

## **Private bus and transport sector need bailout as survival is “uncertain”**

**CTTC Economic Report finds sector will face decimation without direct Government intervention as passenger numbers fall by 95%**

The Coach Tourism & Transport Council of Ireland (CTTC) has today called on the Government to provide a bailout for the pandemic ravaged sector as the survival of its members, is “uncertain”. The prognosis is based on the outcome of a detailed report by economist Jim Power.

The CTTC is the largest representative body for Ireland's coach touring companies, and private bus operators. Its members are leading providers of private scheduled services, international tours, school transport and private hire. In total there are 1,721 coach operators in Ireland, carrying over 27 million passengers per year, supporting 11,457 jobs and contributing €400 million to the economy.

Concerned about the drastic impact the coronavirus would have on the sector, the organisation commissioned economist Jim Power to conduct research into the sector, the social and economic contribution it makes and the impact of the Covid-19 pandemic on operators. The Report also contains a number of recommendations for direct government support and financial assistance.

Some of the key findings in the ***Assessment of the Covid-19 issues facing the Private Bus & Coach Sector in Ireland*** include:

- COVID-19 is having a devastating impact on the main areas of activity of the private bus and coach industry since March.
- Turnover has declined 95% which equates to a €586 million loss.
- Without significant assistance from Government, many operators will not survive.
- Market distortion and unfair competition is adversely impacting the sector with public services subsidised by the State and official Government advice that people should stay off buses.
- Regional and rural economies are disproportionately affected as bus and coach operators provide significant regional employment, service the transport needs of rural towns; transport children from rural areas to schools; and transport many tourists to the various attractions all over the country.

**Chairman of the CTTC, John Halpenny today said** “The bus and coach sector in Ireland is facing an existential crisis with operators’ revenues collapsing, members cashflow abruptly cut off, reserves depleted and the prospect of insolvency facing many. Our concerns are further compounded by the fact that public confidence is badly shaken by the pandemic so it will take some period of time before we see a degree of normality resume. It appears certain that without significant assistance and intervention from Government, many operators will simply not survive.”

The CTTC has called for the recommendations brought forward in the Report to be acted on without delay in order to bring support to the frontline. Among those made include:

- A Financial Support Mechanism based on self-certified turnover for 2019. A subsidy of 17% of a company's revenue would be claimed by each operator, amounting to a total injection of €32 million over a nine-month period.
- Retention of the wage subsidy scheme until 2021 or when turnover returns to 75%.
- Forbearance/moratorium by financial institutions to be extended.
- Recalibration of the Government's credit guarantee scheme to permit applications for refinancing of loans.
- Clarification of the 2-metre social distancing rule and quarantine requirements subject to health considerations and international best practice.
- Mandatory wearing of facemasks by children on school buses.

**John Halpenny continued** "It is clear that the business environment for bus and coach operators will be extremely challenging over the next 18 months with the sector having to deal with reduced capacity due to social distancing, limited international travel as a consequence of quarantining rules and depleted consumer confidence. Sustaining services in the face of the foregoing will prove dreadfully difficult as most routes will be completely unviable which will result in severe disruption to passengers".

"This begs the questions who will service areas state operators will not venture into? Who will bring children to school? Who will spend large budgets advertising Ireland as a destination to international visitors and help deliver a product that lends itself to delivering 2.2 million tourists per year?".

"Our members stand ready to help tourism re-build, run adequate scheduled services, and satisfy the demand for private bus hire but without state support many of them will simply not be around. Private bus operators keep Ireland moving so it is essential direct government intervention is forthcoming to save the sector and all those who depend on it" John Halpenny concluded.