



Taxi abroad:

**An inventory of experiences with regulated
and deregulated policies abroad**

Part I: Analysis Report

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Taxi abroad: Part I: Analysis -

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Contents

Summary	5
1 Introduction	13
1.1 Research rationale	13
1.2 Objective of the study	14
1.3 Delineation of the study	14
1.4 Conducting the study	16
1.5 Report structure	16
2 Taxi policy and the taxi sector in the Netherlands	19
2.1 Introduction	19
2.2 Current taxi policy	19
2.3 Taxi-sector structure	24
2.4 Taxi-sector performance in the Netherlands	25
2.5 Brief review	26
3 Taxi policy and the taxi sector in Sweden	27
3.1 Current taxi policy	27
3.2 Policy principles and developments	27
3.3 Future policy developments	31
3.4 Taxi-sector structure	31
3.5 Taxi-sector performance in Sweden	33
3.6 Comparison with the Netherlands	34
3.7 Brief review	35
4 Taxi policy and the taxi sector in New Zealand	37
4.1 Current taxi policy	37
4.2 Policy principles and developments	40
4.3 Future policy developments	40
4.4 Taxi-sector structure	41
4.5 Taxi-sector performance in New Zealand	42
4.6 Comparison with the Netherlands	42
4.7 Brief review	44
5 Taxi policy and the taxi sector in Ireland	45
5.1 Current taxi policy	45
5.2 Policy principles and developments	48
5.3 Taxi-sector structure	48
5.4 Taxi-sector performance in Ireland	49
5.5 Comparison with the Netherlands	49
5.6 Brief review	50
6 Taxi policy and the taxi sector in the United Kingdom	51
6.1 Current taxi policy	51
6.2 Policy principles and developments	53
6.3 Taxi-sector structure	53

6.4	Taxi-sector performance in the United Kingdom	54
6.5	Comparison with the Netherlands	55
6.6	Brief review	55
7	Taxi policy and the taxi sector in Belgium	57
7.1	Current taxi policy	57
7.2	Policy principles and developments	60
7.3	Taxi-sector structure	60
7.4	Taxi-sector performance in Belgium	61
7.5	Comparison with the Netherlands	62
7.6	Brief review	63
8	Taxi policy and the taxi sector in Denmark	65
8.1	Current taxi policy	65
8.2	Policy principles and developments	67
8.3	Taxi-sector structure	67
8.4	Taxi-sector performance in Denmark	68
8.5	Comparison with the Netherlands	68
8.6	Brief review	69
9	Taxi policy and the taxi sector in France	71
9.1	Current taxi policy	71
9.2	Policy principles and developments	74
9.3	Taxi-sector structure	74
9.4	Taxi-sector performance in France	75
9.5	Comparison with the Netherlands	76
9.6	Brief review	76
10	Taxi policy and the taxi sector in Germany	79
10.1	Current taxi policy	79
10.2	Policy principles and developments	82
10.3	Taxi-sector structure	82
10.4	Taxi-sector performance in Germany	83
10.5	Comparison with the Netherlands	83
10.6	Brief review	84
11	International comparative survey and analysis of policy effects in the nine countries surveyed	87
11.1	Introduction	87
11.2	Comparison of the nine countries surveyed	87
11.3	Comparative survey and analysis of policy effects in the nine countries surveyed	95
	Bibliography	99
	Annexes	
I	Information model	105
II	Persons interviewed	113

Summary

Objective and delineation of the study

The Passenger Transport Act was modified in 2000. Part of this change entailed the re-regulation and deregulation of taxi transport.

The aim of this study is to provide insight into experiences abroad with (de)regulation of taxi transport, and developments within the taxi sector, in order to give an outline of the extent to which the expectations of deregulated policy (including in the Netherlands) are fulfilled. Particular focus will be put on the issue as to whether additional deregulation will cause more severe competition in the taxi market, and generate performance upgrading in the taxi sector.

The study was carried out in eight countries and their capital cities; i.e.: Belgium and Brussels, Denmark and Copenhagen, Germany and Berlin, France and Paris, Ireland and Dublin, New Zealand and Auckland, the United Kingdom and London, and Sweden and Stockholm. These eight countries were selected on the basis of the dissimilarities in the degree of regulating taxi policies.

