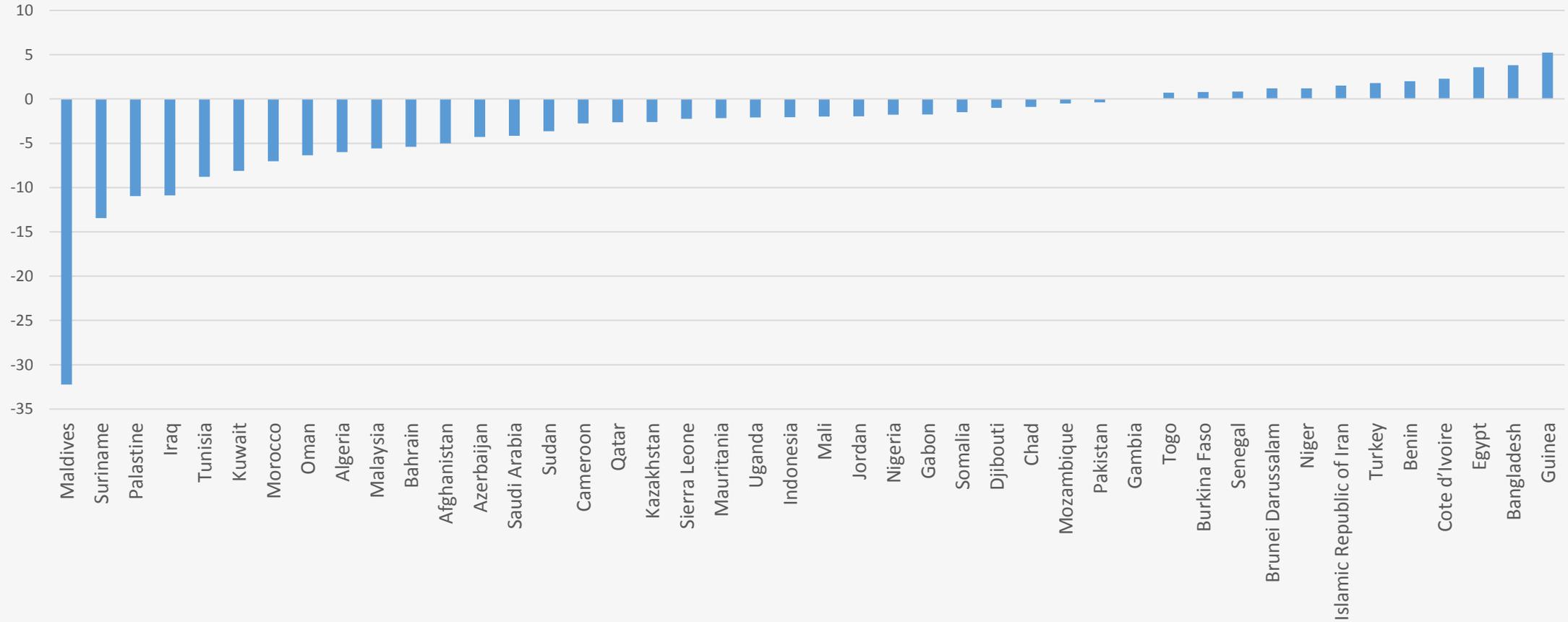


To propose policy recommendations/strategies / multi-directional practical guidelines for improving the resilience of the OIC Member Countries to mitigate the negative effects of COVID-19 on transport service providers, as well as putting forward possibilities for enhancing cooperation among the OIC Member States.

An abstract graphic design featuring several overlapping geometric shapes. A large grey parallelogram is positioned on the left, overlapping a larger green parallelogram that extends towards the right. A blue parallelogram is positioned above the green one, overlapping it. The shapes are layered, with the blue one being the topmost, followed by the green one, and the grey one being the bottommost. The overall composition is dynamic and modern.

Conceptual Framework

► Effects of COVID-19: Real GDP



► Effects of COVID-19: International Transportation



Maritime Trade in particular on Container shipping



Shipping in main bulk and minor bulk commodities



Air travel



Maritime tourism industry



Financial viability in international transport sector

► Effects of COVID-19: National Transportation

Road Transportation
Rail Transportation



Shifts in consumer demand

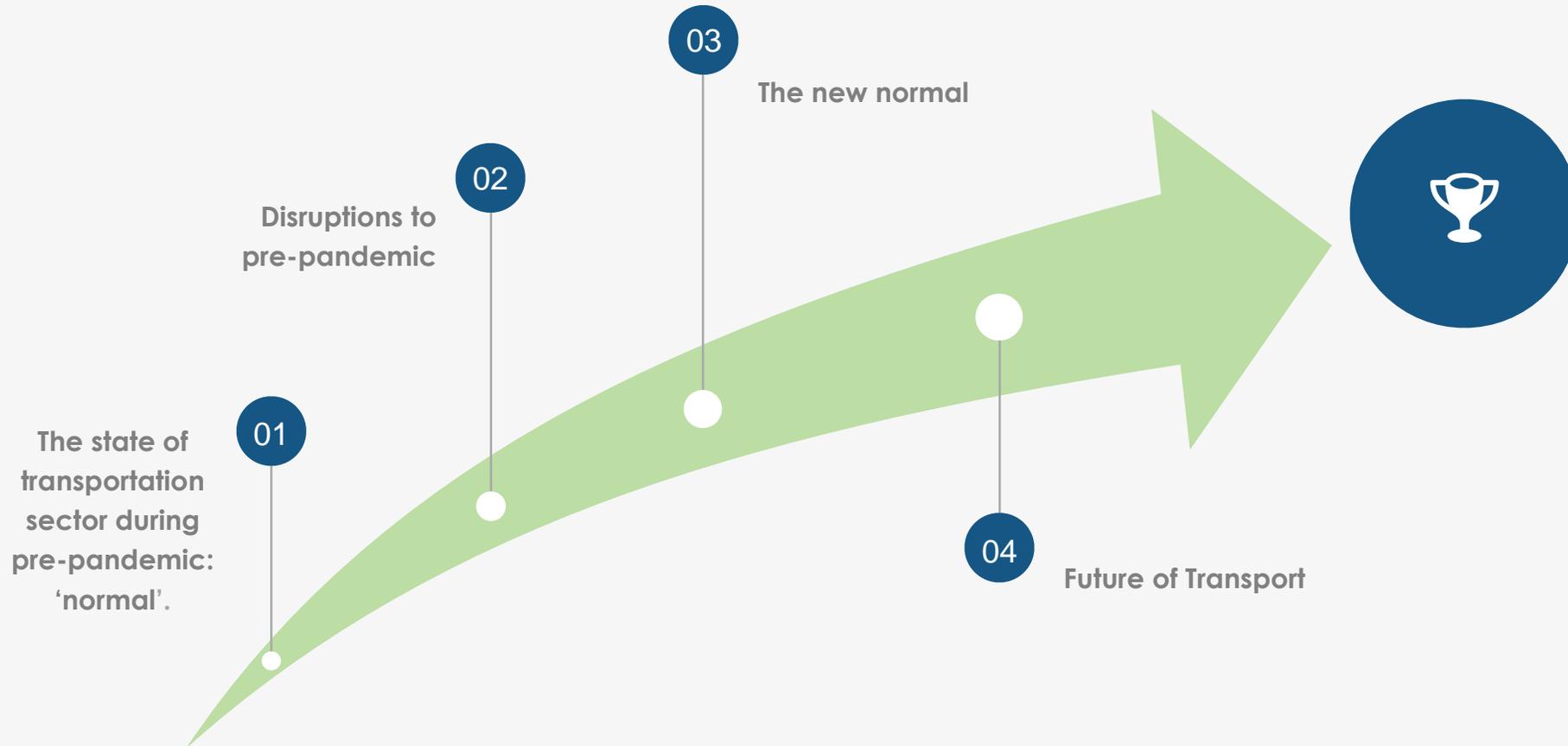
Home delivery
E-commerce



Working from home

Demand for passenger cars
Demand for public transportation

► Transformation of Transportation Sector





Background: Roadways

Global implications of Covid-19 on Transport Service Providers

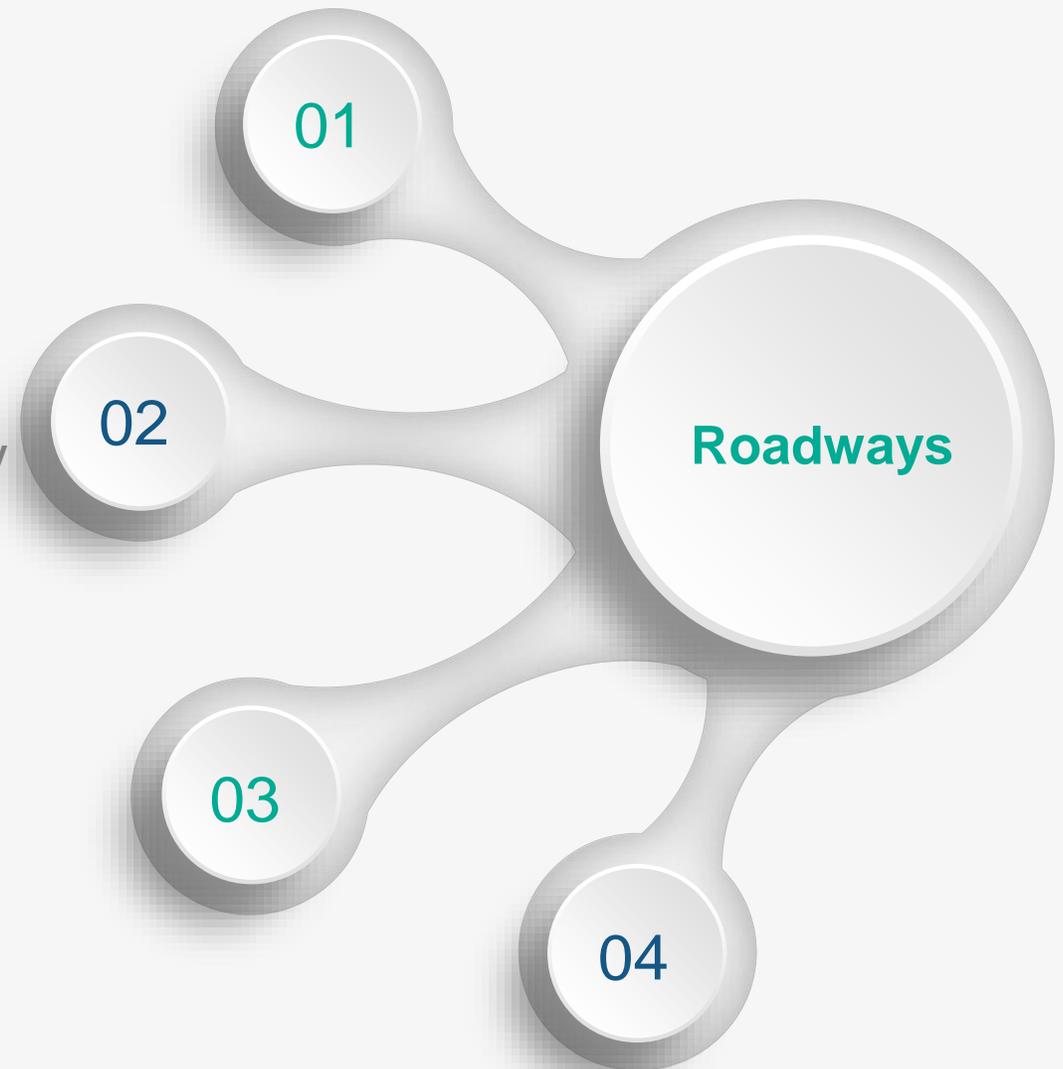
► Roadways

Roadways contributed to spreading the infection across cities and countries.

