

# Towards a more sustainable new normal for the transport sector

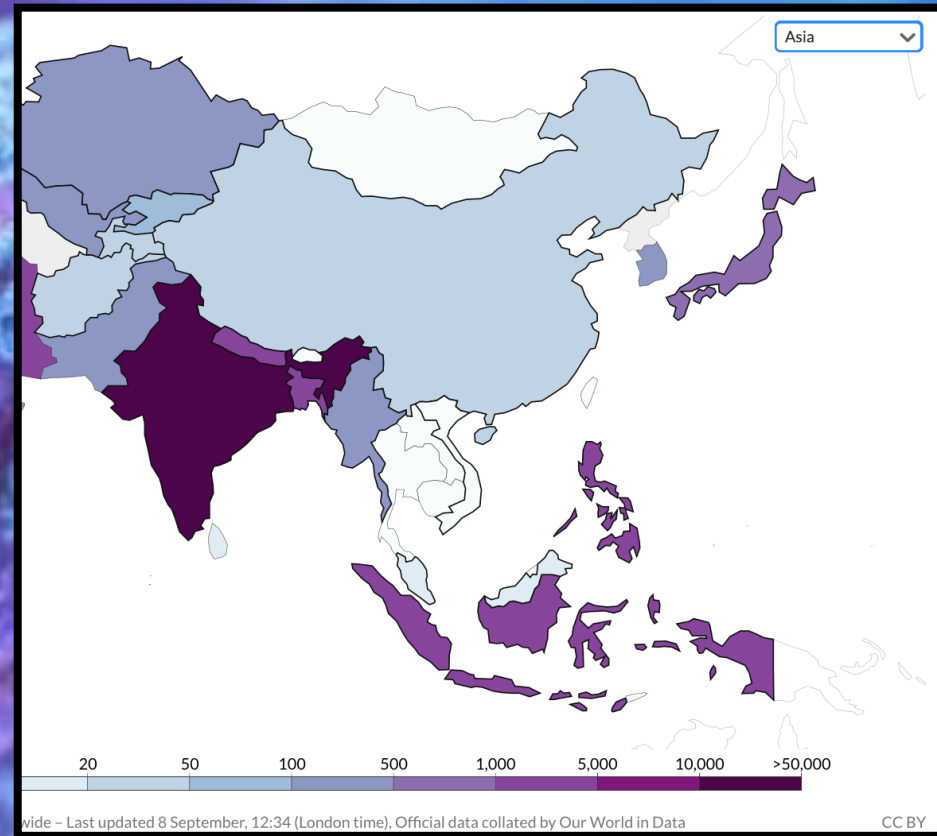
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*Vice-President for Knowledge Management  
and Sustainable Development  
Asian Development Bank*

*18 September 2020*

# COVID-19 in Asia and the Pacific

**In Asia and the Pacific:**  
More than 6 million cases  
More than 110,000 deaths



## Daily new confirmed COVID-19 cases, Sep 8, 2020

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World  
in Data

# ADB support to COVID-19 response



## ADB's three pillars of COVID-19 response:

- Finance response actions by member countries
- Convene partners
- Generate and disseminate knowledge



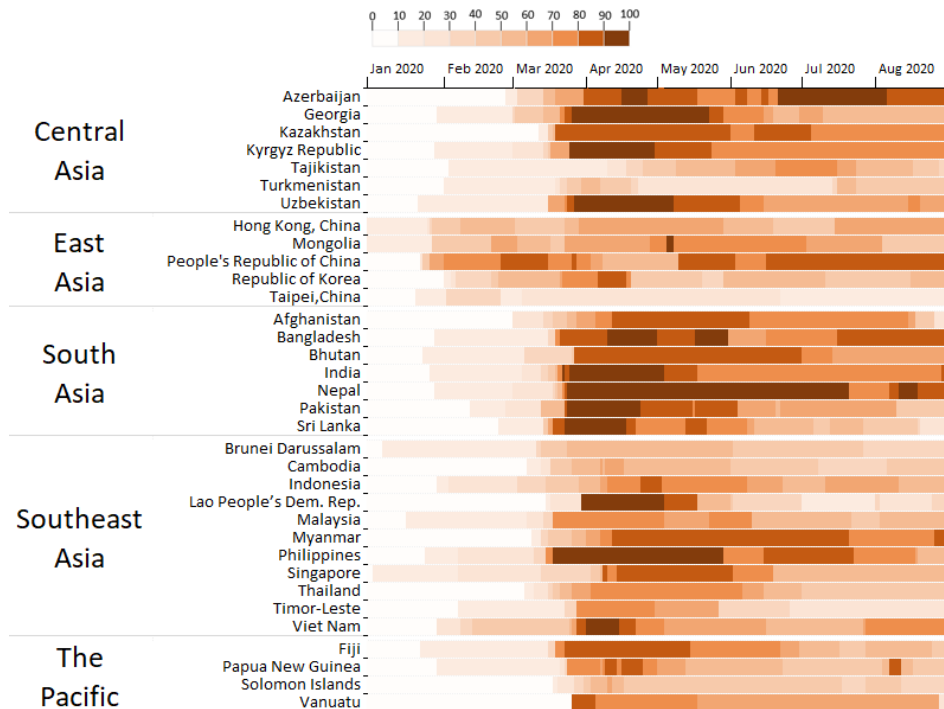
# COVID-19 vaccine “Triple As” approach

1. Availability
2. Accessibility
3. Affordability



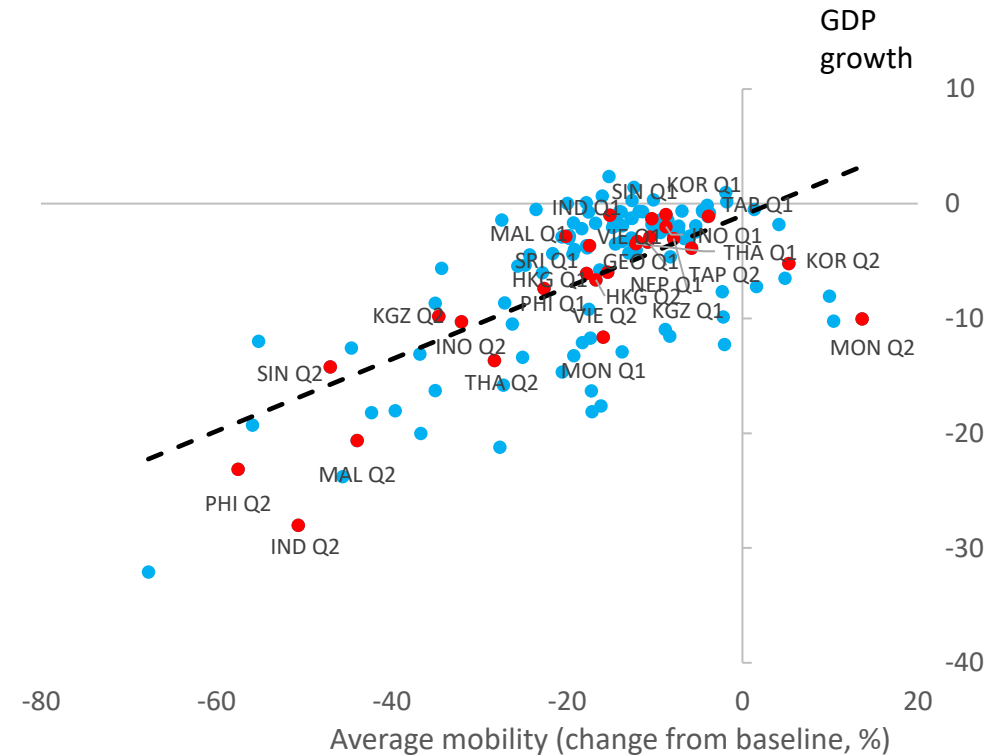
# The outbreak and containment measures restricted mobility and domestic activity...