For each country, an outline is provided of the nature and development of taxi policy, the taxi-sector structure, and its performance and services rendered. Each country is examined in comparison with the Netherlands. Finally, on the basis of an analysis of all countries surveyed (including the Netherlands), the potential effects of deregulation on the structure, performance and development of the taxi sector are examined.

Ranking of researched countries according to degree of deregulation (from high to low) within the taxi sector

1	Sweden	Capacity, pricing and transport zones completely deregulated
2	New Zealand	Capacity, pricing and transport zones completely deregulated, membership of taxi-dispatch centre compulsory
3	Nederland	Effective 2002, capacity and transport zones completely deregulated; as for tariffs, ceilings are enforced, as well as maximum rates and zoning system (division by transport zones)
4	Ireland	Capacity deregulated, maximum fares and zone system (division into transport zones)
5	United Kingdom	Maximum fare, flexible capacity policy and zone system
6	Belgium	Maximum fare, zone system, flexible capacity policy and deregulation for Flanders in 2002
7	Denmark	Fixed pricing, flexible capacity policy, zone system, compulsory membership of taxi-dispatch centre
8	Germany	Fixed pricing, strict capacity policy and zone system
9	France	Fixed pricing, strict capacity policy and zone system.

Experience per country as regards taxi policy and taxi-sector performance

The Netherlands

In 2000, more than 19,000 taxis operated in the Netherlands, of which nearly 20% in one of the four big cities (Amsterdam, Rotterdam, The Hague and Utrecht). Taxi density (i.e., number of taxicabs per 1,000 residents) in the Netherlands came up to 1.2, and to 1.8 in the four big cities. Compared to countries such as Sweden, New Zealand and Ireland, taxi density in the Netherlands is relatively low, while it is slightly higher than in Belgium and Germany.

Effective 2000, the Passenger Transport Act (*Wp 2000*) was fundamentally modified. By means of this modification, the Netherlands government formulated a framework for the total deregulation of the taxi market. This deregulation will be implemented in stages and should be completed in 2002. By using this progressive approach, the government hopes to be able to fine-tune the policy where necessary, should it appear that deregulation does not lead to the desired results, or leads to chaotic developments. For instance, the maximum fare has been set temporarily to protect consumers from excessively high fare-price increases.

Sweden and New Zealand's experience with the sudden implementation of deregulated policy illustrated that deregulation is not an easy step to take in one go. Both of these countries have had to implement re-regulation on several occasions over the years.

On closer inspection, however, neither New Zealand nor Sweden may be said to have an entirely deregulated taxi market. The progressive approach used in the Netherlands is viewed by numerous countries (the conversation partners involved in this research) as a cautious approach, which may work more efficiently than one's own approach (i.e., Sweden), or may be used as an example for one's own approach (i.e., Flanders).

Sweden

Sweden has had a strongly deregulated taxi policy since 1990, without capacity limits for the taxi sector, with no taxi fares set by government and no clearly defined transport zones. After the more or less chaotic development of the taxi sector in the period immediately following deregulation, several adjustments to taxi legislation (re-regulation) were implemented in the 1990s in order to upgrade services, to improve passenger protection and to upgrade consumer information.

Following the removal of major problems by enforcing adapted regulations, the sector has entered a more stable era. Policy makers, consumer organisations as well as the employer's association (Taxi Förbundet) state that the current situation is preferable to the original regulated situation. Taxi Förbundet points out in particular that profit levels are now under the responsibility of the taxi operator. Taxi firms compete; they perform better and improved in many areas, such as information for customers, the quality of the service (type of vehicle, driver's attire, passenger comfort), the response time for calls, administrative data processing (board computer), etc.

In comparison to the survey's other European countries with a more regulated taxi policy, Sweden's taxi density is definitely high. In 2000, Sweden had 14,521 taxis, amounting to 1.6 taxis per 1,000 residents. In Stockholm, this even amounts to 4 taxis per 1,000 residents.

Sweden's situation is also favourable in comparison to that of other countries in terms of economic performance in the taxi sector (turnover per taxi in Sweden: € 90,000). The deregulation as implemented appears to have resulted not only in a greater availability in the long term but also in taxi-service operators that perform better economically. It is worth noting, however, that the development of the taxi sector was certainly also positively affected by progressive reduction of VAT rates for taxi-service operators between 1990 and 2001.