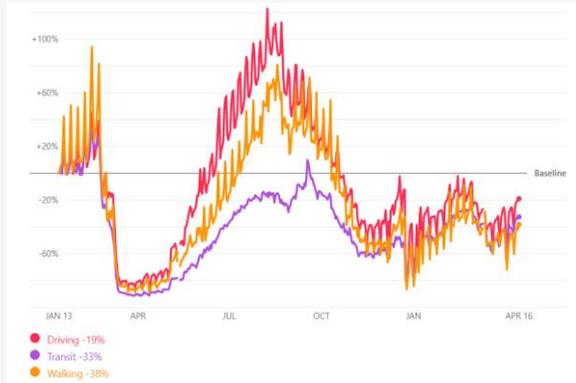
In early 2020, with 'stay-at-home' or 'lockdowns', the road passenger transport activities declined between 40% to 80% in almost every city globally.

Public bus and paratransit operators are rescheduling their services

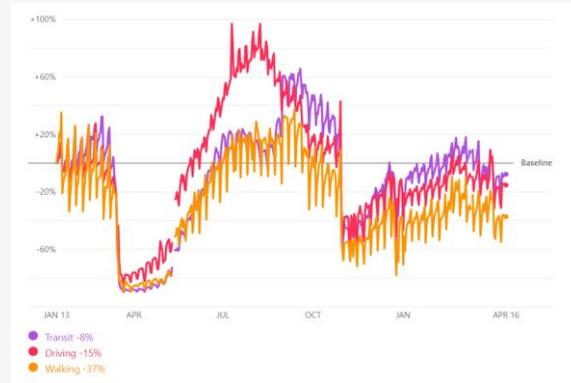
Most of the vehicle capacities are restricted to 50% globally



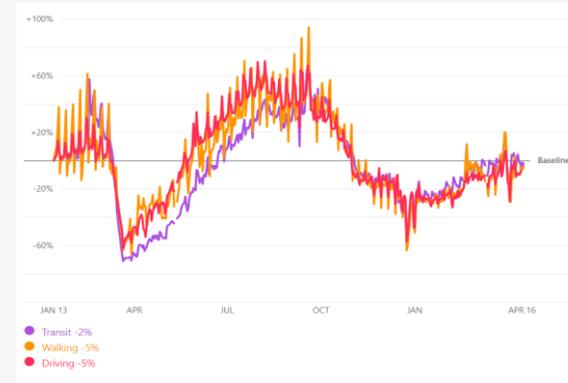
► Mobility Trends since January 13, 2020



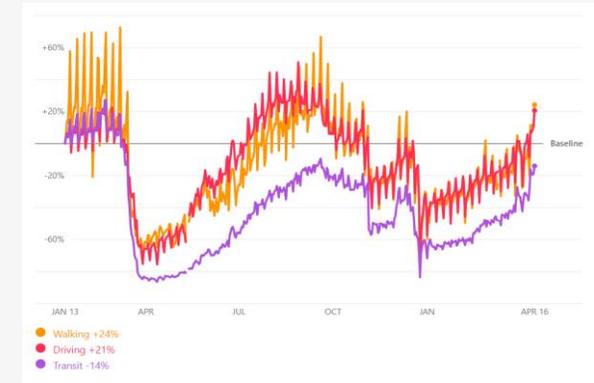
Italy



France



Germany



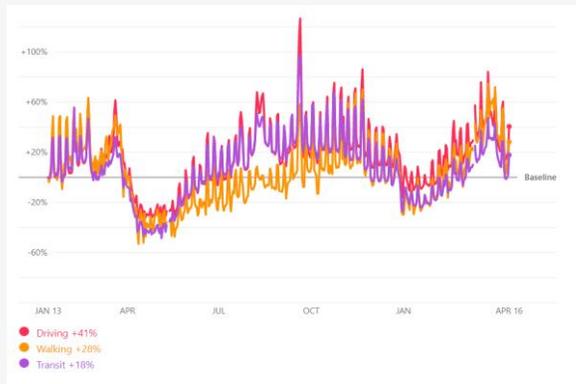
UK



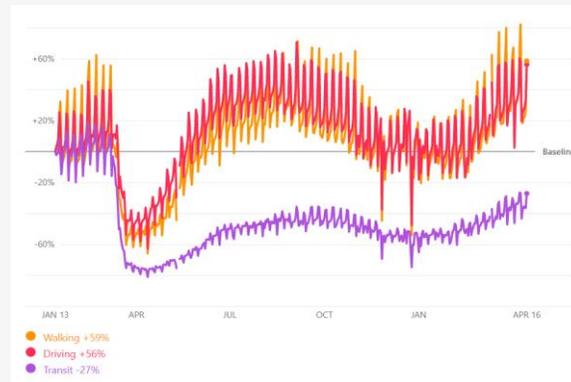
Source: <https://covid19.apple.com/mobility>



► Mobility Trends since January 13, 2020



Japan



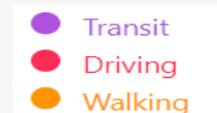
USA



New Zealand



Singapore



Source: <https://covid19.apple.com/mobility>



► Measures to Support Roadways

- The policies are set to contribute to maintaining essential mobility for people and the transport of critical goods during Covid-19 pandemic while avoiding further spreading of the Coronavirus.
 - institutional and organizational regulations,
 - economic and financial supports,
 - technological advancements,
 - other policies.