Stringent containment measures in Asia are now being eased...



Note: The Government Response Stringency index is a composite measure of nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100, with 100 being the strictest response. Source: University of Oxford. (accessed 8 September 2020).

...but the mobility reductions led to steep GDP growth declines

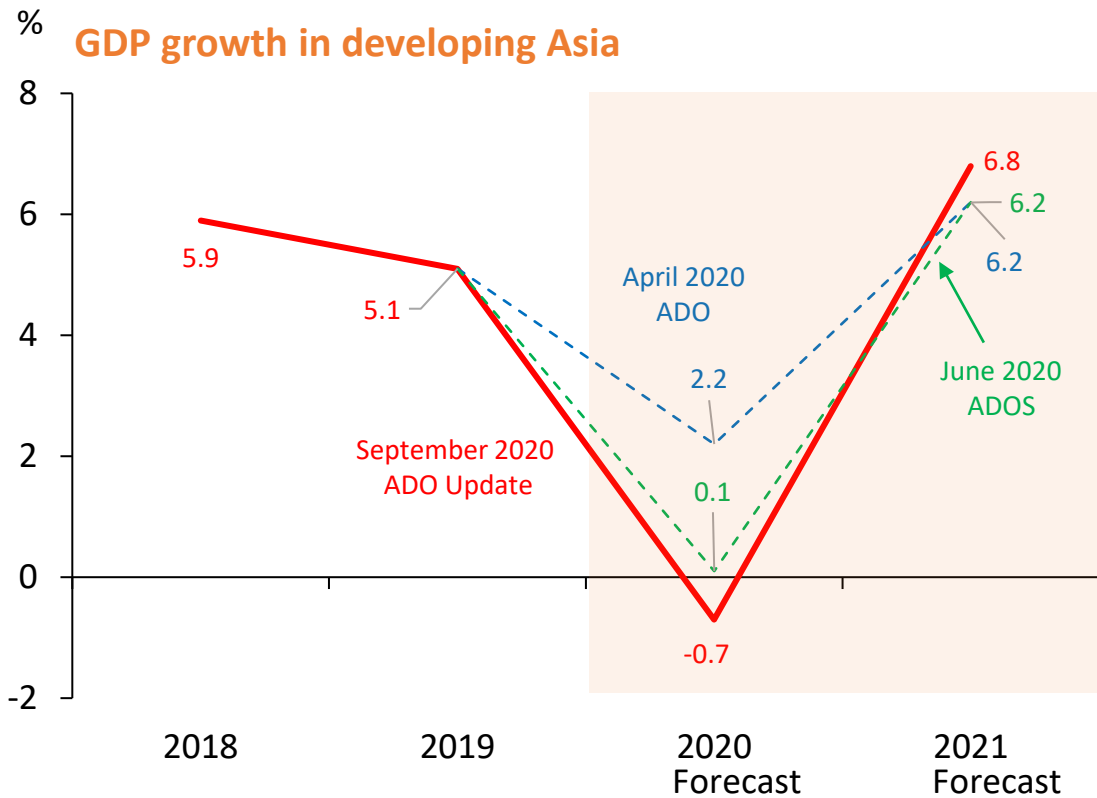


Notes: Red dots are ADB developing member economies. Year-on-year GDP growth relative to GDP growth in Q4 of 2019. Sources: CEIC database; Oxford University; and Google.

# Developing Asia will see its lowest growth since 1961, and recovery of GDP levels in 2021 will not be V-shaped...

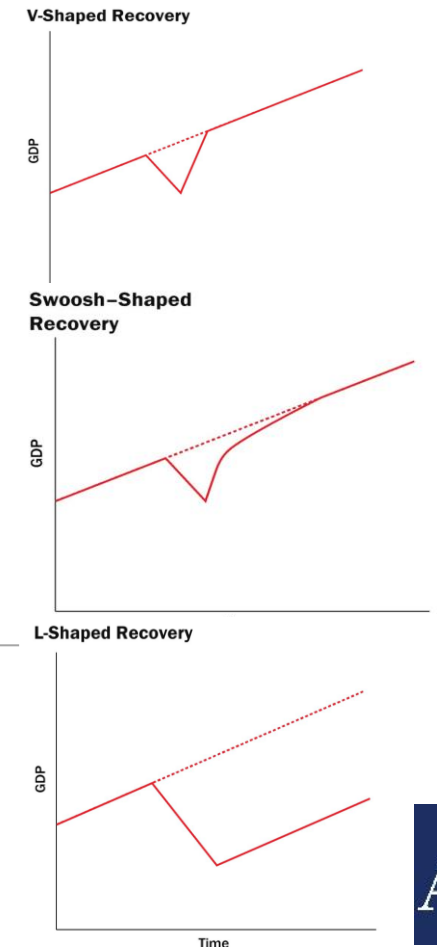
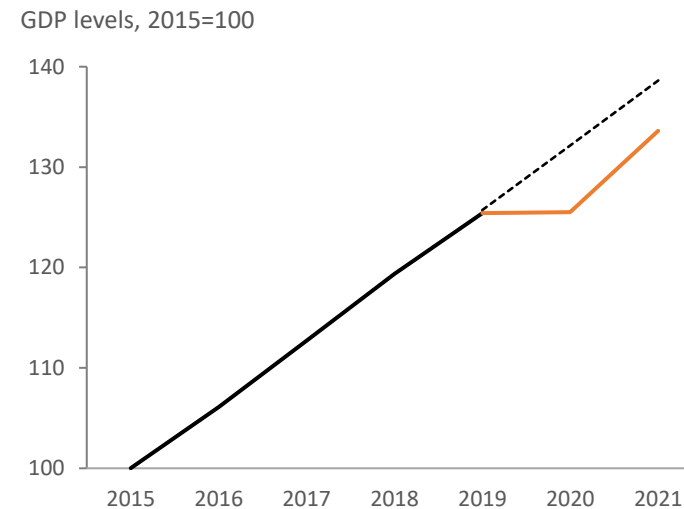
While GDP growth rates will recover in 2021, it will not be enough to fully offset the sharp drop in 2020...

...and GDP levels will be below what they would have been without COVID, in 2021 and possibly beyond.



Source: Asian Development Outlook Update, September 2020.

