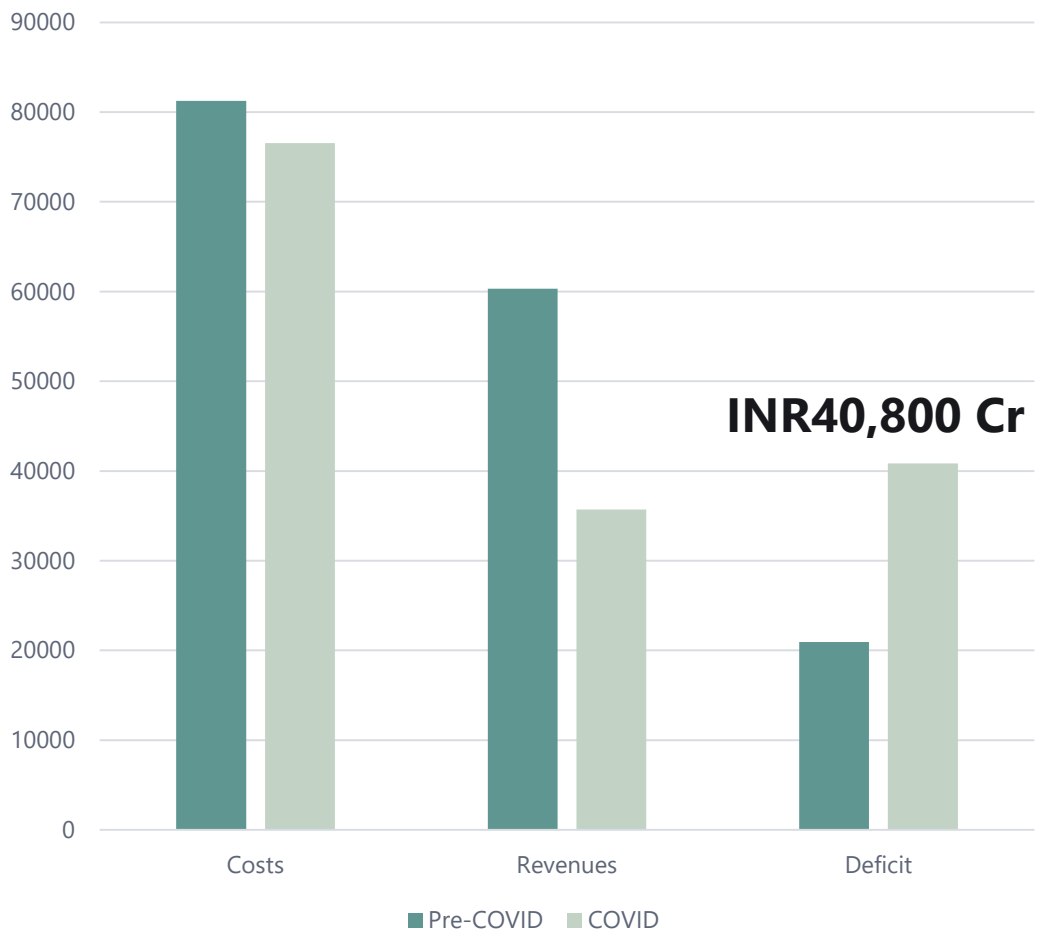


COVID-19 Effects

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.

Projected STU Financial Performance February 2020/2021 (INR Cr) with/without COVID



