COVID-19 Effects

Post lockdown, public transport will see reduced ridership as a result of physical distancing and concerns over the virus. Beyond the first few months, demand may exceed supply, calling for innovative approaches.

Financial collapse of operators

This is likely without implementing new funding solutions. Bus transport is low margin or loss making in normal times. With revenues cut by half, services will not be sustained. Estimated STUs / private operators revenue losses compared to BAU over the lockdown and recovery period:

INR Cr: 25,000 / 125,000

Assumes reduced ridership for six months post lockdown due to physical distancing

Source: Gerald Ollivier
Rebalancing Allocations?

State Transport Expenditure (INR crores)
Maharashtra

- Roads and Bridges: 15,843 (83%)
- Air, Rail and Port: 841 (5%)
- Bus Transport: 633 (3%)

Collection of Taxes on vehicles: 1,766 (9%)

State Transport Expenditure (INR crores)
Andhra Pradesh

- Roads and bridges: 1557 (74%)
- Air, Rail and Port: 150.3 (7%)
- Bus transport: 290 (14%)

Collection of taxes on vehicles: 107 (5%)

Strategies to enhance resources for bus and non-motorized Transport

There is strong potential for improving revenues through taxation measures. Quantitative impact of these four strategies is discussed in the slides that follow.

**Strategies to enhance resources**

Strategies that have the potential to **increase revenue** for the State government:

- **Strategy 1:** Increasing Vehicle Registration tax
- **Strategy 2:** Increasing Environmental Tax
- **Strategy 3:** Introducing Annual Tax on personal vehicles
- **Strategy 4:** Fuel Surcharge

Strategy for **rebalancing of expenditures**:

- **Strategy 5:** Re-allocation within the State budgets
- **Strategy 6:** Re-allocation within the City budgets

Source: Word Bank