## GDP levels in developing Asia



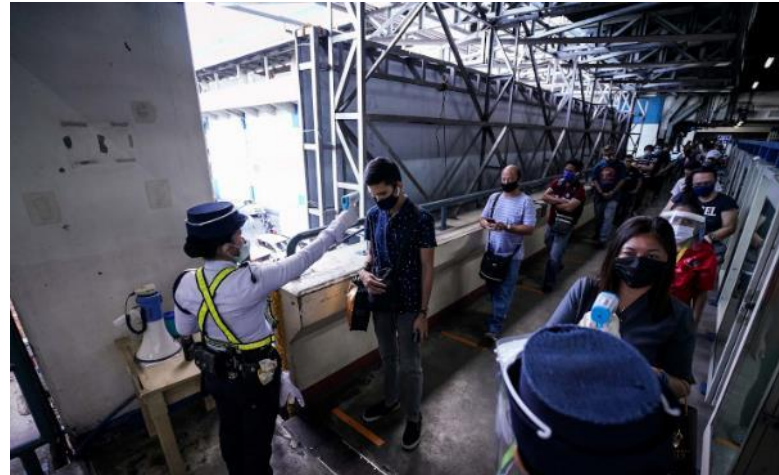
# ...and the decline is broad-based, affecting most economies.

|                        | 2020       |               | 2021       |              |                       | 2020        |               | 2021       |              |
|------------------------|------------|---------------|------------|--------------|-----------------------|-------------|---------------|------------|--------------|
|                        | ADO        | ADOU          | ADO        | ADOU         |                       | ADO         | ADOU          | ADO        | ADOU         |
| <b>East Asia</b>       | <b>2.0</b> | <b>1.3 ▼</b>  | <b>6.5</b> | <b>7.0 ▲</b> | <b>South Asia</b>     | <b>4.1</b>  | <b>-6.8 ▼</b> | <b>6.0</b> | <b>7.1 ▲</b> |
| Hong Kong, China       | -3.3       | -6.5 ▼        | 3.5        | 5.1 ▲        | Bangladesh            | 7.8         | 5.2 ▼         | 8.0        | 6.8 ▼        |
| PRC                    | 2.3        | 1.8 ▼         | 7.3        | 7.7 ▲        | India                 | 4.0         | -9.0 ▼        | 6.2        | 8.0 ▲        |
| Republic of Korea      | 1.3        | -1.0 ▼        | 2.3        | 3.3 ▲        | Pakistan              | 2.6         | -0.4 ▼        | 3.2        | 2.0 ▼        |
| Taipei,China           | 1.8        | 0.8 ▼         | 2.5        | 3.5 ▲        |                       |             |               |            |              |
| <b>Southeast Asia</b>  | <b>1.0</b> | <b>-3.8 ▼</b> | <b>4.7</b> | <b>5.5 ▲</b> | <b>Central Asia</b>   | <b>2.8</b>  | <b>-2.1 ▼</b> | <b>4.2</b> | <b>3.9 ▼</b> |
| Indonesia              | 2.5        | -1.0 ▼        | 5.0        | 5.3 ▲        | Azerbaijan            | 0.5         | -4.3 ▼        | 1.5        | 1.2 ▼        |
| Malaysia               | 0.5        | -5.0 ▼        | 5.5        | 6.5 ▲        | Kazakhstan            | 1.8         | -3.2 ▼        | 3.6        | 2.8 ▼        |
| Philippines            | 2.0        | -7.3 ▼        | 6.5        | 6.5          | <b>The Pacific</b>    | <b>-0.3</b> | <b>-6.1 ▼</b> | <b>2.7</b> | <b>1.3 ▼</b> |
| Singapore              | 0.2        | -6.2 ▼        | 2.0        | 4.5 ▲        | Fiji                  | -4.9        | -19.8 ▼       | 3.0        | 1.0 ▼        |
| Thailand               | -4.8       | -8.0 ▼        | 2.5        | 4.5 ▲        | Papua New Guinea      | 0.8         | -2.9 ▼        | 2.8        | 2.5 ▼        |
| Viet Nam               | 4.8        | 1.8 ▼         | 6.8        | 6.3 ▼        |                       |             |               |            |              |
| <b>Developing Asia</b> | <b>2.2</b> | <b>-0.7 ▼</b> | <b>6.2</b> | <b>6.8 ▲</b> | <b>Excluding NIEs</b> | <b>2.4</b>  | <b>-0.5 ▼</b> | <b>6.7</b> | <b>7.2 ▲</b> |

▲ = upgraded forecast, ▼ = downgraded forecast, no sign = unchanged.

