

EU STUDY OF THE TAXI MARKET: WILL UBER SERVICES BE REGULATED?



In September the European Commission will launch a study of the market for taxis and chauffeur driven car rental services in the EU member states to determine whether there is a need for European regulation of services like Uber in order to ensure the same conditions for different players in the market.

Uber mobile app **allows consumers with smartphones to send a request for transport which is then transmitted to Uber drivers who use their own cars.** Although popular among consumers, the service has been criticised as illegal in several countries.

"We need to understand the impact of the expansion of such services on the (taxi) sector and on the economy and society as a whole," said Jakub Adamowicz, European Commission spokesman for Transport.

The spokesman confirmed that the Commission will launch a study in September to examine the taxi and chauffeur driven car rental services in EU states and he explained that this study will provide the necessary information for the Commission to decide on the need for further action at the EU level and on the possible nature of this action.

The European Commission believes this is a sector that is and will continue to be heavily regulated mainly at the national or even local level but the Commission is receiving requests from both the traditional taxi industry and new companies like Uber to propose rules for the EU.

"The goal would be to create a level playing field for different players in the market. The Commission is currently considering this," he explained.

The EU executive is aware that companies like Uber offer both opportunities and challenges and it is important to better understand their business models and their mode of operation compared to traditional taxis.

"The Commission is therefore closely monitoring the situation and changes in the market as well as specific complaints," he explained.

Competition Commissioner, Margrethe Vestager, did in fact make it clear on August 4 that "the Commission currently does not have any information to indicate any possible violation of competition rules by Uber that would justify an investigation."

The Commission confirmed that it has received two complaints filed by Uber against France and one against Germany and Spain, according to Adamowicz. **The three countries have banned the US company from providing services in their countries.**

"They are being carefully studied by the relevant Commission agencies," the spokesman explained, referring to the complaints, while making it clear that the examination of each complaint "is not a stage in an infringement procedure."

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