



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Statement

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Government should set a reasonable ceiling price for e-hailing ride fares

In recent days there has been a lot of talk about Grab price hikes and their price surge system. Many Consumer groups have called for the government to do something to control the exorbitant prices that Grab is charging their customers. The Consumers' Association of Penang (CAP) echoes this call.

For many people without their own transport, e-hailing services are a necessity. Of course there are other cheaper modes of public transport, but it is not always feasible for people to take those instead. Take the bus as an example, it definitely costs less than getting a ride with an e-hailing service; however, the drawbacks include the long wait time between busses, the lack of a bus stop within a reasonable distance from where someone needs to be picked up and where they want to be dropped off, time constraints they may have, certain health or physical conditions, and (something that people have started thinking about because of the Covid-19 pandemic) the lack of any social distancing.

The recent Grab price hike that consumers are experiencing are frustrating and burdensome because some people have no choice but to engage e-hailing services. Therefore it is baffling that the Transport Minister has stated that e-hailing fares will remain unregulated.

Price hike due to the price surge system that Grab has implemented does not make sense when it happens because there are less drivers. The exorbitant charges do not serve to attract more drivers nor is it helping to ease the burden of drivers that may experience being caught in a traffic jam. It is only serving to make consumers suffer.

To the authorities who claim that Grab is not a monopoly because there are 21 other e-hailing companies in operation, we would ask you to only use e-hailing service to travel for a week and let us know if you can consistently get rides from any other company that is not Grab; or, were you forced to open up the Grab app after repeatedly hitting the "book now" button for over 30 minutes in the other e-hailing apps.

E-hailing services are allowed a price hike of not more than 200% the base fare of a ride and the authorities have stated that they would need "strong evidence" to take action. Surely the issue of a Grab fare price hike of 400% that has been circulating in the news is strong enough evidence. We have also received a complaint from an elderly woman who said that her ride that would usually cost RM9.00 cost her RM22.00 instead; and this was off-peak hours' time.

According to a news article, the Transport Minister himself has indicated that the maximum allowable surcharge of 200% is not reasonable. We agree wholeheartedly that the permitted surcharge of 200% is too much.

As such CAP urges the Ministry of Transport to immediately take action to control the e-hailing fare prices by setting a price ceiling that is reasonable for both consumers as well as e-hailing drivers.

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