New Zealand

Deregulation was implemented completely in one fell swoop in 1989. LTSA (Land Transport and Safety Authority) policy advisors point to the in their opinion great success of deregulation. Between 1989 and 1999, the number of taxis in New Zealand rose from around 2,700 to about 7,100. In addition, the fact that legislative changes effected only pertain to further elaboration and improvement of quality and safety controls indicates that capacity management is no longer the focus of the New Zealand government's attention.

At national level, New Zealand's taxi density is also relatively high, at 1.9 taxis per 1,000 residents. Current taxi density in Auckland is 2.8. This was less than 0.5 in 1989, which reflects the dynamic growth of the number of taxis in Auckland.

As in Sweden, the taxi sector now performs better than prior to deregulation; in particular, there is now much greater diversity in the taxi services offered to the traveller. According to experts consulted and market participants involved, compulsory membership of a taxi-dispatch centre ensured the success of current self-regulation and acts as a guarantee of a taxi service's quality.

On the other hand, taxi-sector representatives point out the problems associated with the current high number of taxis. During rush hours, availability is evenly spread, but outside of rush hours, there is a definite case of overcapacity, which means the taxi sector is not performing optimally in economic terms. Criticism in respect of deregulation is mainly ventilated in Auckland, where – according to the umbrella taxi board – overcapacity is most obvious.

Ireland

Before 2000, the Irish taxi sector was strictly regulated. Over the years, capacity limits caused the availability of taxis to fall further behind demand, which evolved strongly due to economic development. In Dublin in particular there was, and is, a shortage of taxis.

Presently, the Irish taxi sector is clearly on the move. The first major step towards deregulation was taken in 2000. This step consisted of the abolition of capacity limits for the taxi sector. This resulted in massive growth in Dublin's taxi capacity (from 2,000 to over 6,000 taxis). Presently, there are around 5 taxis per 1,000 Dubliners, which is very high from an international point of view. In 1995, this was less than 2 per 1,000 residents. This development was accompanied by great tensions within the taxi sector, particularly because existing taxi licences lost their value (which was at one point more than Irish £ 80,000 (€ 100,000)).

The effects of the modified policy on the quality of the service provided to the customer are as yet unclear. For the time being, capacity growth is very high indeed, although it

is uncertain whether the quality of service has also improved. Indeed, the initial signs indicate that taxi quality may have declined.

United Kingdom

The taxi sector in the United Kingdom is relatively tightly regulated. Consequences of this are that capacity is checked, taxi fares are regulated and transport zones are defined. Besides, the maximum-fare system is in place in the United Kingdom. The maximum fare indicates the level that the operator's pricing for trips may not exceed. Setting a maximum fare instead of fixed fares also allows scope for market forces. However, little use is made of this in practice.

The London taxi sector is more strictly regulated than elsewhere in the United Kingdom. There are strict regulations governing the model of the vehicle (black cabs), and an intimate knowledge of the streets of London is essential (The Knowledge). Policy developments for the London taxi sector do not point to any deregulation as yet. Policy issues on the agenda relate to the removal of gaps in existing legislation to create an equal competition situation for all taxi-service providers (black cabs, minicabs and private-hire cars). Effective October 2001, minicab operators are obliged to possess a taxi-operator's licence.

In total, there are 70,000 taxis in the United Kingdom (London: 21,000). Taxi density in the United Kingdom is relatively low, with 1 taxi per 1,000 residents. London's taxi density is 2.5 (average value). Capacity growth was very well possible: The number of taxi licences in the United Kingdom rose (by 17%) from 60,000 to 70,000 between 1995 and 2000.

In general, experts are positive about the quality of London taxi services, as illustrated by the very low percentage of registered complaints (in comparison to the number of trips).

Belgium

Belgium's taxi policy is clearly regulated, with taxi capacity, maximum fares and the number of firms determined at local authority level. However, great regional variations typify Belgian taxi policy. Although federal legislation designates the framework for regional policy (Flanders, the metropolitan region of Brussels and the Walloon provinces), the ways in which the regions interpret this vary greatly. Since 1995, Brussels has clearly intensified regulated policy, which has resulted in Brussels' capacity being reduced by 10% between 1995 and 2001. In contrast, Flanders is trying to increase its taxi capacity by implementing a certain degree of deregulation. An Act was passed in 2001 to allow local authorities to set a limit for the number of taxi operators but not for the number of taxis.

