

## E-HAILING

# Service grab?

One can't have the cake and eat it too

**D**IGITALISATION is disruptive. No question about it. Look at what e-hailing platforms did to Malaysia's taxi service. But then again, the captains of the taxi industry were a recalcitrant lot after all. They went against digital disruption only to be thoroughly disrupted themselves. To this newspaper, such disruptions are a welcome change. Some taxi drivers have woken up from their deep slumber, but many continue with their version of disruptive behaviours. Yet a good sampling of others, move — amphibian-like — from the brick-and-mortar world of taxis to the e-hailing one with the help of an app. You see, it is possible to live in two worlds. At times comfortably, too.

But can you have your cake and eat it too? The answer is an unambiguous no, in both the brick-and-mortar world and digital one. More so after the Competition Act (CA) 2010 came into force. The Malaysia Competition Commission (MyCC), the body set up to ensure healthy competition in the country, most definitely thinks so. MyCC had, on Thursday, proposed to fine Grab RM86 million for abusive practices. MyCC has provisionally found, the

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statement reads, that Grab abused its dominant position by imposing a number of restrictive clauses on its drivers, preventing the latter from promoting or advertising the company's competitors. The commission's concern is that such restrictive clauses create barriers to entry for Grab's competitors. This newspaper is all for fair competition. It has always been.

Grab, through a statement, expressed surprise at MyCC's proposed decision and said it has "complied fully with the Competition Act 2010". The *New Straits Times*' attempt to get Grab to comment on the matter proved futile. A company's spokesman says Grab's employees are advised by their lawyers to not speak on the matter. In an earlier statement in response to MyCC's proposed decision, Grab had promised to respond to MyCC by Nov 27. MyCC itself says that its decision isn't final and that Grab has the opportunity to present its defence to the commission. We shall hear more of it.

A legal point needs to be made at this juncture. Malaysia does not in any way prohibit a monopoly or a company from being a dominant player in the market. What the CA 2010 prohibits, though, is the abuse of the monopoly or dominant position in the market. It could be unfair purchase or selling prices or unfair trading conditions. Or what MyCC calls "tying and bundling". The list goes on. Pay to play is fine, but paying too high a price to play isn't. You get the idea.

Grab — and other e-hailing companies, too — need to learn from this MyCC episode. E-hailing is a good thing, but it must be made good for all — riders, drivers, competitors and operators. E-hailing companies cannot take it all, especially in the New Malaysia where shared prosperity is fast becoming the national economic model. Grow the cake and share it. As the Institute for Democracy and Economic Affairs points out in its publication, e-hailing platforms are a reliable substitute for public transport and provide a steady source of income for hundreds of thousands of people. We must keep it that way. Service grab isn't the way forward.