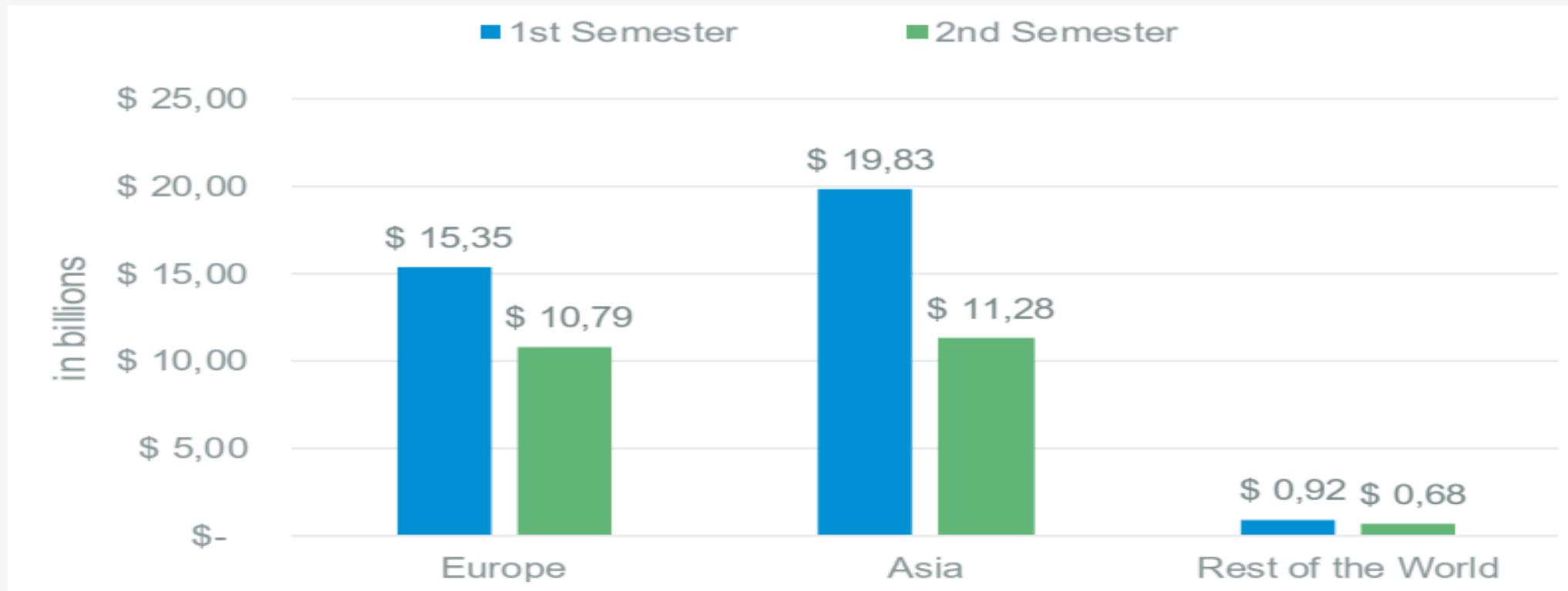
Background: Railways

Global implications of Covid-19 on Transport Service Providers

► Railways

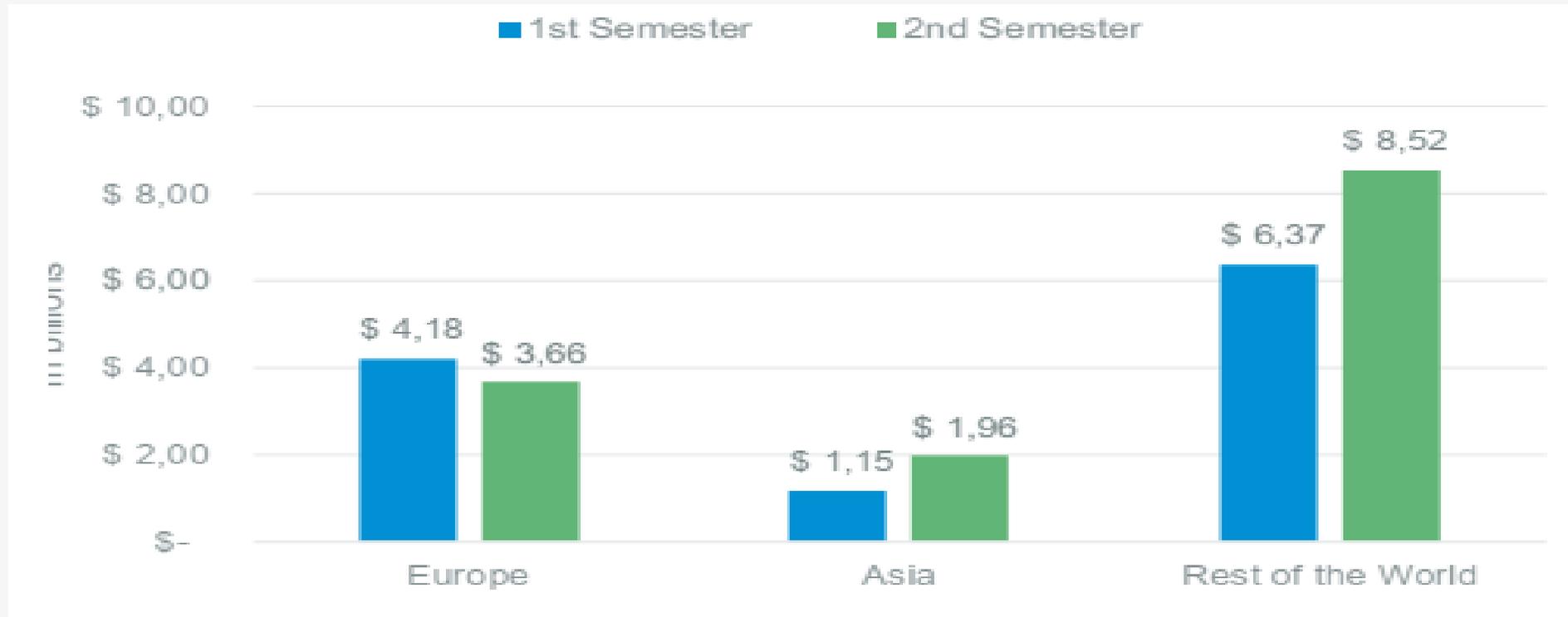
- The passenger revenues of the railway operators have decreased more than \$36 billion both in Europe and Asia in the first half of 2020.
- The same trends continued into the second half, while having a lower impact approximately \$23 billion of missed revenues for Europe and Asia in the second part of the year. The total passenger revenue loss of the railway operators reached almost \$60 billion in 2020.
- The estimate shows almost \$12 billion of losses in the first half of 2020, and the decrease continued into the second half, reaching \$14 billion.
- Based on a slow recovery model, UIC estimates that passenger and freight revenues could lose up to \$125 billion in total in both 2020 and 2021.
- As of April 13, 2021, the transit usage has decreased 86.9% in Tokyo, 59.7% in Paris, 53.2% in Berlin, 52.3% in Milano, 52% in London, 36.8% in New York City compared to the beginning of the Covid-19 pandemic. In comparison with these cities only a slight reduction was observed in Auckland with 9.8%. Singapore achieved 16.7 rise to become the only city where the transit usage increased.

► Development in Railways Sector



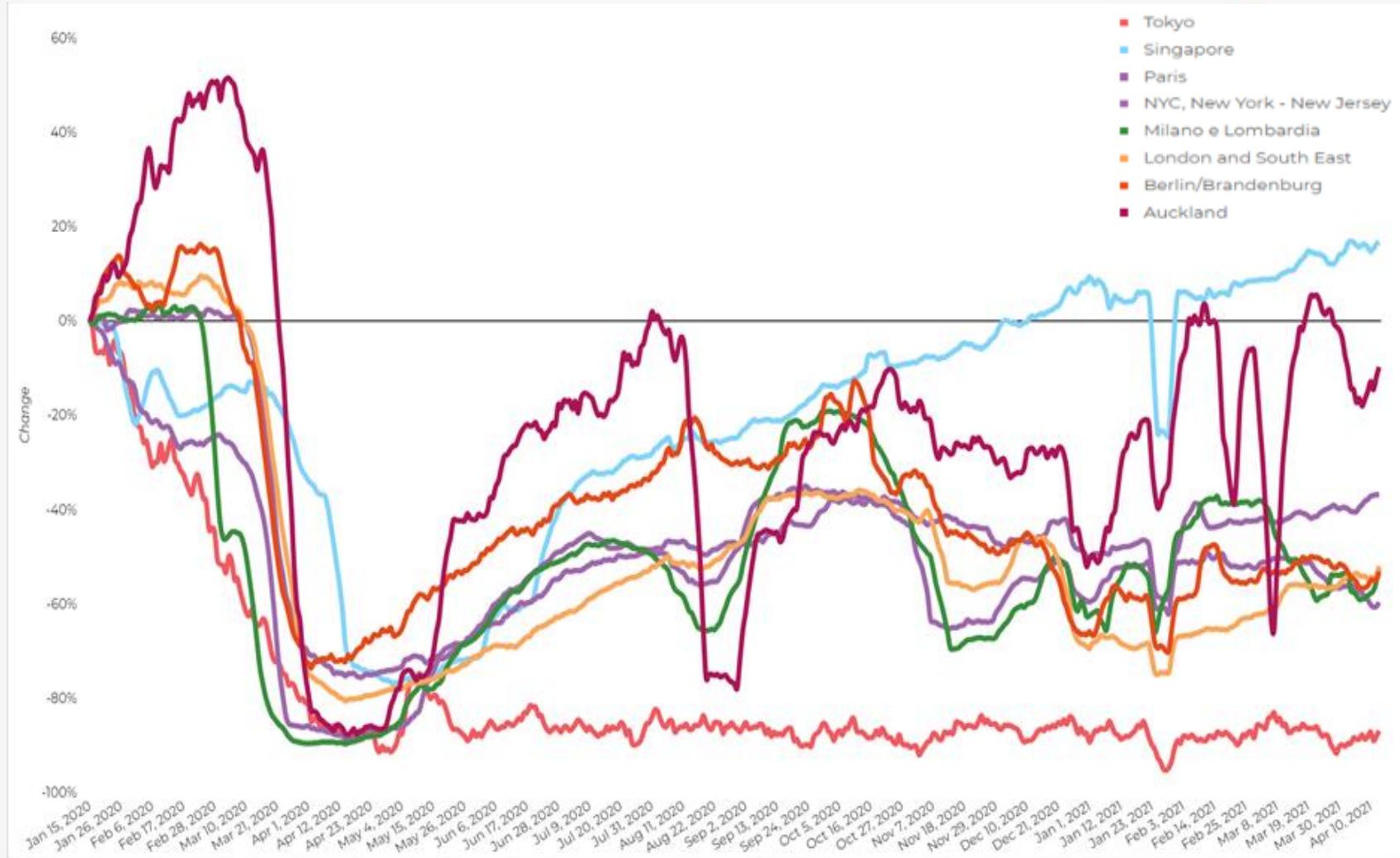
Losses in passenger revenues 2020 per region.

► Development in Railways Sector



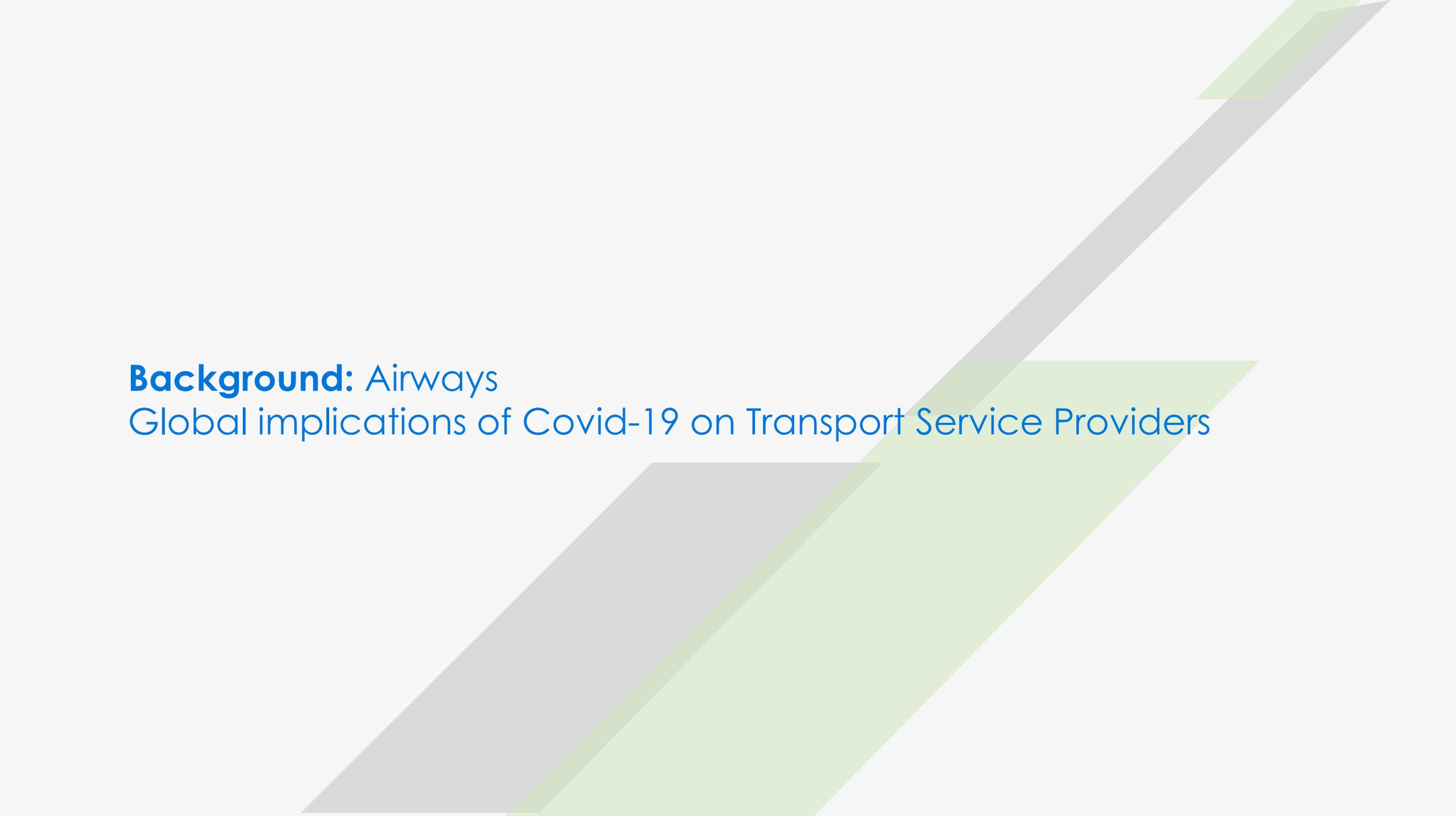
Losses in freight revenues 2020 per region.