Numerical data clearly shows that, in comparison with the other countries surveyed, the position of the Belgian taxi sector is relatively weak. One source indicates that the turnover per Belgian taxi may not exceed € 25,000. The very low taxi density also illustrates this (Belgium: 0.4; Brussels: 1.3). It would appear that the current regulated policy protects the existing taxi sector without contributing to an adequate economic base, and without achieving the social objective of a positive contribution to public transport by the taxi sector ('the taxi as a public utility'). However, a rough international comparison aside, concrete information to support this claim further is unavailable.

Denmark

Denmark provides a clear example of a very tightly regulated taxi sector. All services and fares are determined within this tight framework. Remarkably, also Denmark enforces mandatory taxi-dispatch centre membership of taxi-service operators. Despite tight regulation, association to a taxi-dispatch centre is rated as a guarantee for good quality and proper commercial business management.

High demand for taxi services in and around Copenhagen ensures that taxis are well occupied and effect a healthy turnover. Denmark's capacity controls are not generally so tight that there is no room for expansion in the number of taxis. The number of taxis in Copenhagen rose from 2,350 to 2,513 (+7%) between 1995 and 2000. There are now 5,500 taxis in Denmark. Taxi density is comparable to that of the United Kingdom (1 taxi per 1,000 residents; 2.1 in Copenhagen).

Key indicator for the performance of Denmark's taxi sector is the high turnover per taxi. Denmark's turnover per taxi is the highest of all countries and cities surveyed (more than € 100,000).

France

France is a typical example of a strictly regulated taxi sector with seemingly characteristic problems, such as the debates concerning:

- The number of taxis in Paris
- The variety of fares
- The unfair competition provided by rental cars with driver.

Nevertheless, both government and sectoral organisations claim they wish to stick to the regulated system. The government may have formed this opinion due to its perception of the taxi service as a public utility (as in Belgium), and the trade organisations may also have taken this view due to the protective umbrella provided by this policy.

Presently, there are around 44,000 taxis in France; 14,900 of these are in Paris. This number has not changed much in recent years. Taxi density per 1,000 residents for the whole country is low. Paris' score is average, at 2.5 per 1,000 residents. Although turnover per taxi in Paris, at € 56,000, is clearly higher than that of Brussels, it does by no means come close to the turnover of taxis in Copenhagen and Stockholm.

Germany

Germany is another typical example of a strictly regulated taxi sector. What is striking about Germany is that since 1998, decentralisation is implemented that strongly (shift of legislative and executive tasks to individual federal states and municipalities). Besides, Germany strives to integrate the taxi sector in regional public-transport plans.

There are currently over 52,000 taxis in Germany, 6,900 of which are in Berlin. Germany's taxi density is low - in comparison with other countries - at 0.6 taxis per 1,000 residents. Berlin has 2.1 taxis per 1,000 residents and, therefore, does not score as highly as comparable cities such as Paris, Copenhagen and London.

Another remarkable factor is the - at first sight - small economic base of the taxi sector, given Berlin's average turnover per taxi of € 25,000. In comparison to other countries, Berlin has a low taxi density, although in practice, it would seem that there is a surplus. This contrast in international key figures and values indicates that it is difficult to compare countries on equal terms. The latter is illustrated by the fact that Copenhagen's

turnover per taxi is € 110,000 with a taxi density of 2.5, while taxi turnover in Berlin is less than half with a density of 2.1.

Cohesive international comparison

The assessment looks at whether there is any correlation between the type and extent of regulation (policy) and:

- 1 Structure of the taxi sector:
 - a. Available taxi capacity, number of taxis and density
 - b. Development of taxi capacity
- 2 Economic performance of the taxi sector:
 - a. Turnover of the taxi sector
 - b. Fare-prices of taxi services
- 3 Service-related performance of the taxi sector:
 - a. Innovation and diversity of services
 - b. Intensity of making use of taxis
 - c. Passenger satisfaction.

The assessment is based on the assumption that concrete conclusions may only be drawn regarding taxi capacity. Also in view of the diversity in policy and the sometimes brief experience with deregulated policy (Ireland, the Netherlands), merely rough indications of the effect of policy on structure and performance of the taxi sector may be provided as regards the other aspects.

Correlation between degree of deregulation and structure of the taxi sector

Generally, it is assumed that deregulation of taxi policy leads to better matching of supply to demand. In general, one may assume that the number of taxis will increase due to deregulation. The observations made in the various countries seem to confirm this. Both, at national and metropolitan level, compared to 'regulated countries', 'deregulated countries' were found to have a considerably higher taxi density.