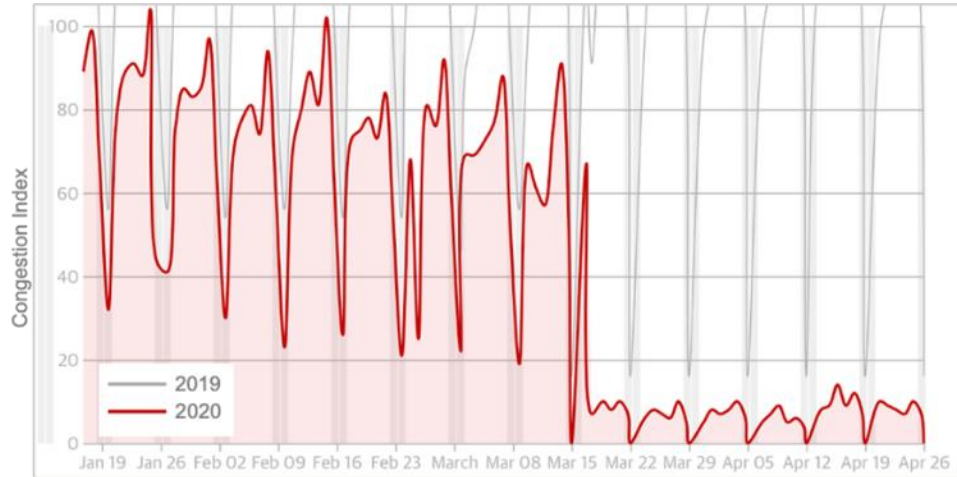
# We are in the new normal

## Yet existing transport challenges remain



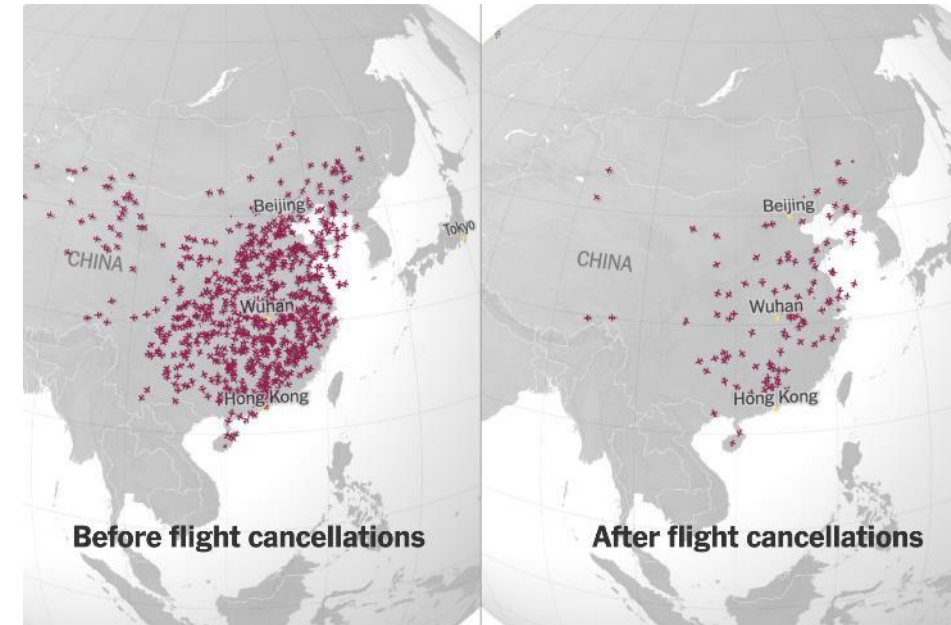


# COVID-19 Impacts on Transport



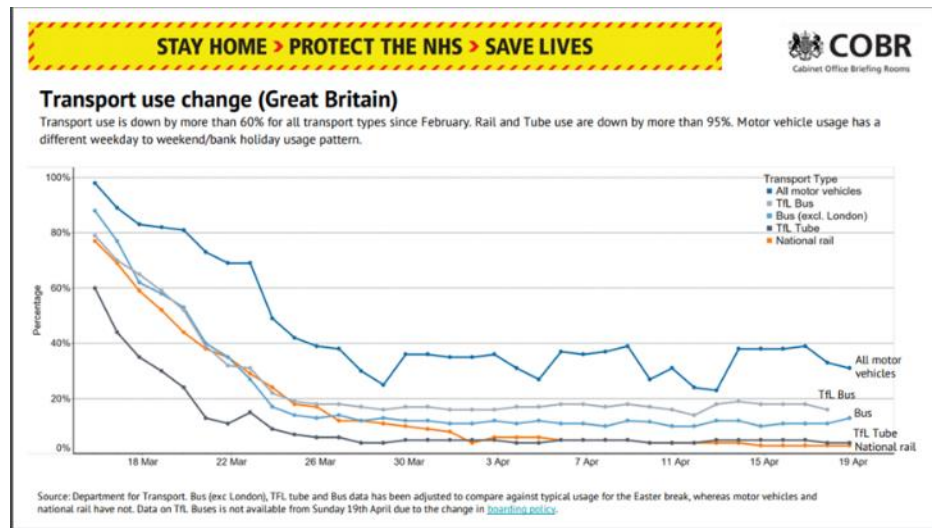
## Manila

Decrease in traffic prior to lockdown; peak congestion dropped by 90% during lockdown



## Worldwide

Flights have fallen to unprecedented levels



## United Kingdom

Transport fell dramatically across all modes

# Transport System “Reopening”



**Switzerland** Plastic separator between bus driver and passengers



**Korea** (Top) Special taxi drivers in Incheon airport to prevent COVID-19 inflow; (Bottom) Emergency alert text announcing locations visited by confirmed COVID-19 patients



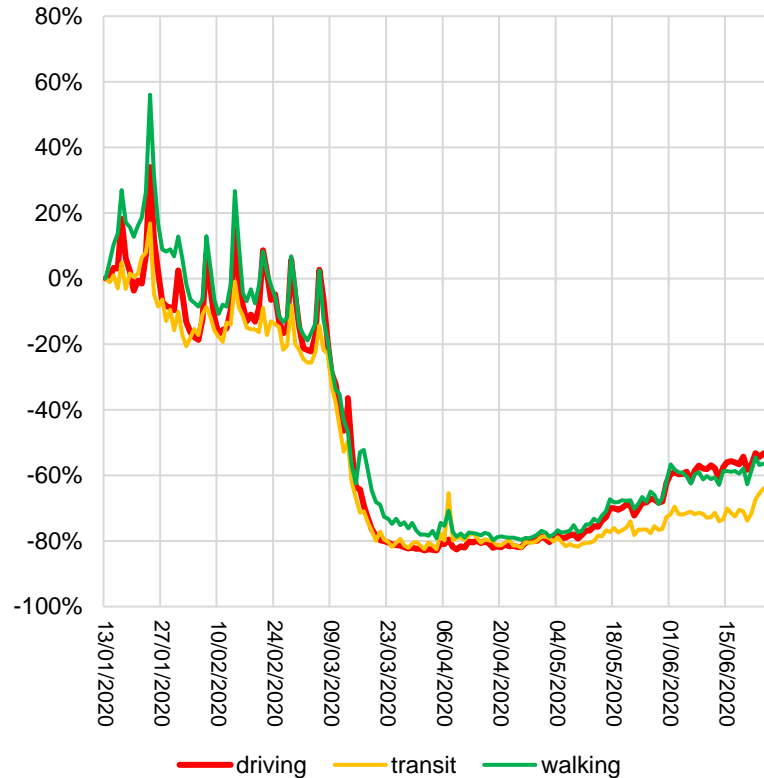
**Italy** Marked seats in the metro



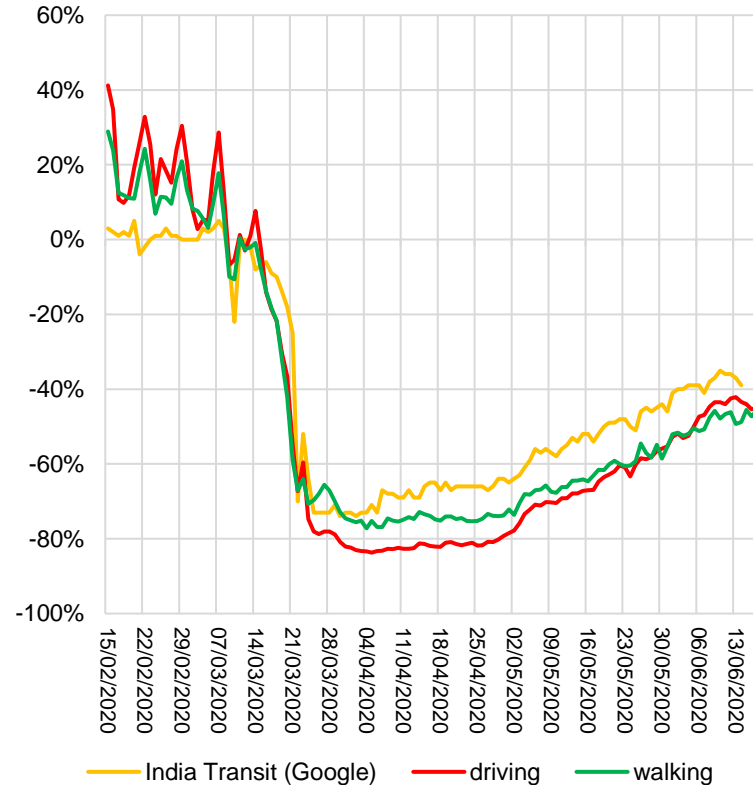
**Korea** Bi-weekly disinfection in metros

# The collapse (and return) of mobility

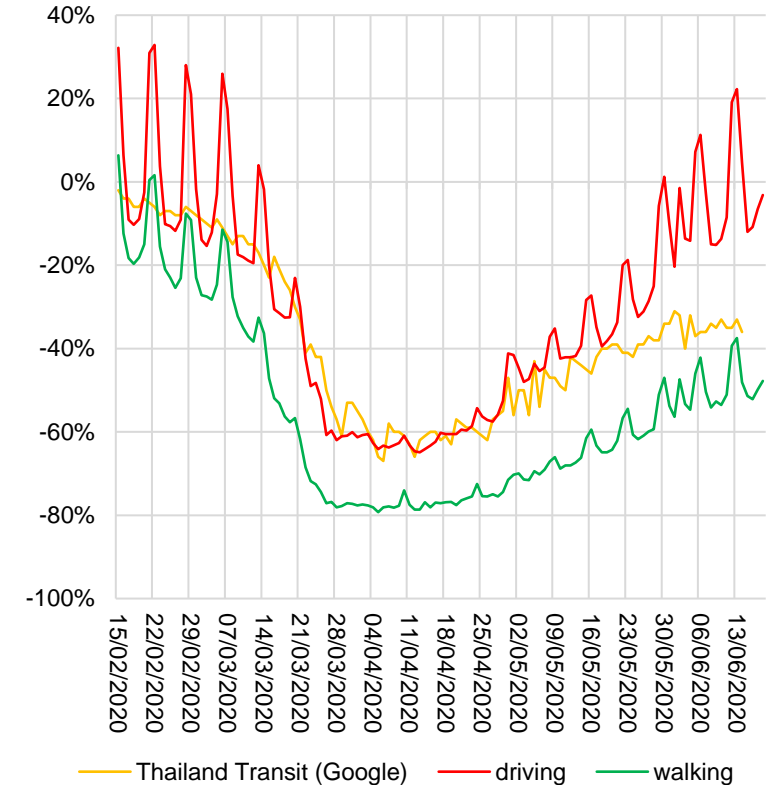
## Philippines



## India



## Thailand



# ADB mapped possible future trends

## Trend 1: Demand returns on public transport

Demand on public transport returns to “pre-pandemic” levels.