► Impact of Covid -19 on Public Transit Usage



► Measures to Support Railways

- Economic and financial measures have been implemented in many parts of the world for other transport sectors, and similar measures are expected for the rail sector.
- Some of the possible economic and financial measures are listed below.
 - Direct Financial Contribution
 - Decrease Access Charge
 - Decrease/Elimination VAT & Other Taxes
 - Guarantee Loans
 - Fair level play field between all transport modes



Background: Airways

Global implications of Covid-19 on Transport Service Providers

► Effects of Covid-19 on the Aviation Sector

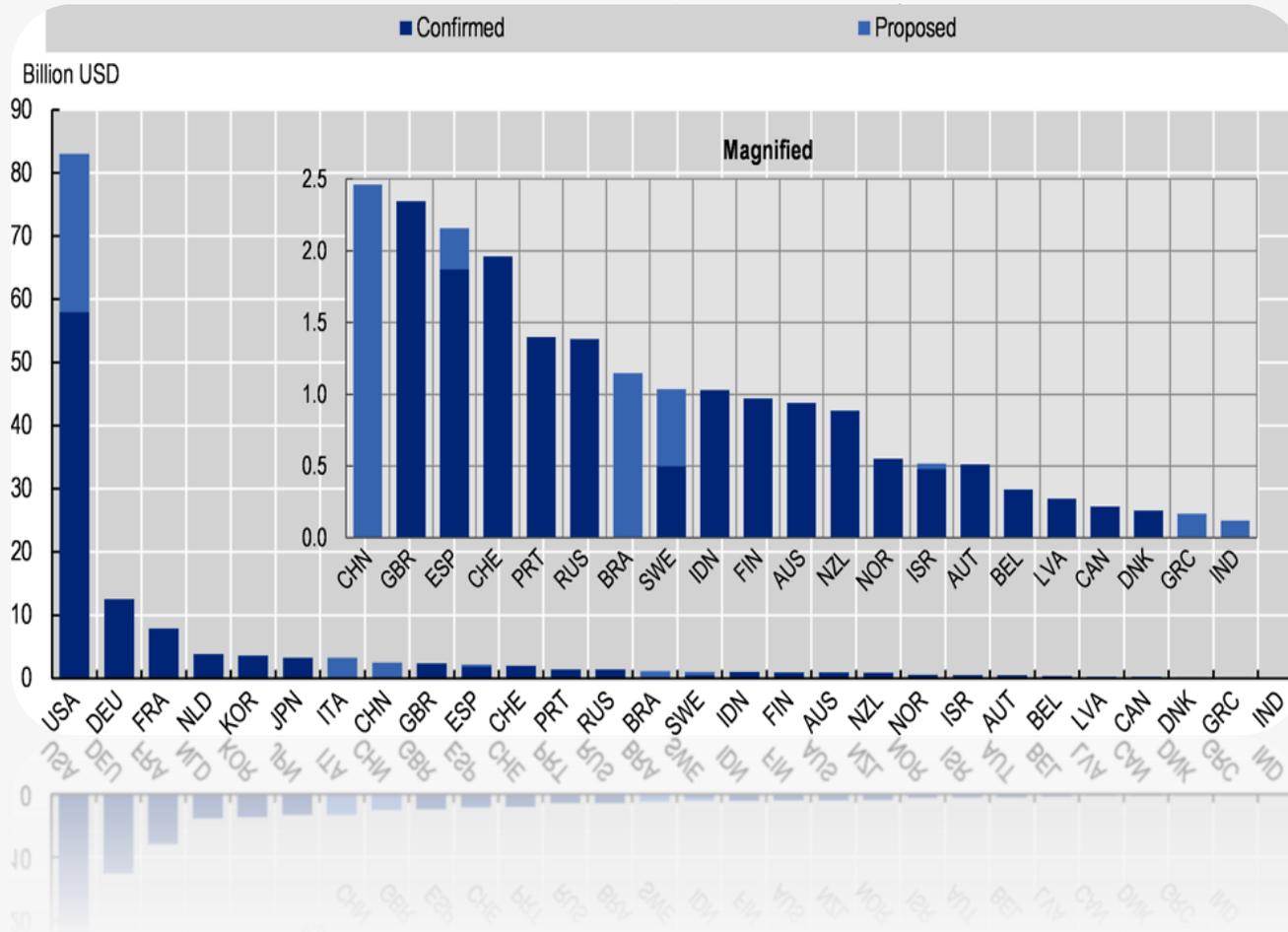
- **Many countries, especially China, stopped international air transport.**
 - *at the beginning of March 2020, up to 10% of global air traffic was restricted,*
 - *at the end of the month, global air traffic limitation was 40-60%*
- **Other measures are**
 - *Flight cancellations,*
 - *aircraft stay on the ground,*
 - *travel bans,*
 - *losing of the borders that cause traffic drops,*

Region	Number of Seats Offered (%)	Number of Passengers (million)	Loss of Revenue (US dollar-billion)
North America	-43	-599	-88
Latin America and the Caribbean	-53	-199	-26
European	-58	-769	-100
Africa	-58	-78	-14
Middle East	-60	-132	-22
Asia and Pacific	-45	-921	-120

► Effects of Covid-19 on the Aviation Sector

- **Political Factors**
 - *international travel restrictions.*
- **Institutional and Organizational Factors**
 - *American Airlines laid off 2,500 pilots & paid 23% less salary to pilots who continued to work.*
- **Economic and Financial Factors**
 - *support provided by governments;*
 - *wage support,*
 - *salary support, loans,*
 - *loan guarantees,*
 - *equity financing, corporate,*
 - *ticket and fuel tax reductions,*
 - *cash assistance*
 - *route funds.*
- **Technical and Technological Factors**
 - *Self-service and contactless technologies*
- **Legislative Measures**
 - *ICAO published 4 guides. WHO published recommendations.*

► Effects of Covid-19 on the Aviation Sector



Recommended or approved supports for airlines provided by governments or state-sponsored organizations in 57 countries as of August 20, 2020.

► Support to Aviation Industry: USA

- The **USA** has been the fastest, pioneering country in supporting the aviation industry.
 - For the economic effects of Covid-19, it announced a 50-billion-dollar **support package** to the aviation industry at the first stage.
 - This support has been used to provide cash flow to businesses.
 - In addition to this support, America announced that it will provide companies with a **salary support** of 25 billion dollars to keep 750 thousand personnel working in the aviation sector in their jobs until September 30.
 - These supports are important for the short-term cash flows of businesses.
 - In addition to the support of \$ 25 billion for airline companies, cash support of \$ 4 billion was provided to Air Cargo businesses and \$ 3 billion to ground handling companies.

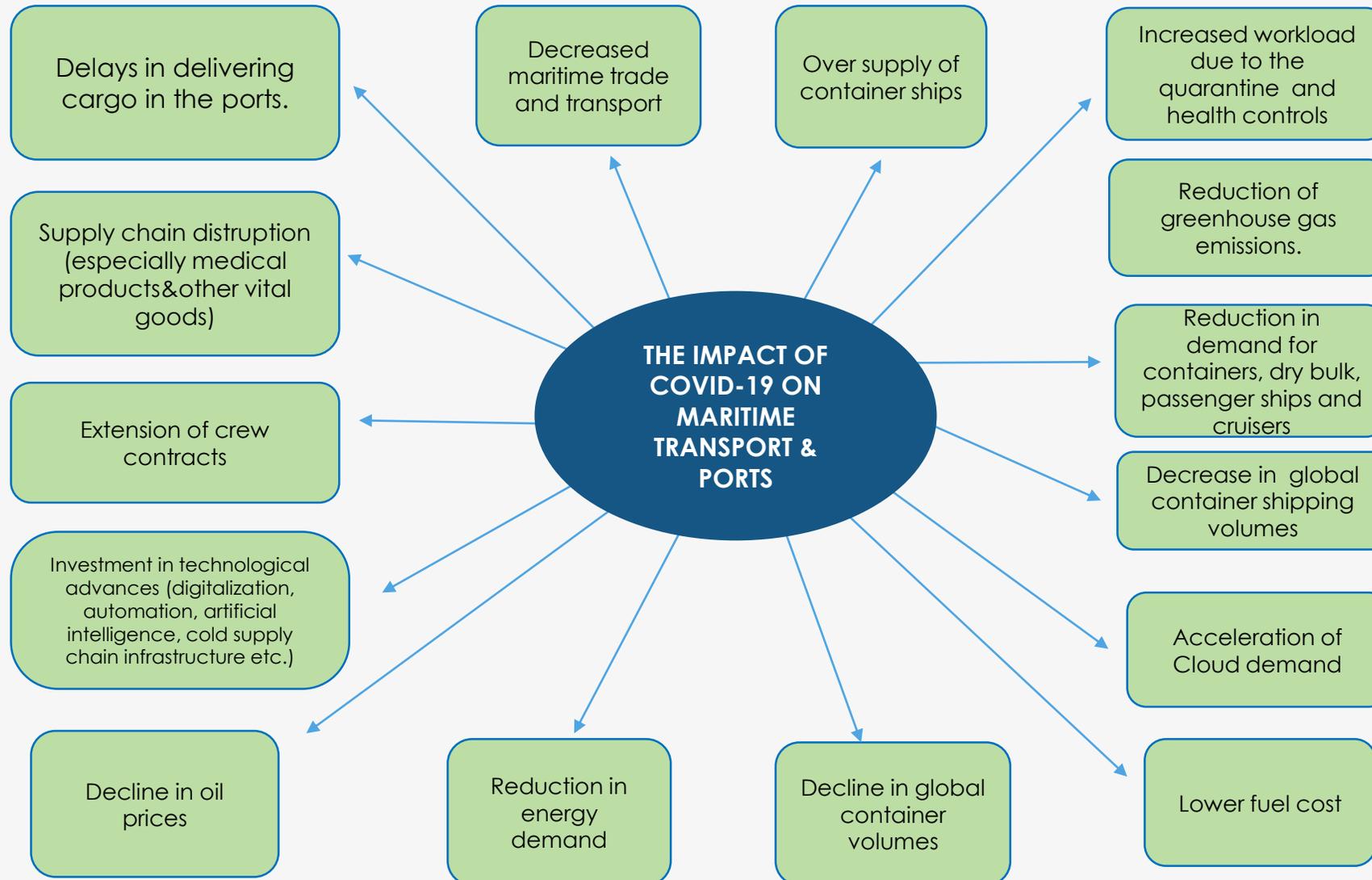
▶ Bankrupt Airlines and Countries in 2020