Another assumption embraces that the supply of taxi services in a deregulated situation will also grow more in accordance with rising demand. The information available on Sweden and New Zealand would seem to indicate that a deregulated sector may indeed grow according to demand and may create a balanced and healthy taxi market in the course of time (years). The fact that growing demand for taxi transport in Sweden in recent years is not linked to a rise in the number of taxis indicates a temporary surplus, a consequence of the explosive growth in the years immediately following deregulation. Adapting to demand seems also to be possible in regulated situations, as long as authorities allow sufficient scope, as illustrated by developments in the United Kingdom (rise in the number of taxis by 17% over a five-year span).

Correlation between taxi policy and economic performance of the taxi sector

One of the purposes of deregulation is to remove obstructions to competition and, thereby, provide more leeway for competition to actors in the market. This should result in a better performance of the taxi sector (sharper consumer fares, higher efficiency, more innovation, more services). Deregulation should in time also from an economic point of view lead to a healthy sector. Developments in Sweden illustrate that adequate turnover may be generated in a deregulated market. Ten years on after deregulation, currently effected turnover per taxi ranks at a high level. Besides, one may assume that

it is possible to generate adequate turnover in a tightly regulated taxi market (as proven in Denmark), although numerous tightly regulated countries score low to very low on this aspect (France, Belgium, and Germany). The above allows for the conclusion that there is no robust correlation between degree of regulation and turnover per taxi. Developments in Sweden, however, seem to indicate that adequate turnover per taxi may be generated in a deregulated taxi sector.

Considering fare-price differences between regulated and deregulated countries, it is impossible to determine whether deregulation leads to sharper fares, as circumstances in the various countries vary considerably. Factors affecting fares, such as wage levels, VAT rates on taxi services, fuel cost, special depreciation arrangements, the purchase price of a taxi, compulsory technical facilities, the cost of a taxi licence, and subsidies may vary strongly. Therefore, a straightforward comparison of taxi fares is not actually possible. Besides, one should note that in Sweden, consumer organisations and government agencies do not rate the fare-price sensitivity of the private-passenger market as very high. This provides leeway to taxi-service operators and taxi organisations to compete on quality rather than price.

Correlation between deregulation and service-related performance of the taxi sector

Presumably, innovation (i.e., rendering novel services and application of new technologies) in the taxi sector is more likely in a deregulated situation than in a regulated one, the prerequisite being that the taxi sector has to be permitted to render new services in the case of deregulation. Experience gained in Sweden and New Zealand supports this premise. The conscious deployment of the taxi sector in public transport in Germany, the Dutch train taxi and the proposed changes in Belgium (Flanders) show, on the other hand, that even in a regulated situation, innovation in services rendered may be achieved. However, owing to more complex decision-making structures, one may assume that introduction spans will take longer.

Information regarding the intensity of taxi use and the development thereof is lacking for many countries, making it impossible to judge whether deregulation may be associated with a higher demand for taxi services. In general, it is claimed that demand for taxi services grows particularly as a result of an increase in prosperity. Deregulation might, however, spur the market to react more rapidly to this growth, as illustrated by augmented taxi capacity in Sweden, New Zealand and Ireland.

The entire deregulation process should ultimately result in higher customer satisfaction about the taxi service, as quality improves, fares are lowered, availability increases and more services are rendered. Little information is available regarding customer satisfaction, as only Sweden, New Zealand and the Netherlands were able to provide any data in this respect. Findings of a Swedish survey illustrate that four out of ten passengers thought that the taxi sector was not performing that well (score: lower than 8); on the other hand, however, passengers indicated that quality had further improved over the years. In the Netherlands, eight out of ten passengers allocate a score of 7 or higher (out of a possible 10) to the taxi sector.

The scheme below provides a summary review of the effects of deregulation.