### Factors:

- Virus is under control and no reason to avoid public transport

### OR:

- Staying home is not an option for economic reasons
- High proportion of captive users on public transport
- Lack of viable alternatives

## Trend 2: Shifts to active transport modes (walk, cycle)

Travel mode shifts to walking, cycling, 2-3 wheelers. Less reliance on public transport. Private car mode may hold, or slightly suppressed through road space reallocation.

### Factors:

- Availability of safe and viable alternatives on alternative NMT modes
- Reallocation of road space to NMT modes

## Trend 3: Private transport (car, motorcycle) is king

There is unwillingness to return to public transport. Private transport is preferred.

### Factors:

- Lack of public confidence in public transport (health concerns)
- Users can afford to switch to other modes
- Walking and cycling is not seen as adequate alternatives

## Trend 4: Decreased travel demand

Work from home and e-commerce, and/or economic recession result in an overall lower frequency of travel.

### Factors:

- Economic downturn reduces demand for passenger and freight transport
- Reasonably high level of digital inclusion and literacy (e.g. availability of digital infrastructure and services)
- E-commerce penetration is high
- Type of occupations allow commuters to work remotely.

# Trend 1: Demand returns on public transport

World

**Australia's most populous state doubles public transport capacity as coronavirus curbs ease**

Australia (June)

www.news.cn  
新华网  
NEWS  
www.xinhuanet.com

XINHUANET

Monday, July 27, 2020

Editions

Beijing allows public transport to operate at full capacity

Source: Xinhua | 2020-07-25 20:24:23 | Editor: huaxia

PRC (July)

**Covid-19: Kiwis' public transport use way above projections, and we're leading the world**

New Zealand (June)

The Jakarta Post

**Public transportation returns to normal**

Indonesia (June)

**Public transport to run at full capacity**

Malaysia (June)

# We must renew our efforts to ensure that public transport systems are safe, reliable, and resilient to future shocks

**2S**



**Right SPACING**

**2D**



**DISINFECTION**



**SCREENING**



**DIGITALIZATION**

# Trend 2: Shifts to active transport modes (walk and cycle)



Manila



Islamabad



Beijing

# Trend 3: Private transport (car and motorcycle) is king

As lockdown ends, Manila's dirty air is back. It doesn't have to stay

by Mavic Conde on 19 June 2020



'Car-led' recovery increasingly apparent, Transport for London chief planner warns

5th June 2020

Number of new private cars licensed rises for first time since Covid

Latest CSO figures also show numbers opting for electric or hybrid cars continues to rise

Home > Life > News >> US Vehicle Traffic Has Rebounded To About 90% Of Pre-pandemic Levels As Commuters Steer Clear Of Public Transit, Report Says

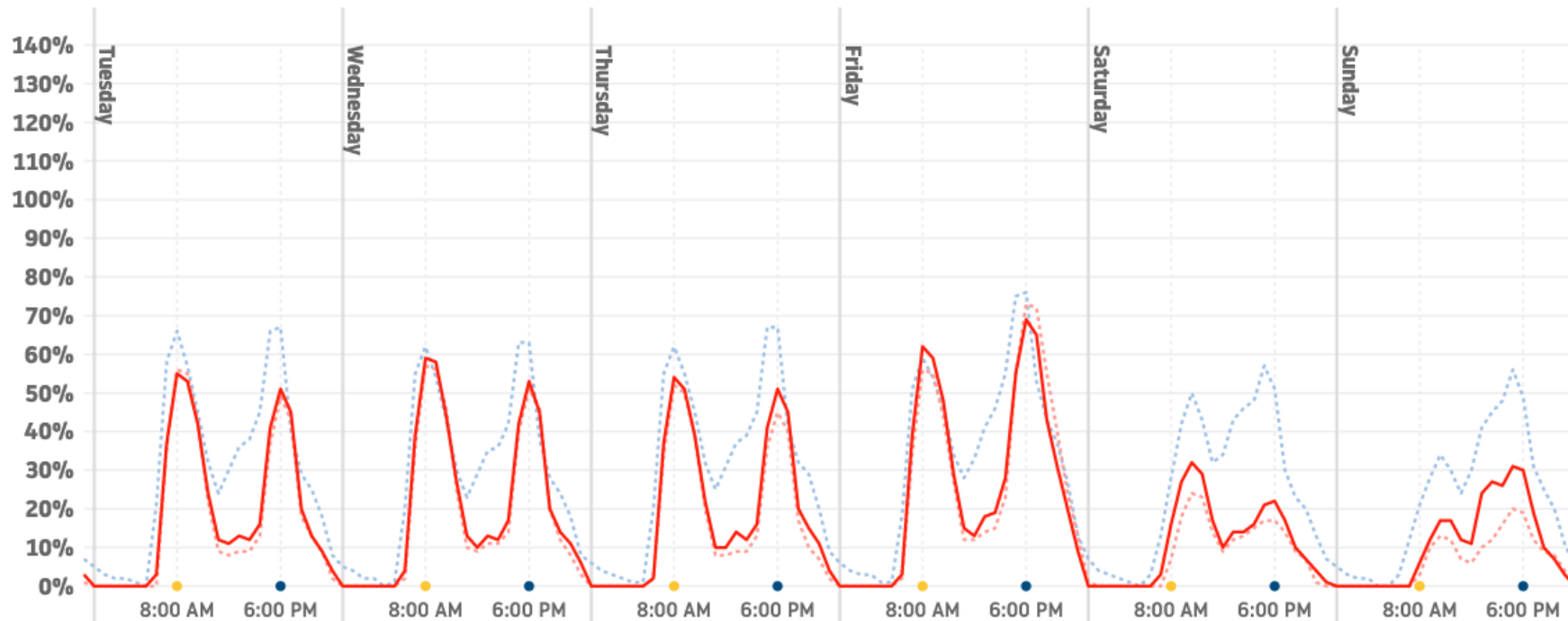
**US vehicle traffic has rebounded to about 90% of pre-pandemic levels as commuters steer clear of public transit, report says**