AIRLINE	COUNTRY	AIRLINE	COUNTRY	AIRLINE	COUNTRY
Compass Airlines	ABD	Jet Time	Denmark	Flybe	United Kingdom
AirAsia	Japan	Montenegro Airlines	Montenegro	Flyest	Argentina
Air Georgian	Canada	LATAM	Argentina	Germanwings	Germany
Air Italy	Italy	Level Europe	Austria	Go2Sky	Slovakia
Clay	Antigua ve Barbuda	Miami Air International	ABD	G. African Expression	South Africa C.
Avianca	Peru	Nantucket Express	ABD	Interjet	Mexico
Good	Sweden	Nocscoot	Thailand	Island Express Air	Iceland
Cathay Dragon	Hong Kong	One Airlines	Chile	Sun Express Deutschland	Germany
City Jet	Ireland	Ravn Alaska	ABD	TAME EP	Ecuador
Compass	ABD	Gets	South Africa C.	Tiger Air	Australia
TAME	Ecuador	Shoreline Aviation	ABD	Trans States Airlines	ABD
Ernest Airlines	Italy	NocScoot	Singapore	Virgin Atlantic	ABD
Eurowings	Germany	South African Airways	South Africa C.	Atlas Global	Turkey
ExpressJet	ABD				

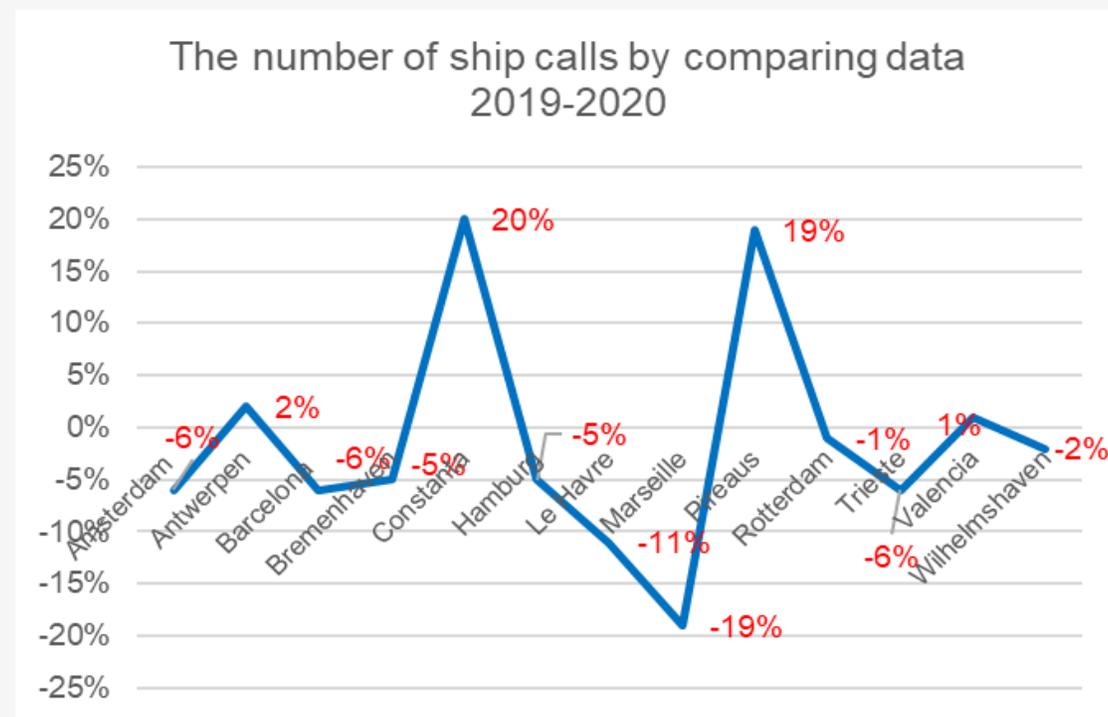
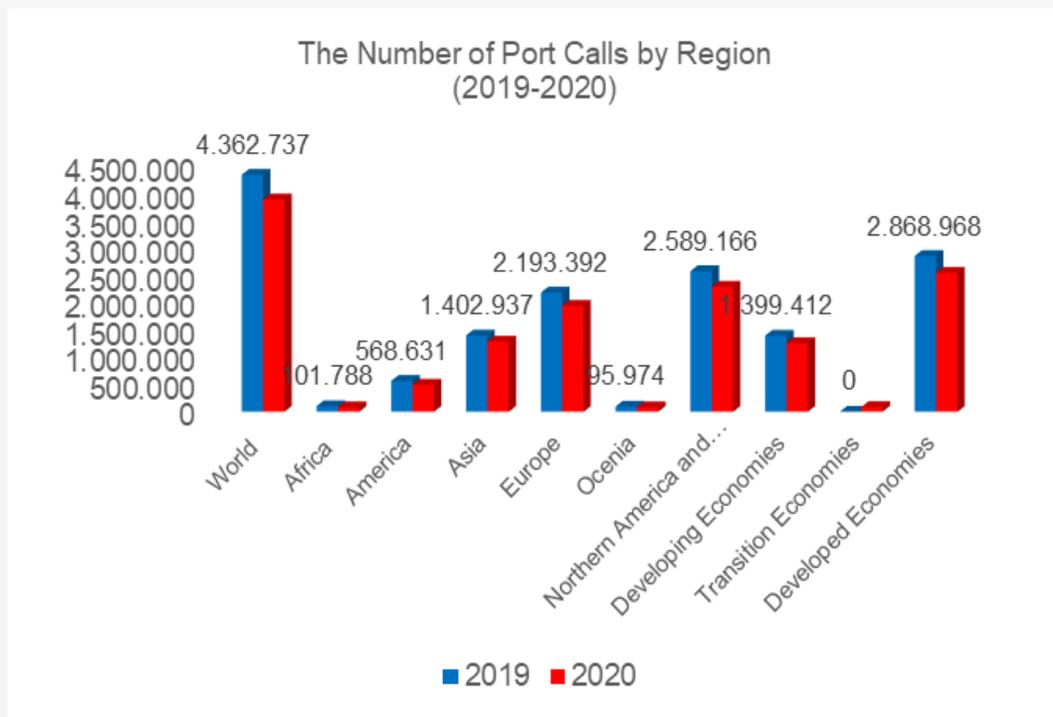


Background: Maritime
Global Implications of Covid-19 on Transport Service Providers

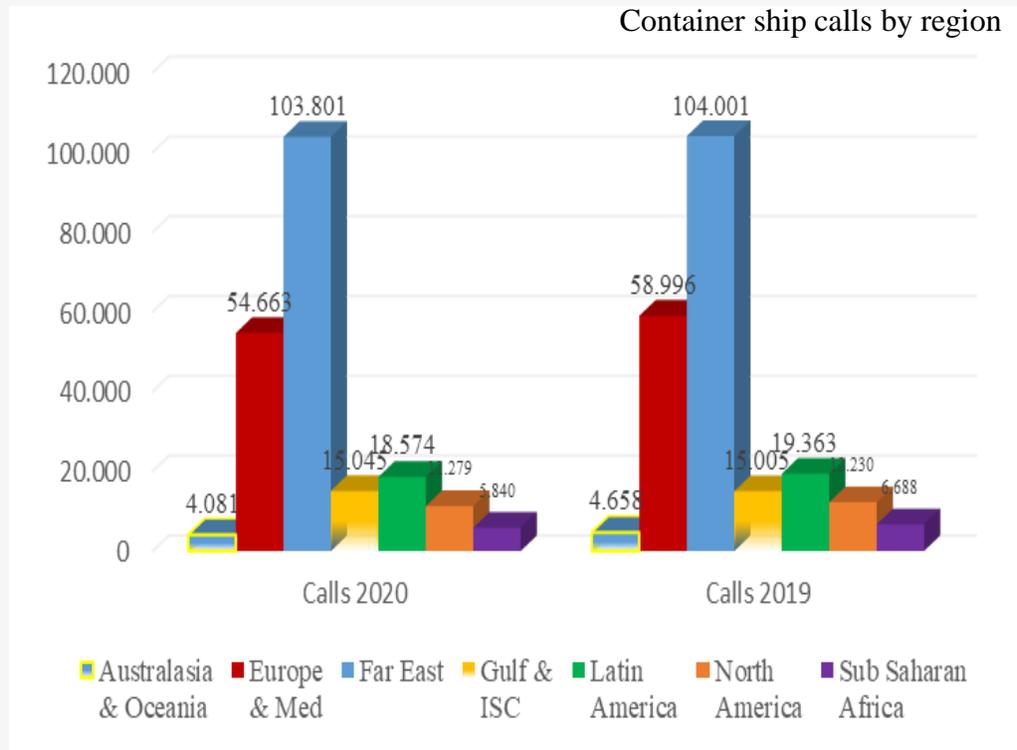
► The Impact of Covid-19 on Maritime Transportation and Ports