Effects of deregulation on taxi-sector performance

Policy variable	Policy effect
Taxi capacity available	Direct strong effect: clear increase after deregulation
Taxi density	Direct strong effect: clear increase in density in country/capital
Capacity development	Effect after several years: balanced adaptation to demand
Turnover of taxi sector	Effect after several years: higher turnover per taxi
Fares of taxi service	Effect after several years: trend equal to transport prices
Innovation/diversity	Direct effect: new services; effect after several years: new technology
Intensity	No information available
Satisfaction	Effect after several years: clear improvement

1 Introduction

1.1 Research rationale

Until 2002, the Passenger Transport Act established a strict form of taxi-transport regulation, while issuance of operator licences, taxi numbers, pricing, and taxi transport zones were part of the policy. Effective 2000, the Passenger Transport Act¹ was modified, and the related Passenger Transport Decree² gave shape to the implementation of deregulation and re-regulation of (a.o.) taxi transport. Deregulation relates to the liberalisation of passenger transport by taxi (number of firms, taxis, pricing and zone demarcation), and re-regulation relates to the quality demands placed on taxi operator, taxi driver and vehicle. Besides, deregulation was marked by a complete shift of (de)regulation-related government responsibilities from de-central (i.e., municipal and intermunicipal level) to the central level. One of the aims of the legislative changes implemented is to strengthen the role of taxi transport within passenger transport (manifested in more trips, an increase in the taxi's share of the modal split and a renewed, more comprehensive and more differentiated range of taxi services). To this end, strengthening of the competition within the taxi sector is deemed necessary. The new law provides the scope needed to strengthen this competition.

Taxi transport is deregulated in phased legislation, in which an evaluation is made after three years to decide whether continuation is desirable. Within that framework, the Transport Research Centre (AVV) is carrying out a monitoring and evaluation study of the effects of the modified Taxi Act on the Dutch taxi sector.

When the decision to change taxi policy was made, international experience with both (highly) regulated and deregulated taxi markets was looked at (studies by Coopers and Lybrand in 1991, and by EIM in 1995). Supplementary to the assessment of the modified Taxi Act, the Ministry of Transport, Public Works and Water Management deemed an international comparative study necessary for the proposed evaluation of the modified Taxi Act, in order to be able to compare experience gained in the Netherlands with experience gained abroad. EIM was assigned with carrying out the international comparative study.

The study was carried out by EIM in June, July and August 2001, in cooperation with the international research network ENSR (European Network for SME Research)³. The findings of the study are recorded in the reports *Taxi abroad, Part I and Part II*. Part I provides a brief analysis of the research results. The individual country reports - made by ENSR partners - are included in Part II.

¹ See Statute Book 06-07-2000, no. 313; Act of 6 July 2000, comprising new rules regarding public transport, closed-bus transport and taxi transport (2000 Passenger Transport Act).

² See Statute Book 14-12-2000, no. 563; Act of 14 December 2000, comprising the establishment of general directive measures concerning the enforcement of the 2000 Passenger Transport Act (2000 Passenger Transport Decree).

³ ENSR is a partnership of European research institutes. The network is primarily concerned with policy issues of a social and economic nature regarding industry within the European Union.

1.2 Objective of the study

The study aims to examine experience gained abroad in respect of the (de)regulation of taxi transport and the developments in the taxi sector, in order to create an impression of the degree to which expectations of deregulated policy (as currently enforced in the Netherlands) are fulfilled.

1.3 Delineation of the study

So as to accomplish the research objective, the study was carried out in eight countries. For each country, information was gathered regarding the legal framework, the structure and the performance of the taxi sector.

1 Taxi policy:

The prevailing policy, focussing on goals, tools, supportive measures, monitoring and enforcement, and policy developments.

2 Structure of the taxi sector:

The characteristics of the supply of taxi services by the taxi sector.

3 The performance of the taxi sector:

Use of taxi services by the general public. Innovation in and diversity of taxi services. Customer satisfaction.

Besides, the study identified societal, political and economic factors that affect (trends in respect of the) demand for and supply of taxi services in the countries to be surveyed.

The information gained mainly concerns the situation in 2000/2001. Besides, an attempt was made to examine the main points of development of taxi policy and the taxi sector since 1995 for each country and capital city, while using the results of the previous study by EIM in 1995¹.

1.3.1 Selected countries and cities

The approach adopted embraced per-country differentiation (as well as the capital cities of those countries), focusing on clearly regulated policy, a semi-deregulated policy or a highly liberalised policy, to be able to review various policy situations and market situations. Besides, one of the selection criteria entailed that in economic terms, the countries to be surveyed should be fairly comparable to the Netherlands, and should preferably be a Member State of the European Union.

The current study examines the following eight countries: Sweden, the United Kingdom, France, Germany, Belgium, New Zealand, Denmark and Ireland. Of these countries, Sweden, the United Kingdom, France and Germany were also included in 1995's international comparative survey of the taxi sector.

