

# What if Uber had stayed away from Malaysia?

**IN** August 2014, UberX was introduced in the Klang Valley with a starting fare of RM1.50, RM0.55/km and RM12/hour.

Budget taxi fares then were based on the 2009 rates of RM3, RM0.87/km and RM17.14/hour, which were subsequently raised to RM1.25/km and RM24/hour in March last year.

For the past two years, Uber drivers have been fully aware of the risks and exercised caution.

**FIRSTLY**, they have to ensure that passengers gave them a good rating, as complaints could result in them being suspended.

**SECONDLY**, they are wary of taxi drivers at pick-up and drop-off points, as they may be cornered by a mob of angry cabbies.

**THIRDLY**, they are always on the lookout for enforcement officers, particularly those from the Land Public Transport Commission, which has confiscated many private vehicles used as illegal taxis.

**FOURTHLY**, they cannot afford to be involved in collisions, as their motor insurance policy would be null and void if the insurer found out that the vehicle was used to carry fare-paying passengers.

Ride-hailing services will soon be legalised and Uber drivers can breathe easy.

But, some are not happy that they have to obtain a public service vehicle (PSV) licence and send their vehicles for routine inspections at the Computerised Vehicle Inspection Centre.

However, these requirements are welcomed by full-time Uber drivers, as they will ensure that only those who are serious are roped in and the vehicles are roadworthy.

Leaving the door wide open for anyone to come in will not augur



Ride-hailing apps offering lower rates than regulated fares have not stopped the proliferation of taxi apps. File pic

well for ride-hailing services, as it will allow criminals to easily masquerade as drivers.

What appears on the screen of a passenger's phone is the whereabouts of a driver's phone, and not necessarily the registered vehicle.

Anyone in possession of an Uber driver's phone can easily find the location of passengers in need of a ride.

Taxi drivers and companies continue to protest the cabinet's decision to legalise ride-hailing services. They claim that passengers will not be covered by insurance in private vehicles.

But, passengers are not covered in all PSVs, such as buses and taxis.

The law requires that only com-

mercial drivers be insured for passenger liability.

The cover is activated when the driver is at fault in an accident, and the insurer is required to pay the amount as awarded by the court after the injured passengers have filed a successful claim.

But, there is no cover if the vehicle was driven under the influence of drugs or alcohol. It can also be an issue if the PSV licence has expired or was renewed fraudulently.

Road Transport Department director-general Datuk Nadzri Siron disclosed that there were 1.2 million Malaysians without a driver's licence.

Eighty per cent of students who ride motorcycles do not have

a valid licence.

As such, the basic "Act Cover" that requires all motor vehicles in the country to be insured for third-party injuries hardly offers protection to many injured victims, taking into account that a large number of insurance policies do not cover unlicensed motorists.

But, what if Uber had stayed away from Malaysia?

Other ride-hailing services would have come to our shores. MyTeksi would have been much slower to evolve into Grab, and would have taken a much longer time to reach the US\$1 billion (RM4 billion) it is valued at today.

MyTeksi was launched in June 2012 as a taxi app, but with Uber

entering the local market in 2014, it quickly embraced ride-hailing services using private cars.

Ride-hailing apps offering lower rates than regulated fares have not stopped the proliferation of taxi apps, with more than a dozen available, and counting.

These taxi apps are likely to suffer the same fate as radio taxi companies when limited taxis are shared with too many operators.

Competition for drivers is bound to force some taxi apps to be lax by taking in those rejected by others, and poor service provided by them will affect the industry,