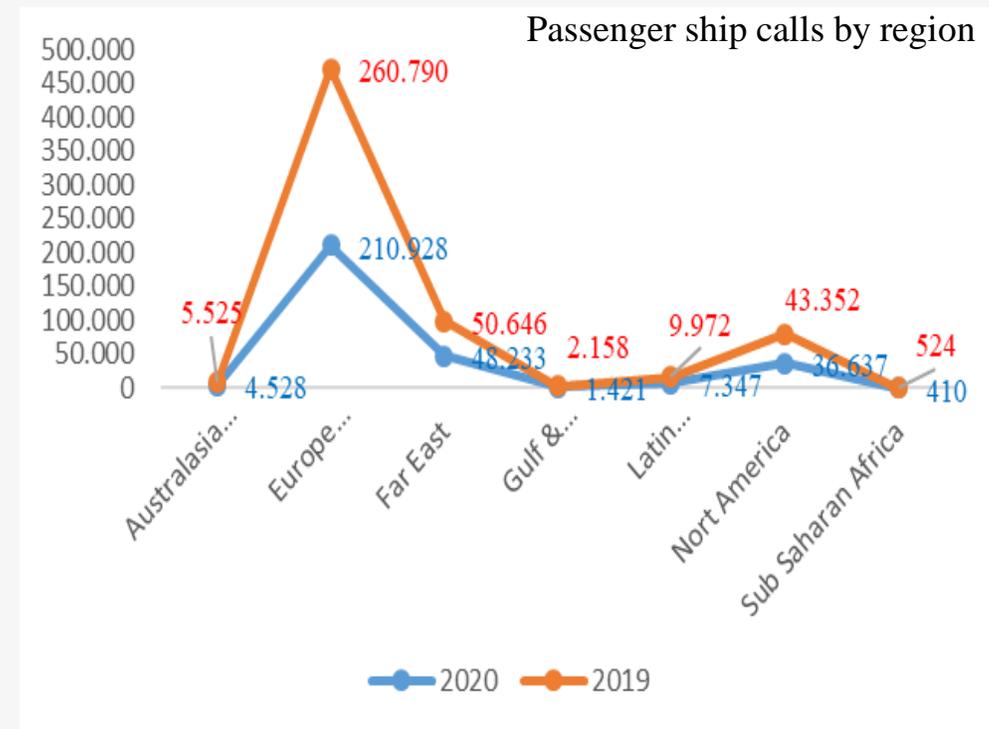
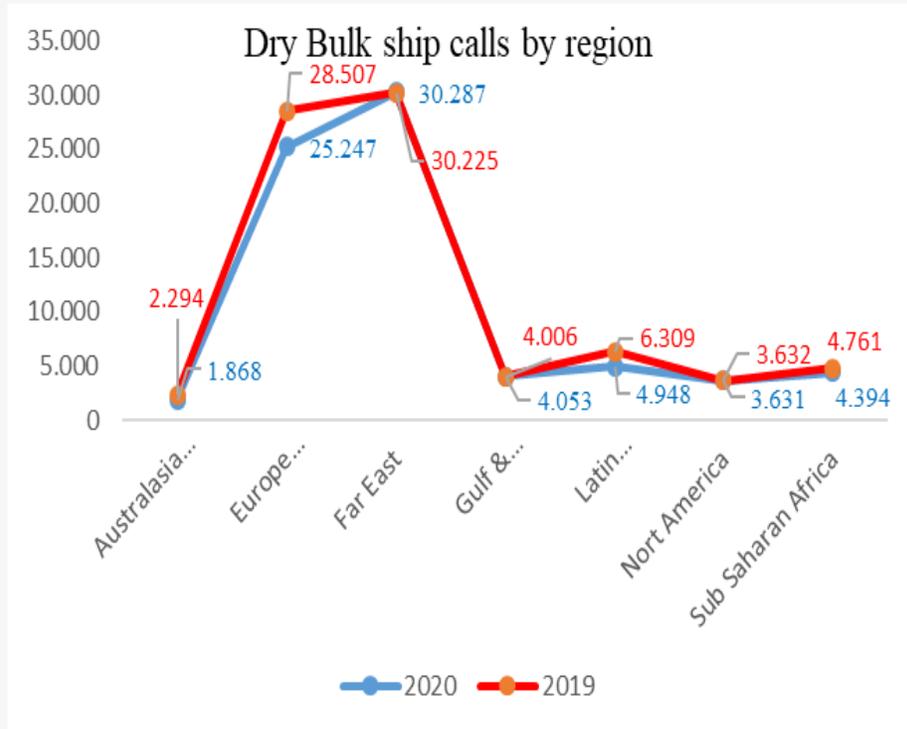
► Effect of Covid-19 on Maritime Transportation and Ports



► Impact of Covid-19 on Maritime Transportation and Ports by Ship Type(2019-2020 (January-mid-June))



► Impact of Covid-19 on Maritime Transportation and Ports by Ship Type(2019-2020 (January-mid-June))

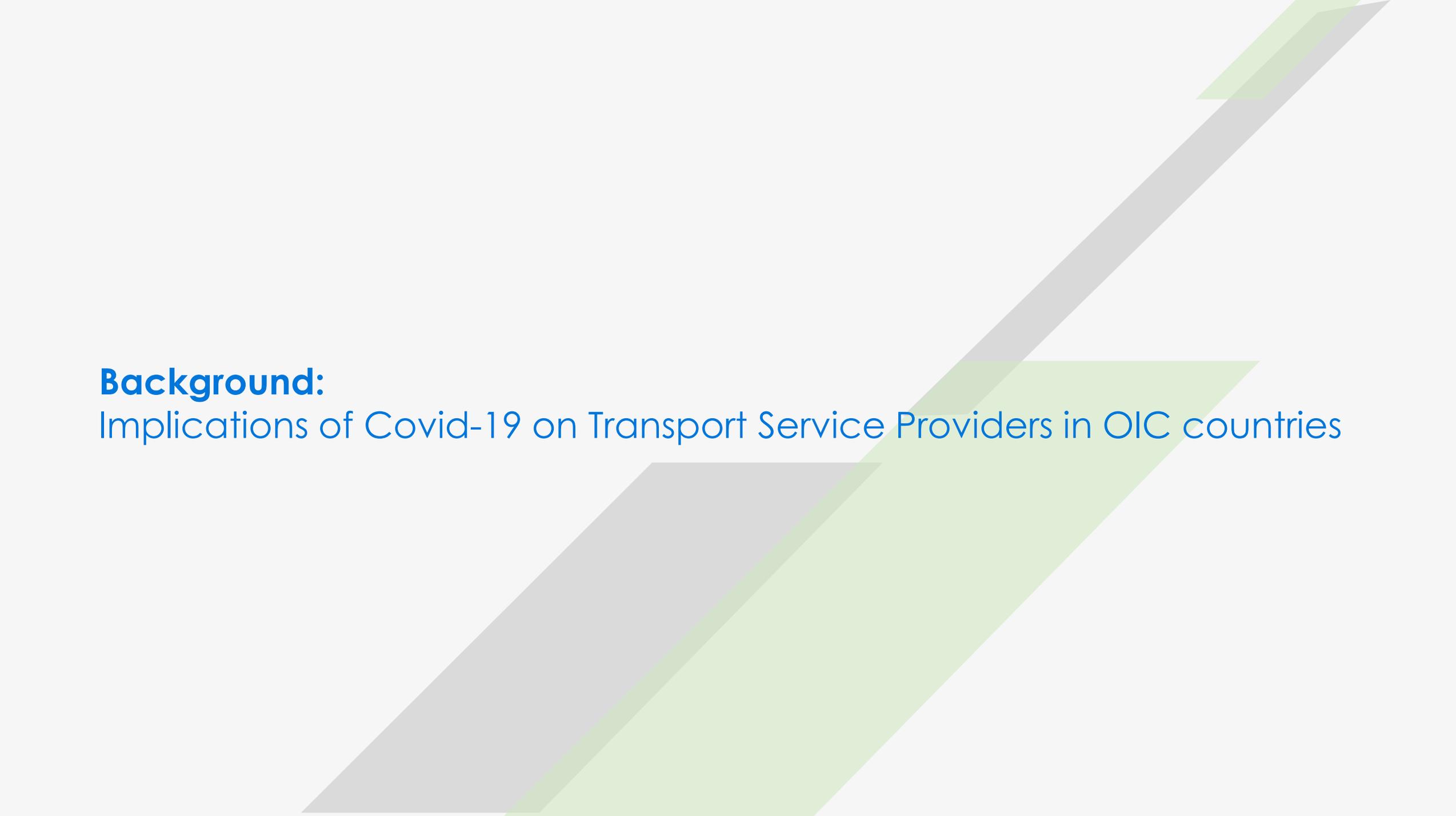


► Covid-19 Measures on Maritime Sector

- The International Chamber of Shipping (ICS), along with the International Maritime Health Association (IMHA) and the International Association of Independent Tanker Owners (INTERTANKO) have issued new protocols to mitigate the risk of COVID-19 cases on board.
- The protocols aim to safeguard the health of seafarers and guarantee the safe operations of maritime trade, offering governments and the general public reassurance that seafarers can embark and disembark ships safely.
- The issued protocols will provide shipowners and operators with the tools to safely manage cases on vessels.
- IMO has issued protocols which include general measures and procedures to ensure that ship crew changes can take place safely during the COVID-19 pandemic (Industry Recommended Framework Of Protocols For Ensuring Safe Ship Crew Changes And Travel During The Coronavirus (Covid-19) Pandemic (MSC.1/Circ.1636/Rev.1 (22 April 2021))).
- IMO has also issued Circular Letters concerning vaccination for seafarers, due diligence tool to support seafarers' human rights during the COVID-19 pandemic, crew change, promoting public health measures in response to COVID-19 on cargo ships and fishing vessels and operational considerations for managing COVID-19 cases and outbreaks on board ships, cruise ship operations etc.
- EU has issued “EU COVID-19: EU Guidance for Cruise Ship Operations Guidance on the gradual and safe resumption of operations of cruise ships in the European Union in relation to the COVID-19 pandemic.
- The objective of this Guidance is to facilitate a safe re-start of operations of cruise ships in the EU, by recommending minimum measures expected to be implemented by all those concerned, while maintaining general safety and security standards.

