

More players want to compete with Grab

By LOUELLA DESIDERIO

Another transport network company (TNC) has expressed interest to enter the market for ride-sharing services, the Land Transportation Franchising and Regulatory Board (LTFRB) bared yesterday.

LTFRB board member Aileen Lizada told reporters that Pira, another TNC, wants to compete in offering ride-sharing services.

"This Thursday, we will be

talking to another TNC that wants to enter the market. It's called Pira," Lizada said on the sidelines of the Public Transport Modernization Expo held yesterday.

Apart from Pira, the TNCs Lag Go, Owto and Hype have pending applications for accreditation with the LTFRB.

"If everybody will be able to comply, we will see possibly four new players as TNCs," Lizada said.

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Last week, Grab announced its acquisition of the business of rival Uber in Southeast Asia.

With the deal, Grab would be taking over operations of Uber in the Philippines, Cambodia, Indonesia,

Malaysia, Myanmar, Singapore, Thailand and Vietnam.

Given the acquisition, Uber will be moving its services to the Grab platform on April 8.

But the government wants more

players in the market as competition means better service for riders.

Lizada said the government is hopeful the new players will be able to enter the market in the second quarter.

"We don't want a longer period with Grab as the only one online because we need to have other choices. There has to be options for the riding public," she added.

Should the interested players be allowed to operate, the government would be looking at the common base supply, or cap, for the number of vehicle units allowed for ride-sharing companies.

At present, the common base supply is 65,000 units for Metro Manila.

PCC to review Grab-Uber merger

Meanwhile, the Philippine Competition Commission (PCC) has decided to undertake a motu proprio review of the merger of Grab and Uber, following competition concerns arising from a preliminary assessment of the transaction.

The PCC yesterday ordered its Mergers and Acqui-

sitions Office (MAO) to commence a motu proprio review on Grab's acquisition of Uber in the Philippines, even as the transaction did not meet the thresholds required for compulsory notification under the Philippine Competition Act.

Mergers and acquisitions that breach P5 billion for the Size of Person and P2 billion for the Size of Transaction thresholds as defined in the implementing rules and regulations are mandated to notify the PCC regarding the transaction.

If the transaction is notifiable, the parties are not allowed to consummate the deal without the PCC's approval.

The PCC is also allowed to review a merger on its own initiative if there are reasonable grounds to believe that the agreement will substantially prevent, lessen or restrict competition in the relevant market.

"A preliminary assessment of the transaction conducted by the MAO indicates that there are reasonable grounds that the transaction may likely lessen, prevent or restrict competition substantially," the PCC said.

The PCC also said its preliminary assessment indicates that the transaction will result in a substantial increase in concentration of an already highly concentrated market in an industry that provides a public service.

"The preliminary assessment also indicates that the riding public and partner drivers may be adversely affected by the transaction," the PCC added.

The PCC also urged Grab and Uber to allow a voluntary review to take its course first before consummating their transaction to minimize the need to unscramble the deal if found to have anti-competition concerns.

The PCC also said that should anti-competitive concerns arise out of the transaction review, parties may propose commitments to remedy, mitigate or prevent the negative effects to competition in the market after the acquisition.

The PCC earlier vowed to ensure that Grab's acquisition of Uber in the Philippines will not harm the interest of the riding public.

PCC's move was seen as a welcome development by consumer advocacy group Laban Konsyumer Inc. (LKI), which earlier expressed concern over the potential impact to the riding public of the deal between Grab and Uber.

"LKI supports the action taken by the PCC. LKI is ready to be part of the processes of investigation and review to ensure the protection and welfare of the riders of Uber and Grab," group president Victorio Dimagiba said. — With Richmond Mercurio