# Trend 3: Private transport (car and motorcycle) is king

## HOURLY CONGESTION LEVEL

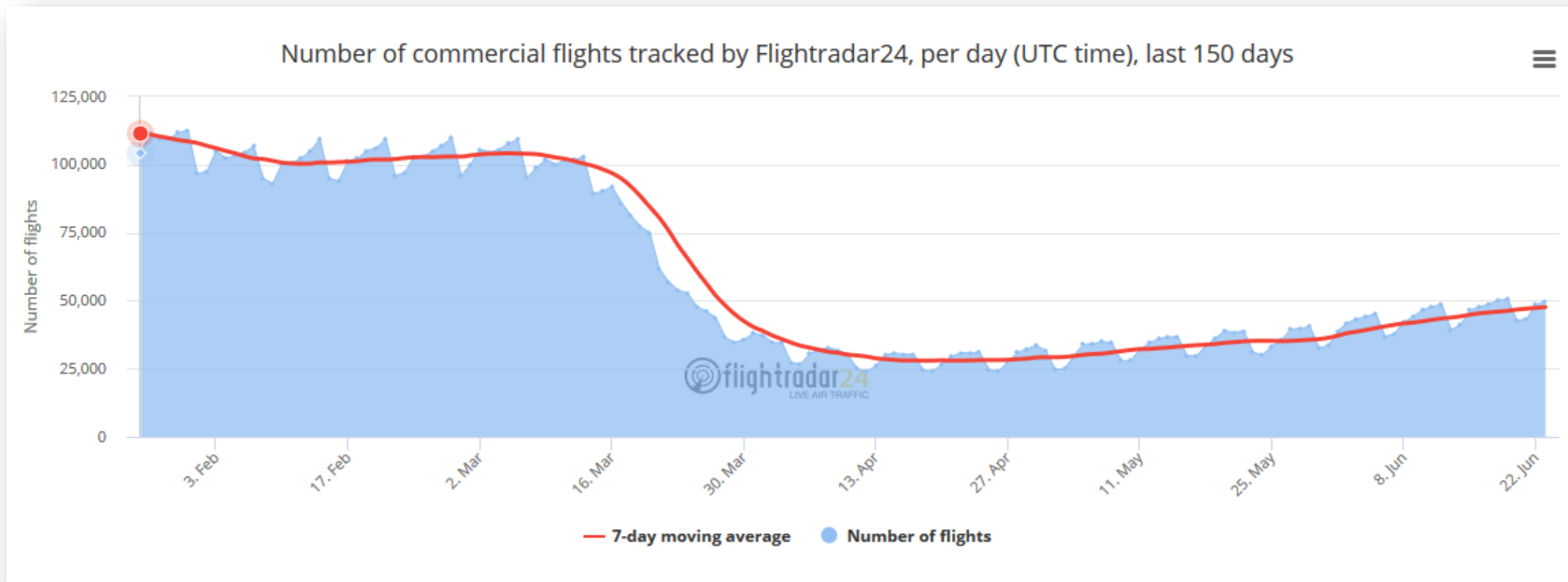
Last 48 hours    Last 7 days



Beijing traffic congestion, last week of June 2020

# Trend 3: Decreased travel demand

- Country borders restrictions have disincentivized international travel
- Rising acceptance of work-from-home serves to replace business travel requirements



# What will be in the next “new normal”?



**Transport infrastructure and services across Asia still short of meeting demand**

**ADB strives to ensure:**

- the poorest in urban areas have affordable transport
- rural communities have reliable access to markets
- isolated island or land-locked countries not disadvantaged by transport costs

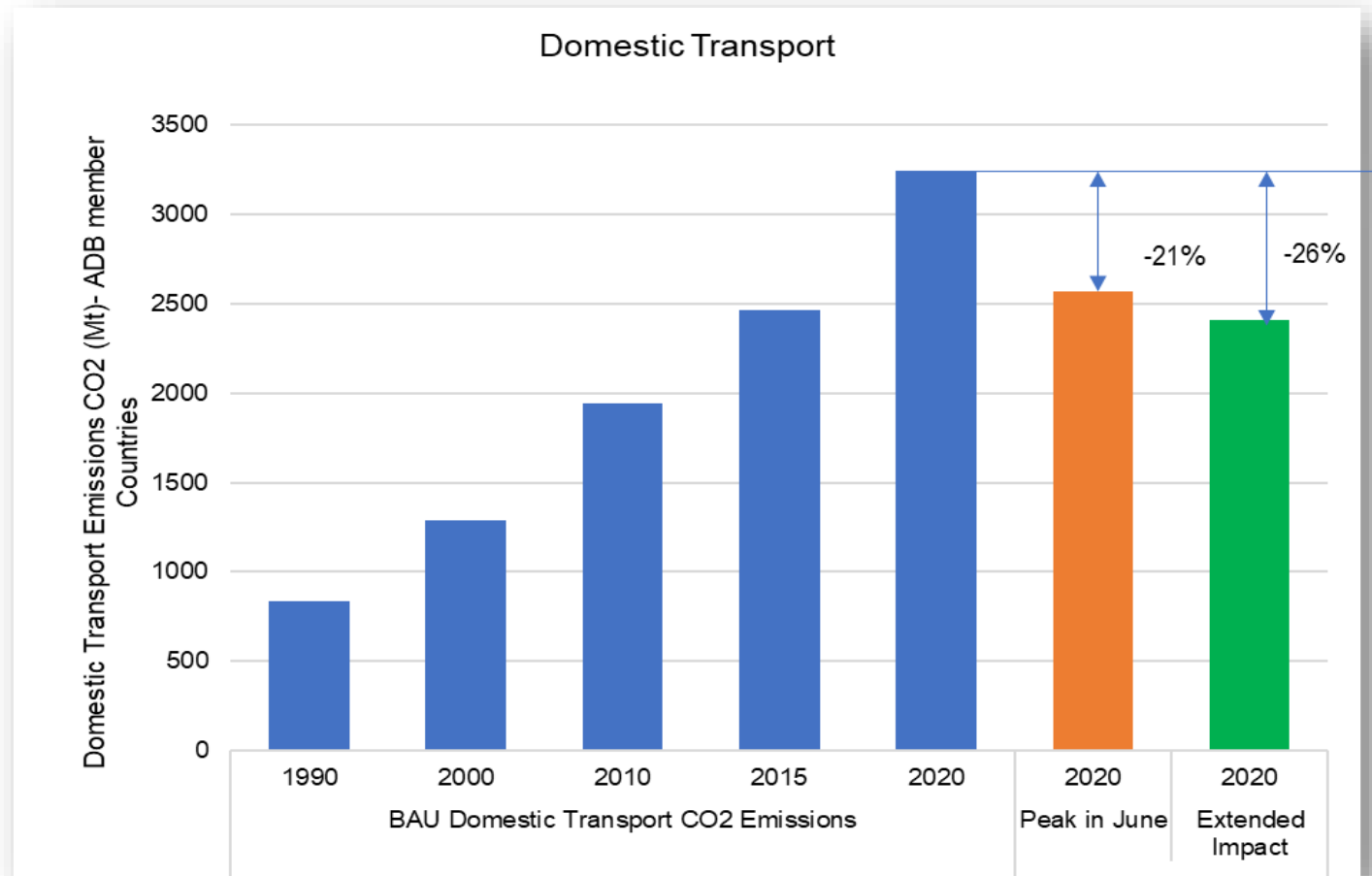
# What will be in the next “new normal”?

**Positive environment impacts brought by COVID-19 in reduced CO<sub>2</sub>, NO<sub>2</sub> and air pollution**



# What will be in the next “new normal”?

## Positive environment impacts brought by COVID-19 in reduced CO<sub>2</sub>, NO<sub>2</sub> and air pollution



### Note

- Peak in June assumes that travel demand reduction peaks in May/June and there is gradual shift to normality
- COVID-19 extended impact scenario assumes peak in May/June but situation does not return to normal till December