► Covid-19 Measures on Maritime Sector

- Many governments have put in place additional support measures for shipping, on top of the broadly aimed support to mitigate the overall economic fallout from the Coronavirus crisis, including instruments that could have significant impact on the shipping sector such as changes in the terms of export credits.
- At least 13 countries such as France, South Korea, UK, Germany Hong-Kong China, Italy, Sweden have implemented state support for the shipping sector.
- State support to mitigate Covid-19 impacts on shipping is in large part directed towards ferry and cruise shipping companies. Ferry companies receive state support in Estonia, Finland, Greece, Italy, Sweden and United Kingdom countries where ferries provide important means of international or domestic connectivity.
- Cruise companies benefit from aid in the United Kingdom, France, Hong Kong (China) and possibly in Germany in the near future. France, South Korea and Chinese Taipei also provide support to their container shipping companies.
- In the European Union, 22 countries levy a tonnage tax from shipping companies.
- Policy implications are: To intensify the monitoring of competition, create a global level playing field in maritime state aid, tackle market distortions resulting from state aid for the maritime sector, focus maritime state aid on strategic supply chains.



Background:

Implications of Covid-19 on Transport Service Providers in OIC countries

▶ Flights Among Months Including Passenger and Cargo (Domestic & International) % Difference

	Country	2019-2020 % Passenger	2019-2020 % Cargo	Country	2019-2020 % Passenger	2019-2020 % Cargo
Arab Group	Algeria	-77,95%	45,45%	Morocco	-66,94%	5,63%
	Bahrain	-70,25%	33,75%	Oman	-71,20%	60,36%
	Djibouti	-53,34%	-45,16%	Qatar	-43,89%	-1,59%
	Egypt	-63,83%	-48,00%	Saudi Arabia	-55,53%	-15,49%
	Iraq	-72,30%	-68,87%	Somalia	-52,10%	-45,83%
	Jordan	-71,63%	-2,78%	Sudan	-36,76%	-75,28%
	Kuwait	-66,20%	50,78%	Tunisia	-64,14%	2,52%
	Mauritania	-42,33%				
		Afghanistan	-45,00%	-	Kazakhstan	-35,03%
Asian Group	Azerbaijan	-69,37%	40,15%	Malaysia	-65,16%	10,81%
	Bangladesh	-28,82%	-21,83%	Maldives	-65,41%	-50,00%
	Brunei Darussalam	-70,47%	0,00%	Pakistan	-40,18%	48,29%
	Indonesia	-46,32%	-3,65%	Turkey	-55,85%	3,04%
	Iran	-52,89%	-50,00%	Suriname	-49,06%	-22,52%
		Benin	-44,82%	600,00%	Mozambique	-16,55%
African Group	Burkina Faso	-34,59%	-56,00%	Niger	-35,69%	-67,31%
	Cameroon	-40,77%	-52,94%	Nigeria	-43,21%	-19,86%
	Chad	-54,62%	-85,29%	Senegal	-39,46%	12,57%
	Gabon	-53,11%	600,00%	Sierra Leone	-56,86%	-
	Gambia	-59,31%	-	Togo	-21,80%	38,78%
	Guinea	-40,53%	-	Uganda	-60,91%	13,07%
	Mali	-48,45%	-75,81%			

- As can be seen from the table, the drastic measures taken by the governments towards the airline have caused a serious decrease in the number of passengers in all OIC countries.
- Air cargo companies in some countries continued to operate at full capacity with their existing fleets. For example, Bahrain (60.36%), one of the OIC-Arab Group countries, is the country with the highest increase in air cargo.

▶ Flights Among Months Including Passenger and Cargo (Domestic & International) % Difference

Political Factors

- Physical distance practices, disinfection / face coverings, Covid-19 testing and travel document, mandatory quarantine practices.

Institutional and Organizational Factors

- Contact tracing, airline responsibility for arrival health form, restrictions on crew and changes in working.

Economic and Financial Factors

- Financial measures, especially income support, or international support especially towards less developed countries can be evaluated among economic and financial factors.

Technical and Technological Factors

- Mobile Applications, IATA Travel Pass Application

Legislative Factors

- Bans/Restrictions in The Transport Sector, Certification Applications

Prosedural Factors

- Procedures in the air-terminal, arrival and departure procedure, and aircraft interior cleaning procedure restrictions.

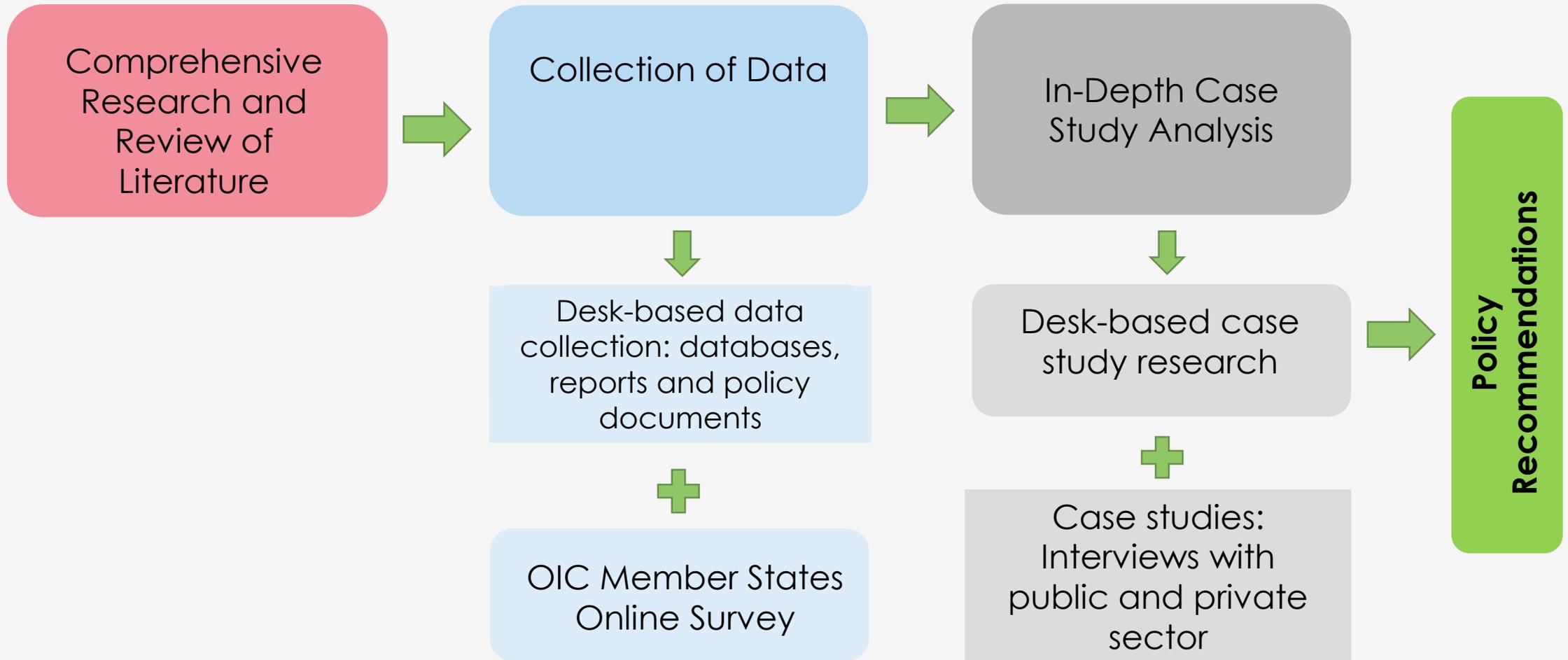
	Country	Available	Country	Available	Country	Available
Arab Group	Algeria	Yes	Jordan	Yes	Qatar	Yes
	Bahrain	Yes	Kuwait	Yes	Saudi Arabia	Yes
	Djibouti	No	Mauritania	Yes	Somalia	No
	Egypt	Yes	Morocco	Yes	Sudan	No
	Iraq	Yes	Oman	Yes	Maldives	Yes
Asian Group	Afghanistan	Yes	Indonesia	Yes	Tunisia	Yes
	Azerbaijan	Yes	Iran	---	Pakistan	Yes
	Bangladesh	Yes	Kazakhstan	Yes	Turkey	Yes
	Brunei Darussalam	Yes	Malaysia	Yes	Suriname	Yes
African Group	Benin	Yes	Gambia	Yes	Nigeria	Yes
	Burkina Faso	Yes	Guinea	No	Senegal	Yes
	Cameroon	Yes	Mali	Yes	Sierra Leone	Yes
	Chad	Yes	Mozambique	No	Togo	Yes
	Côte d'Ivoire	Yes	Niger	Yes	Uganda	Yes
	Gabon	Yes				

Government Public Health Policy for Aviation Available



Methodology

► Methodology





Online Survey

► Online Survey

In order to investigate Mitigation Strategies for Transport Service Providers during and after Covid-19 pandemic in the OIC Member Countries, an Online Survey was carried out for which the KoBo Toolbox was used as the server platform.

For this purpose, a Questionnaire was developed as the Survey Tool, consisting of the following sections:

❖ GENERAL SITUATION IN THE COVID-19 PROCESS



Road Transport



Air Transport



Maritime Transport



Rail Transport

► Online Survey

❖ GOVERNMENT SUPPORT FOR
TRANSPORTATION
SECTOR DURING THE
COVID-19 PANDEMIC

❖ ADMINISTRATIVE MEASURES AGAINST
THE TRANSPORT SECTOR
DURING THE PANDEMIC

❖ FINANCIAL SUSTAINABILITY OF
TRANSPORT OPERATORS
DURING THE PANDEMIC

❖ OPERATIONAL MEASURES OF THE
TRANSPORT SECTOR
DURING THE PANDEMIC

► Online Survey

- ❖ The Questionnaire was prepared in 4 languages:
English Arabic French Turkish
- ❖ E-mail requests for their participation in the Survey were sent to a total of 2312 stakeholders' / key informants' addresses in;
 - A total of 44 OIC Countries registered with the COMCEC Transport Working Group,
 - 873 in 12 Arab Group countries ,
 - 805 in 16 Africa Group countries and
 - 634 in 16 Asia Group countries
- ❖ E-mail requests were sent twice, i.e.
 - on 27.04.2021 & 08.05.2021
- ❖ E-mail requests were also sent to the Focal Points in the countries concerned requesting assistance in increasing the participation rate, i.e.
 - on 30.04.2021 & 08.05.2021
- ❖ A total of 12 OIC Countries responded, as follows:
 - 3 countries from Arab Group
 - 7 countries from Africa Group
 - 2 countries from Asia Group



A decorative graphic consisting of several overlapping, semi-transparent shapes. A large green parallelogram is the base, with a grey parallelogram overlapping its top-left corner. Another grey parallelogram overlaps the top-right corner of the green one. A smaller green parallelogram overlaps the top-right corner of the grey one. The overall effect is a sense of depth and movement, pointing towards the top right.

