

Press Release

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Nearly half of Belgian consumers plan to avoid public transport due to COVID-19 over the next three months

Seventy-three percent of organisations in the mobility ecosystem fear the insecurity will last two to three years

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Deloitte's latest Global State of the Consumer Tracker reveals that 43 percent of Belgian consumers plan to limit usage of public transit over the next three months. In parallel, Deloitte Belgium's latest study into the state of mobility after COVID-19, conducted with the support of ITS.be, stated that seventy-three percent of organisations in the Belgian mobility ecosystem believe that consumers will continue to feel insecure using public transport in the coming two to three years and 63 percent believe that will also result in decreased usage of public transport in the same timeframe. There is widespread concern that this could lead to a modal shift back to the car, which could lead to significant congestion challenges. The mobility ecosystem is taking action, which will drive a significant increase in collaboration and digitalisation, resulting in increased innovation that will benefit consumers.

Deloitte Global interviewed 3,000 Belgian consumers to gain an understanding of the key economic and health concerns that are shaping the mobility needs and behaviours of the public after the end of the lockdown. In parallel, Deloitte Belgium surveyed 40+ organisations representing the entire Belgian mobility ecosystem, from public transport operators and policymakers, through to automotive finance companies and technology scale-ups. The results of both surveys were combined to create this new study: The state of mobility after COVID-19.

Insecurities drive traffic congestion

Forty-three percent of Belgian consumers indicate that they are planning to limit public transport use over the next three months, mostly due to the perceived risk of infection. Other European countries such as Germany (46 percent) and France (54 percent) show similar results, however residents of countries like Spain (64 percent) and Italy (68 percent), whose health systems were more severely hit by the crisis, seem to be even more cautious in rebooting their use of public transit systems. A possible second wave of the virus would likely see a similar impact in Belgium.

Seventy-three percent of organisations in the Belgian mobility sector are concerned that this insecurity will last two to three years and 63 percent believe that it will result in decreased usage of public transport in the same timeframe. With public transport running at limited capacity there is a risk that this could lead to a modal shift back to the car. According to the TomTom Traffic Index, traffic in Brussels has already returned to approximately 90% of standard congestion levels seen in 2019.

Aled Walker, Deloitte Belgium Future of Mobility Leader: *"It is critical for the relaunch of the economy to be able to keep people moving safely. However, there is a risk of increased congestion unless mitigating actions are taken, for example to ensure that flexible working becomes a key part of the next normal. Thankfully, half of organisations in the mobility ecosystem agree that action can be taken to avoid a further increase in congestion. Priorities should include increasing the attractiveness of transport alternatives, refreshing the fiscal framework, and enabling the transition towards green mobility".*

9 in 10 mobility organisations call on government to intervene

Ninety-five percent of respondents believe personal bike/step usage will increase in the future and 70 percent think shared bikes/steps will follow a similar path. However, the cycling infrastructure is not yet fit to support this demand. According to VIAS, three out of four Belgian consumers count on the government to increase investment in cycle paths. **Stijn Vandeweyer, Deloitte Belgium Public Transport Leader:** *"This is echoed by 9 in 10 mobility organisations, who ask government to intervene in the mobility reboot to avoid worsening congestion, especially through investment in cycling and pedestrian highways/roads (90 percent) and the enhancement of public transport (90 percent)."*

The role of Public Transport Operators (PTOs) in the economic recovery and phase-out strategy is crucial – it is important to ensure that not all commuters shift to the private car. There is high uncertainty regarding consumer travel behaviour (e.g. government launching new measures in response to a second wave...). PTOs must continue to monitor this closely and take action to ensure consumer trust and safety. It is important that PTOs continue to accelerate digitalisation, for example applications to monitor and manage real-time occupancy, investment in contactless ticketing and digital payments, and establishing open data platforms for demand based planning and dynamic timetable planning.

Majority supports shift to vehicle usage tax

Two thirds of mobility organisations are keen to see a shift to a usage tax, based on when and where a vehicle is driven, to encourage responsible transport choices, for example through smart congestion charging to replace current taxation based on vehicle ownership. The government is also encouraged to provide increased legal clarity for new forms of mobility (e.g. e-steps, car sharing), notably including a harmonised tax and social security treatment, and to facilitate easy compliance for multi-modal mobility. This could further increase the attractiveness of alternatives compared to the car, in line with the successful increase in employee bicycle usage seen in recent years, which doubled from 2018 to 2019.

Timothy Bruneel, Director Deloitte Belgium Tax & Legal: *"The lack of fiscal clarity for new forms of mobility, such as e-steps and car sharing, is preventing many employers from offering employees with different (alternative) transport options. If tax and social security treatment could be clarified and harmonised, it could enable companies to provide greater choice and flexibility to employees, and support the transition towards the future of mobility in Belgium".*

Imperative to maintain the shift to electric

Two thirds of organisations in the mobility ecosystem believe that the transformation toward electric vehicles that had started prior to the COVID-19 crisis will be maintained, or even accelerate, in the next two to three years. However, it requires continuing to address the key barriers faced by consumers, notably lack of charging infrastructure and price premium. This requires collaboration from public and private sector players to ensure that the necessary framework is in place.

Eric Desomer, Deloitte Belgium Automotive Leader: *"There is a concern that the financial crisis could lead to a reduction in demand for electric vehicles, as spending reduces and consumers potentially become more risk averse. It is therefore positive that new policies and initiatives continue to tie economic recovery to a sustainable recovery, for example through the European Green Deal"*

Innovation is high on the agenda

Forty-six percent of mobility organisations plan to re-evaluate their product and/or service portfolio, 41 percent plan to review their entire business and operating model, and 37 percent will consider new pricing models like subscription-based pricing. **Aled Walker:** *"Analysis of previous crises shows that increased innovation often follows the initial market disruption. After COVID-19, it is clear that companies must continue to innovate in order to adapt to changing market dynamics and maintain sustainable performance. Consumers can also expect to benefit from this increased competitiveness."*

Digitisation and collaboration key to the future of mobility

Seven out of ten organisations in the mobility ecosystem intend to invest even more in digitalisation than they initially had in mind. The same number of respondents are confident that Mobility-as-a-Service (MaaS) could improve mobility in the long term, enabling people to plan, book and pay for any multi-modal journey in a single application. **Stijn Vandeweyer:** *"The potential of MaaS to optimise travel expenditure and time, facilitate the shift to alternative transportation modes, and even to provide users with the safest (most hygienic) journey is more relevant than ever. In order to enable this, accelerated investments in data exchange and inter-operability are needed."*

Vandeweyer concludes: *"While many mobility organisations are suffering during the crisis, the ecosystem as a whole may actually come out stronger. Half of mobility companies started new partnerships during the crisis (for example Belfius joining forces with Lab-Box to invest in Skipr), and intend to continue them in the mid-to-long run. Government has been taking a more active role to orchestrate and facilitate the mobility ecosystem. Close co-operation will be vital to reboot mobility and facilitate economic recovery – any organisation that is not investing time and resources in collaborating with potential partners in the ecosystem risks being left isolated in the future of mobility."*

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