# DIGITAL MOBILITY

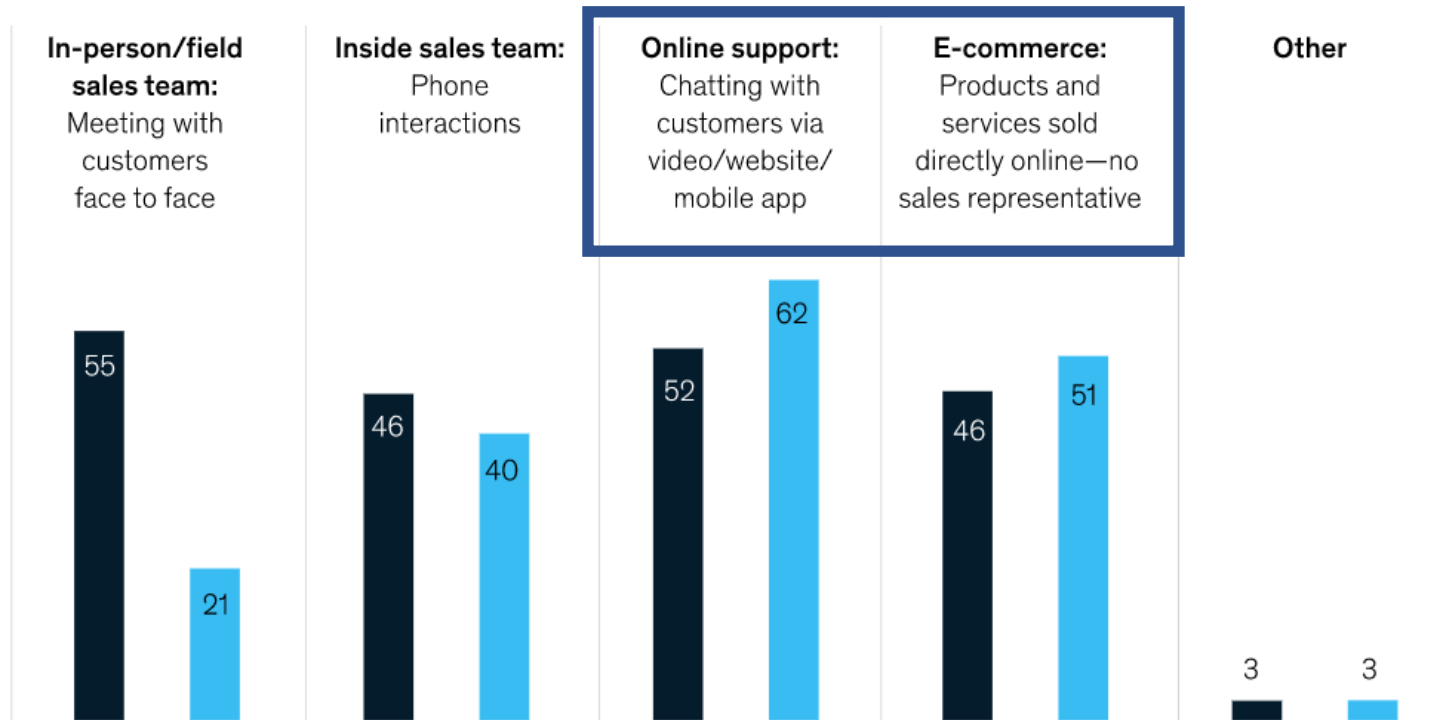


SOURCE: CTT0

# B2B companies have shifted their go-to-market models

Go-to-market sales model during COVID-19,<sup>1</sup>  
% of respondents

■ Before COVID-19 ■ During COVID-19

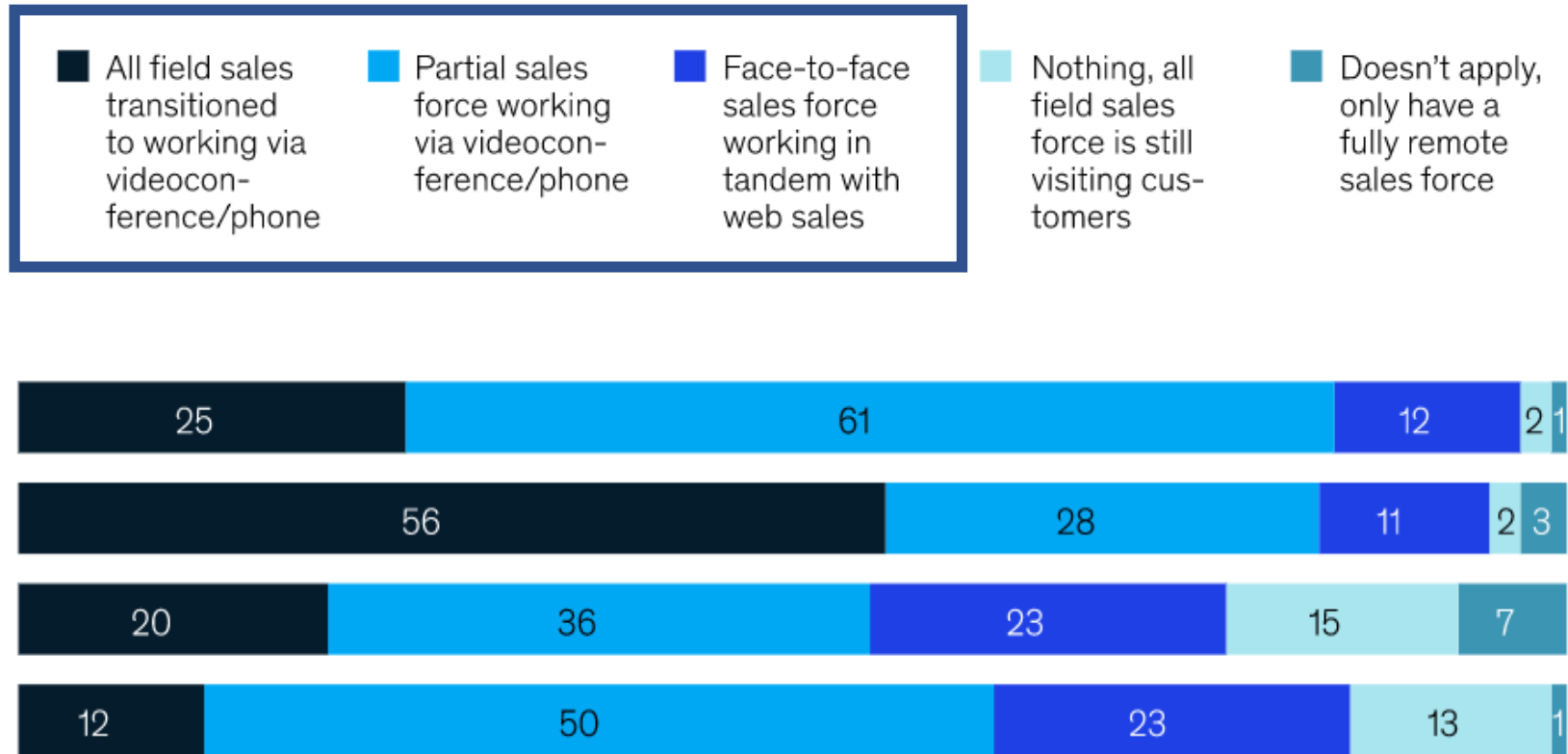


<sup>1</sup>Question: In what ways was your company's product or service sold before COVID-19? Question: Now today, in what ways is your company's product or service sold during COVID-19?