Desk-Based Case Study Research

► Rationale Behind Case Choices

Cameroon

- It has the highest number of cases per million after Mozambique.
- There are approximately 2 thousand km of waterways.
- Government COVID-19 response stringency index is 57.41

Algeria

- Algeria has all modes of transport.
- Maritime is important in Algeria. The ports are Algiers, Annaba, Arzew, Bejaia, Djendjene, Jijel, Mostaganem, Oran, Skikda.
- Government COVID-19 response stringency index is 62.12

Malaysia

- All modes of transport exist
- Strategically located on the Strait of Malacca, one of the most important shipping lanes in the world.
- Has two ports that are listed in the top 20 busiest ports in the world, Government COVID-19 response stringency index is 73.61

▶ Cameroon

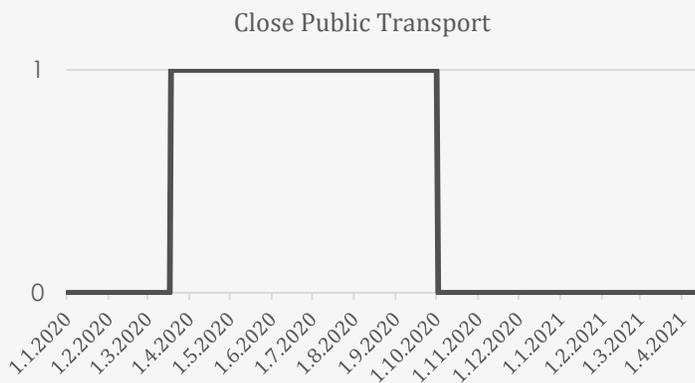
International Travel Controls (01 Jan 2020-12 Apr 2021) *

	2020												2021			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Cameroon	0	0	1,3	3,4	4	4	4	4,3	3,2	2	2,1	1	1	1	1	1

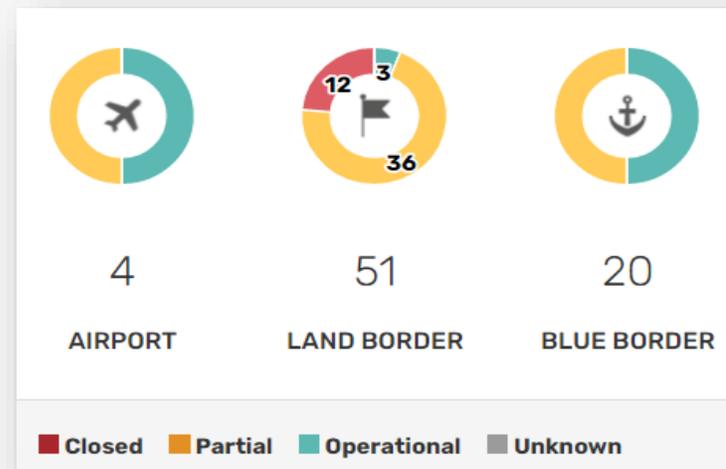
*0: No measures, 1: Screening, 2: Quarantine arrivals from high-risk regions, 3: Ban on high-risk regions, 4: Total border closure.

- Cameroon Customs Administration announced the pandemic measures in March 2020. According to these measures, the movements of goods and people were restricted. Road, air and sea borders were closed, with the exception of cargo flights, ships carrying consumer goods and basic goods.

Close Public Transport*, Cameroon (1 Ocak 2020-11 Nisan 2021)



*0-No measures/1-Recommend closing (or significantly reduce volume/route/means of transport available).



Points of Entry Operational Status

▶ Algeria

- All land borders remain closed
- Suspension of non-cargo international air and maritime travel has been in place since the 17th of March, 2020.
- Limited domestic air travel resumed in early December, 2020.
- Public transportation [and depending on the wilaya (province), private transportatio] may be disrupted on Fridays and Saturdays in the wilayas affected by a curfew. Capacity limitations applied.
- A ban on public and private vehicle traffic between provinces remains in place on weekends.
- Freight transport continues to operate normally.
- No available data for Covid-19 impact on transport.

▶ Algeria

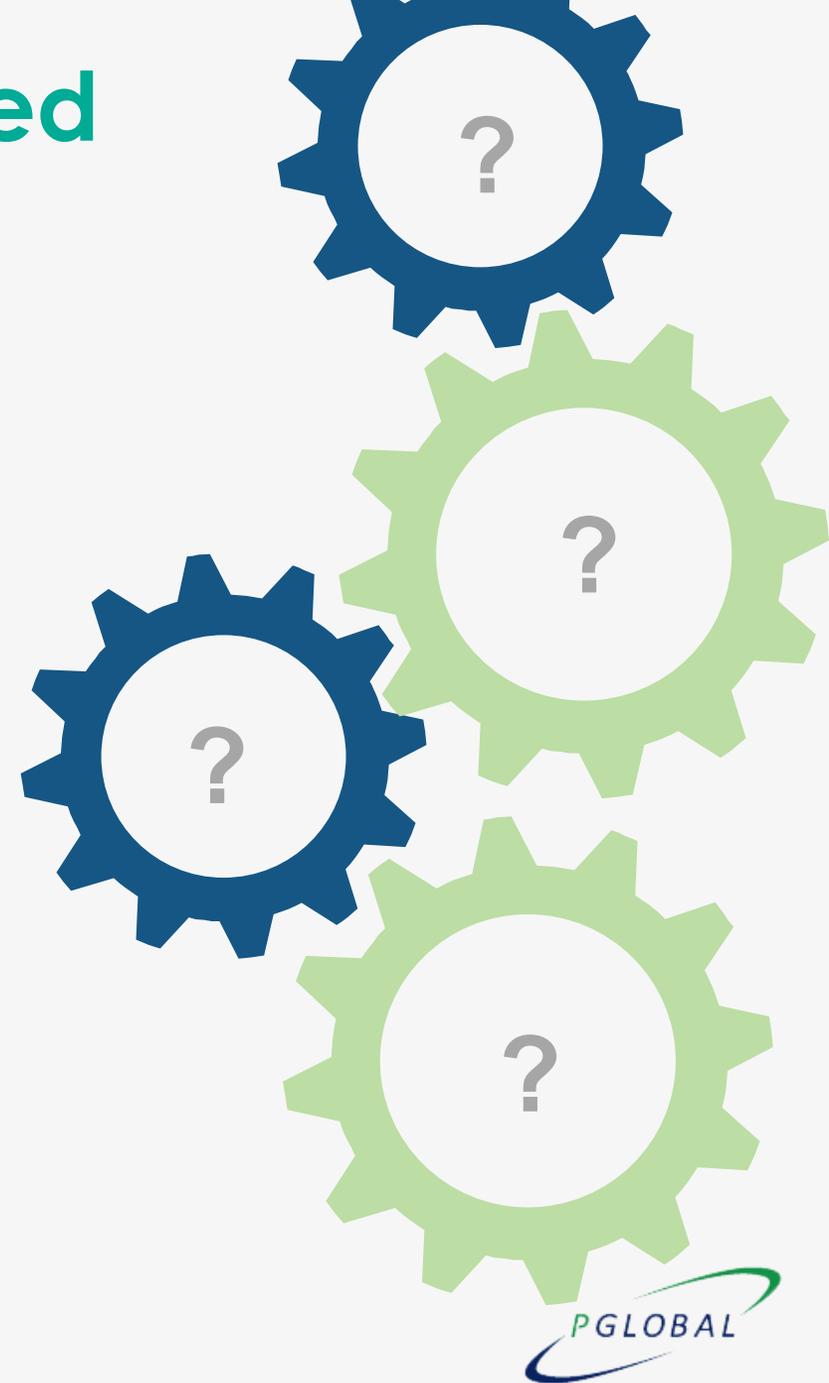
- Algerian government declared economic stimulus packages, tax policies and financial measures against the COVID-19 pandemic that includes;
 - Flexible payment plans: Companies facing financial difficulties may request a payment plan to pay off their taxes. Similarly, those already on a tax payment plan may request additional flexibility in the event of cash flow difficulties.
 - Suspension of retained earnings tax: The tax on retained earnings, which was introduced in the 2020 Budget Bill and was due to apply from fiscal years 2016 onwards, has been suspended.
 - Postponing repayments of loan instalments or reschedule the debts of customers: The Bank of Algeria has announced that banks and financial institutions can now postpone repayments of loan instalments or reschedule the debts of customers who have been impacted by the economic challenges resulting from covid-19. They may also grant additional loans to customers even if their existing loans have been deferred or rescheduled.
 - Suspension of contract deadlines and penalties: For late completion of projects have been suspended for all public-sector contracts with local authorities, public bodies and state authorities to protect companies who are currently unable to complete work or services by the original deadline.
 - The transport sector problems vary with modes. The short term expectations of sector representatives could be assessed and direct and effective mode-specific measures could be offered.

► Malaysia

- Drop in demand for all modes of transport
- Mobility reduced by 26%
- Services (transport) dropped by 45% in the second quarter of 2020
- Air cargo industry changed freighter schedules
- Industry successfully used passenger aircraft to carry only cargo
- Bi-lateral and multilateral agreement restrictions caused delivery issues

► Outstanding Problems Encountered

- Few responses to the Online Survey.
- Limited data and information available regarding the OIC countries on transportation during the COVID-19 period. It would be very useful if the representatives of the countries share the measures taken by their countries to limit the negative effects of Covid-19 on the transportation sector.
- Interviews with experts in Qatar, Pakistan and Uganda will be carried out. Limited/no responses from the experts whom we contacted.



THANK YOU...



PGlobal Global Advisory and Training Services