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

Source: Gerald Ollivier

Financial collapse of operators

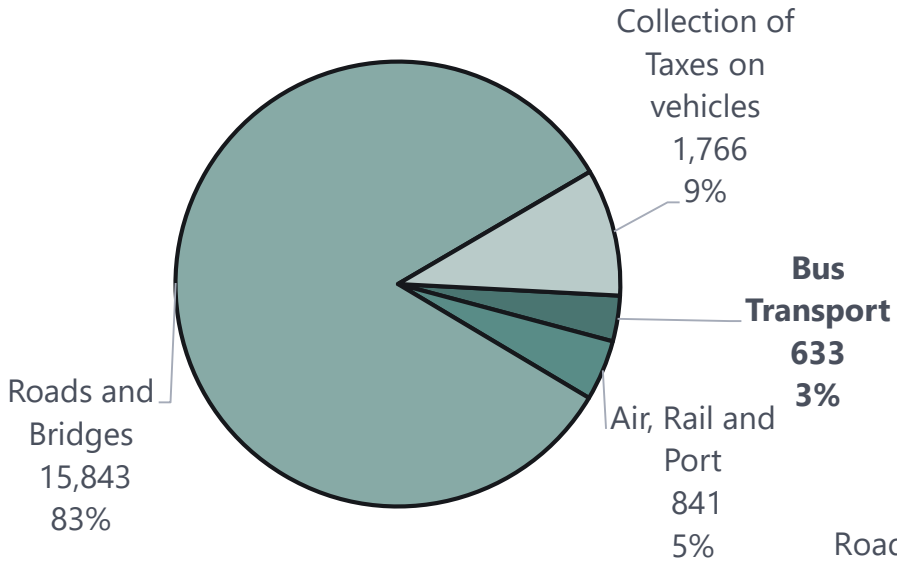
This is likely without implementing new funding solutions. Bus transport is low margin or loss making in normal times. With revenues cut by half, services will not be sustained.

Estimated **STUs / private operators** revenue losses compared to BAU over the lockdown and recovery period:

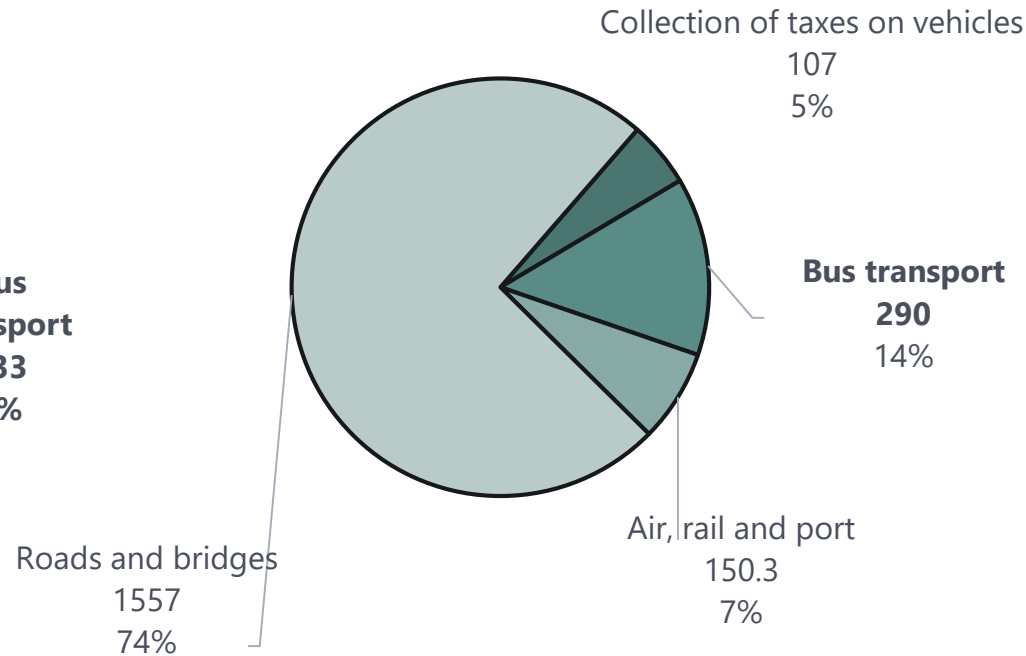
INR Cr: 25,000 / 125,000

Rebalancing Allocations?

State Transport Expenditure (INR crores)
Maharashtra



State Transport Expenditure (INR crores)
Andhra Pradesh



Source: Word Bank

Source: RBI State of States report, 2019-2020, AP govt detailed Budget Estimate of Revenue and Receipts 2019-2020

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 3:
Introducing Annual Tax on personal vehicles



Strategy 2:
Increasing Environmental Tax



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