Source: McKinsey COVID-19 B2B Decision-Maker Pulse #2, 4/20–4/28/2020 (n = 3,755)

# More than 90% transitioned to virtual sales during COVID-19

What has your company done to adjust your sales model for COVID-19? % of respondents

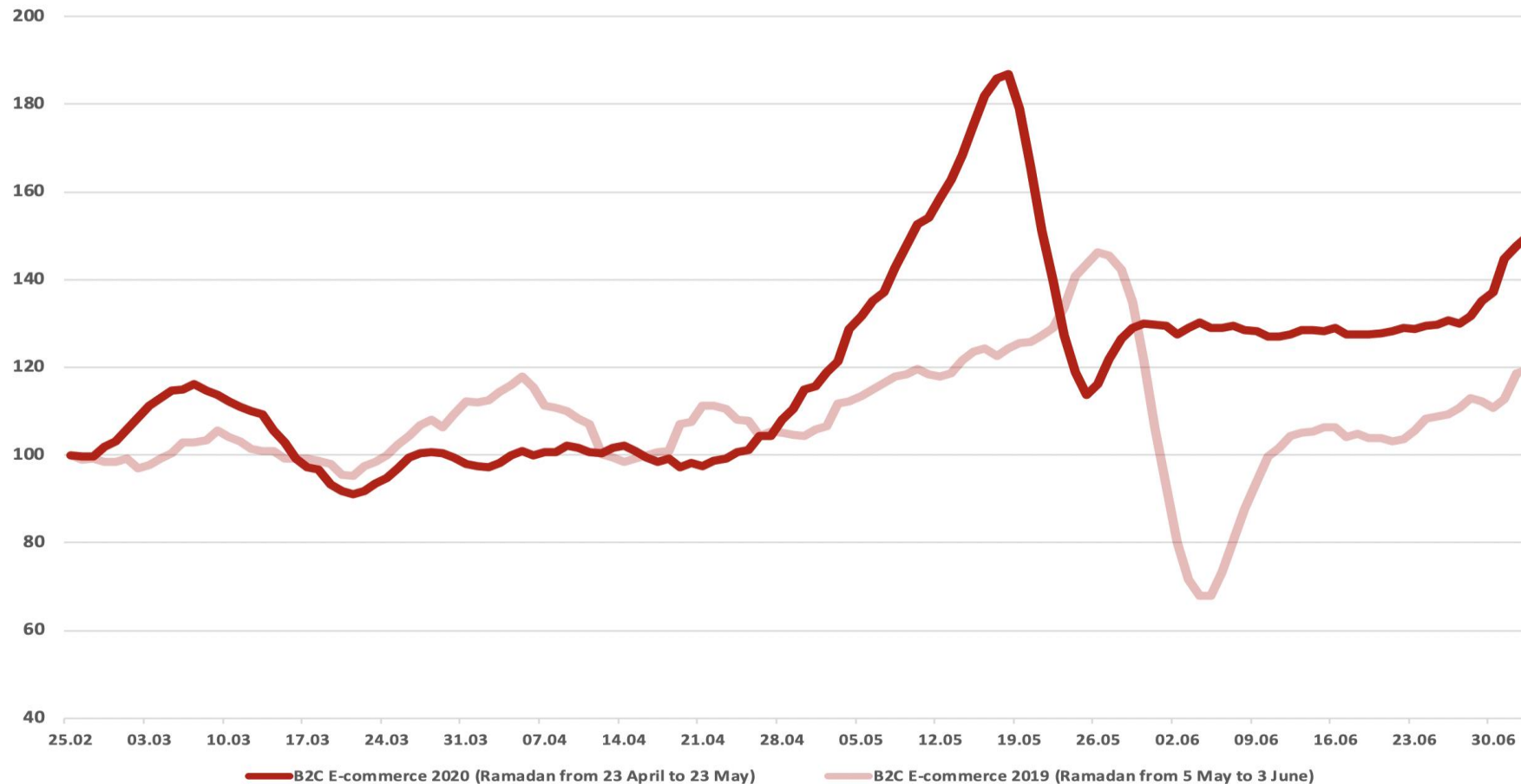


Source: *McKinsey (2020)*



# B2C E-commerce in Indonesia: Shift towards higher new normal

**B2C E-commerce in Indonesia during Covid-19 in 2020 and comparison with 2019**  
(weekly moving average of volumes (base=100 last week in February))



Source: UPIDO (2020)

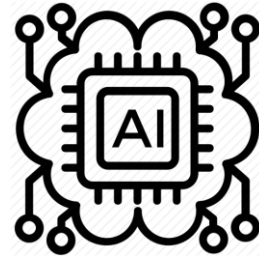
# Urban logistics, supply chain “Digital Apps”



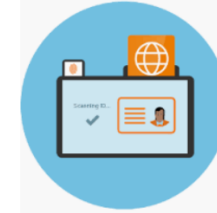
# Facilitating mobility through digital technologies



**Blockchain:** transactions verified and approved by consensus, prevents fraud



**Artificial Intelligence:** Detects and predicts patterns more accurately; used in customs audits, classification of products



**Digital ID:** provides a low-cost legal identity to any business verifiable globally



**Biometrics:** verify identities, control access



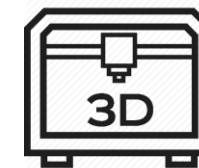
**Virtual, augmented, mixed reality:** used to project visual assistance in the physical world, e.g. physical inspection, visualize big data



**Internet-of-Things:** Asset tracking in supply chain management, e-commerce



**Drones:** used by customs for surveillance and monitoring



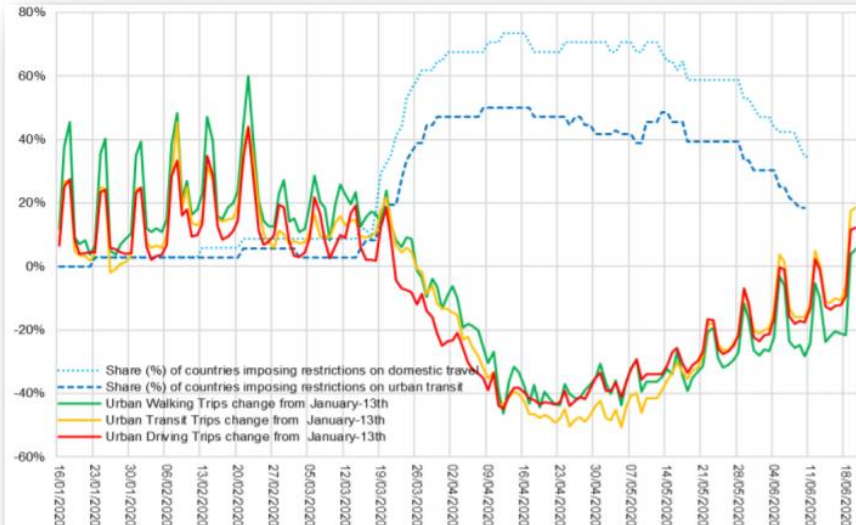
**3D printing:** 3D solid products printed domestically from a digital file

# What will be in the next “new normal”?

ADB

24 July 2020

## Guidance Note on COVID-19 and Transport in Asia and the Pacific



## Impact of COVID-19 on Transport in Asia and the Pacific

Sources: H Thomas et al. 2020. Oxford COVID-19 Government Response Tracker, Blavatnik School of Government. <https://www.bsg.ox.ac.uk/research/research-projects/coronavirus-government-response-tracker>.  
Google LLC "Google COVID-19 Community Mobility Reports". Retrieved: 24/06/2020. <https://www.google.com/covid19/mobility/>.  
Apple (2020) "Apple's Mobility Trend Reports" Retrieved 24/06/2020. <https://www.apple.com/covid19/mobility/>.

A “bounce-back strategy and framework” has been developed for each transport subsector to assist countries exiting lockdowns and covers three phases:

- 1- **response** phase in the immediate term (up to 3 months)
- 2- **recovery** phase in the medium term (up to 1 year), and
- 3- **rejuvenation** in the longer term (after 1 year)





## 3Rs of Transportation

- Rebound
- Redress
- Resilient



# What will the “New Normal” look like?



**Auto-dominated individual transport**

**VS**



**Sustainable, smart, green, healthy and inclusive**

© Rendering by Mithun

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