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Industry Development: Taxi sector by Michael Oppermann

I report on the latest trends in the taxi industry. For Europe and Australia, I draw on the information shared by members at the 13 March meeting in Brussels. For the rest of the world, I draw on public information.

The taxi industry continues to move towards green fleets. However, the focus is clearly on individual cities rather than entire countries: Amsterdam, London, Oslo and Hamburg are leading the way. Problems include high prices for the vehicles, uncertainty about the cost of charging and a lack of vehicle availability. Inclusive electric vehicles are a particular challenge. However, the direction is clear: the taxi of the future is emission-free.

All countries report a shortage of drivers. Competition with platforms such as Uber is therefore shifting a little. Competition is no longer just for the passenger, but also for the driver. The status of drivers is an issue that is subject to change and regulation in many parts of the world. Minimum wages for self-employed drivers are also a recurring and increasing issue, even in the USA and Canada. Overall, a trend towards regulation can be seen across the world.

Another frequent topic is tests and checks for drivers, including language tests. While the cab industry generally welcomes such tests at a tolerable level, the platforms reject any form of test. However, quality and safety are not negotiable for cabs. Respect for women and LGBTQ+ is also an important issue in the industry to ensure that everyone feels comfortable in a taxi.

There are reports from many countries in Central Europe that public contracts are playing an increasingly important role in the taxi sector. These can be trips on behalf of health insurance companies, mobility services for the elderly or simply connecting rural areas with a smaller vehicle than a bus. The taxi industry is benefiting from two trends here: Politicians are promising a great deal, especially in the area of mobility, and must also open up rural areas with public transport. At the same time, governments often have tight budgets, which is why they are looking for cost-effective solutions. It is therefore not uncommon for flexible taxi solutions to replace regular bus services.

The taxi industry appears to be merging into larger units almost globally through acquisitions. This is reported from the US, Australia and UK markets, among others. The newest member of the taxi group, Veezu from the UK, operates 20,000 cabs. This puts the industry in a better position to compete with international platforms and for lucrative government contracts.

Adequate availability of inclusive vehicles remains a challenge in most countries. Governments are issuing more and more regulations in this area. The taxi industry wants to make it possible for everyone to travel by taxi, but it must also be economically viable. This topic also comes up again and again in connection with major events, including the UEFA European Championship in Germany and the Olympic Games in Paris this summer.

Finally, an update on EU regulations relevant to cabs:

Both the European Parliament and the Council have adopted their negotiating positions regarding the revision of the EU Driving Licence Directive. This sets the stage for trilogue negotiations to commence under the next legislature, expected around October-November 2024. Of special interest for taxis is the B driving licence and the weight limits connected to the licence.

The European Commission has stated that it aims to present a greening corporate fleets initiative, which could be legislative or non-legislative, in Q2 2025. One key question is: What is considered a fleet?

And finally: The Platform Workers Directive. The agreed text introduces an obligation to establish a legal presumption of employment. Implementation depends on case law or existing frameworks within each Member State, allowing for autonomy in defining criteria. If a driver claims employment status, the matter will be adjudicated in court or by labour authorities, with verification contingent upon national frameworks. This presents challenges for international platforms, navigating 27 different legal presumptions across EU Member States. Taxi companies must assess their national employment ministries' models for compliance. "Recital 20" highlights the differentiation between digital platforms

and traditional taxi services. Once adopted at the EU level, Member States have two years to transpose it into national law.