As the supply of taxi services (rental of car with driver for car rides usually over relatively short distances) is usually more concentrated in larger urban areas, attention focussed on the large (capital) cities within these countries in order to illustrate the effects of taxi policy. The cities covered by the study are: Stockholm, London, Paris, Berlin, Brussels, Auckland, Copenhagen and Dublin. In all countries, these are the cities with the largest populations and the highest taxi density.

¹ H.J. Heeres, A.J.M. Kleijweg, F. Pleijster and F.J.W. Visser (1995), *International comparison of the taxi sector*, EIM, Zoetermeer.

Where taxi-sector policy is differentiated nationally, a distinction was made at regional level where possible. Therefore, separate information was collected in Belgium for Flanders; in France, numerical data was provided for the Departement L'Ile de France.

1.3.2 *Motive*

Considering the policy characteristics of specific significance for this survey; i.e., degree of capacity regulation, fares and taxi-service supply-market; the following per-country issues had to be considered:

- *Sweden*
Effective 1990, Sweden abolished its strongly regulated taxi policy. Currently, Sweden enforces a strictly deregulated taxi policy. There are no rules concerning capacity, pricing and transport zones. There are, however, basic rules regarding driver training and taxi quality.
- *United Kingdom*
Taxi policy in the UK is largely regulated, based on some flexibility regulating capacity, pricing and transport zones. In practice, taxi fares in London are fairly negotiable, however.
- *France*
France enforces regulation of capacity, pricing and market. Taxi licences are transferable.
- *Germany*
Germany enforces strictly regulated taxi policy governing capacity, transport zones and fares. Present government taxi-sector policy strongly focuses on decentralised enforcement, and on adequate integration of taxi services into the total public-transport facilities concept (taxis as an integral part of public-transport chains).
- *New Zealand*
Following its more than a decade long experience with entirely deregulated taxi policy, New Zealand allows for an adequate insight into an entirely crystallised, deregulated taxi market¹.
- *Ireland*
Ireland is currently marked by a shift from a regulated system to a partially deregulated system (relaxing the maximum limit on the number of taxis). Currently enforced deregulation covers taxi capacity, which has led to an explosion in the number of Dublin taxis.
- *Denmark*
Denmark's taxi sector, similar to that of Germany, is strictly regulated. Fares, licences and the number of taxis are clearly defined. The limits set are reviewed on a yearly basis. In view of its strictly regulated policy, Denmark provides a good example of a country comparable to the Netherlands.
- *Belgium*
Belgium is marked by dual policy. On one hand, there are deregulation initiatives in place to adapt to European guidelines (in Flanders); on the other hand, there is strict capacity control (Brussels) to combat 'illegal' taxis and to enable profitable taxi transport.

¹ See also: Choong-Ho Kang, *Taxi deregulation: International Comparison*, University of Leeds, 1998.

1.4 Conducting the study

The study was carried out by EIM and ENSR¹, under EIM's responsibility. Belgium (EIM), Sweden (EIM) and New Zealand (Nicolas Clark and Associates) aside, ENSR conducted the study in the individual countries. EIM set up a comprehensive checklist for research in the various countries (see appendix 2 to Part I and Part II). This checklist was completed as comprehensively as possible on the basis of the available documentation and interviews with national and local governmental bodies, institutions within the taxi sector (trade organisations) and consumer organisations. The ENSR partners drafted a report for each country. These country reports are comprised in Part II. EIM assumed supervision of the entire study, drafted the research report (Part I) and assumed the final editing of Part II (Taxi abroad: An inventory of experiences with regulated and deregulated policies; country reports).

1.5 Report structure

The report consists of two parts. Part I comprises a review of the major findings per country, and a comparison of the nine countries surveyed on the basis of policy effects.

Part I is structured as follows:

- *Chapter 2: Taxi policy and taxi sector in the Netherlands*
Chapter 2 outlines currently enforced Dutch legislation, and the taxi sector.
- *Chapters 3 to 10: Country descriptions*
These chapters deal with each country's current taxi policy and its development in recent years (1995/1996-2000). The chapters look at the aspects of 'degree of regulation', 'enforcement' and 'policy development'. In addition, each country's taxi-sector structure is examined, as well as its performance - particularly in the eight cities within the selected countries. The structure and performance of the taxi sector are positioned where possible against the background of the developments in the environment (economic climate, population density, public-transport structure, etc.). Besides, these chapters compare the Netherlands with each country surveyed. Each country's chapter ends with a brief review focusing on the correlation between taxi policy and taxi-sector performance.
- *Chapter 11: International comparative analysis of policy effects in the countries surveyed*
Finally, chapter 11 provides a summary analysis, with the aim to establish the degree to which the countries surveyed vary in terms of taxi policy, performance, and the correlation between policy and performance. In particular, it is examined whether additional deregulation leads to the further strengthening of competition in the taxi market, and whether it improves the taxi-sector performance.
In chapter 11,
 - the countries surveyed are clustered according to degree of (de)regulation;
 - major differences and similarities between the countries surveyed are analysed, and explained;
 - correlations are identified between taxi policy, taxi-sector structure and taxi-sector performance.

¹ European Network for SME Research.

Part II comprises extensive country surveys on the basis of the checklist completed, while providing a detailed per-country outline of:

- Taxi policy
- Policy objectives governing taxi policy
- Policy enforcement and policy monitoring
- Policy development during the past five years
- Future policy trends
- Current taxi-sector structure
- Taxi-sector development during the past five years
- Current services rendered by the taxi sector
- Passenger assessment of services rendered (quality performance).

1.5.1 *Comparison with the Netherlands*

For each country, a comparison is made between taxi policy in that respective country and taxi policy in the Netherlands. This information is outlined in the following schemes on the following pages:

– Sweden	Scheme 3.2	Page 34
– New Zealand	Scheme 4.2	Page 43
– Ireland	Scheme 5.2	Page 49
– United Kingdom	Scheme 6.2	Page 55
– Belgium	Scheme 7.2	Page 62
– Denmark	Scheme 8.2	Page 68
– France	Scheme 9.2	Page 76
– Germany	Scheme 10.2	Page 84

2 Taxi policy and the taxi sector in the Netherlands

2.1 Introduction

This chapter, and the following chapters, outline the major characteristics of taxi policy and the taxi sector in the nine countries surveyed; i.e., per country:

- Major characteristics of current taxi-sector policy are identified, including specific policy objectives, enforcement and monitoring
- Future policy trends are discussed
- Structure of, performance of and services rendered by the taxi sector are outlined.

Besides, each following chapter provides a comparison between taxi policy in every country surveyed and taxi policy in the Netherlands. Where possible, on the basis of expert interviews, conclusions are drawn as regards the effects of policy on structure and performance of the taxi sector.

This chapter provides a brief profile of the taxi sector (in terms of policy and performance) in the Netherlands. EIM gathered this information in order to compare experience gained abroad to Dutch taxi policy and the Dutch taxi market. Information about current policy, taxi structure and performance in other countries may thus directly be positioned against the background of Dutch policy and taxi-sector performance in the Netherlands.

The information in this chapter is largely based on the report *Monitoring and evaluation of the deregulation of taxi transport*, KPNG/BEA, May 2001, including the appropriate appendices, and on the www.taxiwet.nl Internet site.

Next, main policy and enforcement issues are examined (section 2.2 and section 2.3). Thereafter, section 2.4 provides a brief outline of the structure of the taxi sector, while section 2.5 examines taxi-sector performance in the Netherlands. Section 2.6 provides several final conclusions, a.o. related to several characteristics of the Dutch economy.

2.2 Current taxi policy

The new Passenger Transport Act came into effect on January 1, 2000. The main objective of taxi policy as stipulated in this act entailed the reinforcement of the taxi-service's role as regards the mobility of individuals. In particular, this pertains to:

- Absolute rise of taxi-service usage
- Relative rise of taxi-service usage versus other transport types; i.e., transport by car in particular
- Rise in taxi-service capacity utilisation.

So as to enable the above objective, the act adopts several tools; viz.:

- Deregulation of taxi capacity; initially by adopting a licence-issuance quota so as to avoid morbid growth; followed by total deregulation in 2002.
- Deregulation of fixed pricing, by abolishing fixed fare prices and by launching a maximum fare rate. Besides, the Minister decided to maintain the latter regulation for another two years.

- Measures to upgrade the quality of taxi-service operators (operator licence, chauffeur ID, blue number plates).
- Abolishing transport zones (effective as per 2002).
- Centralisation of enforcement, to be effected by IVW (the former RVI). For this purpose, national enforcement platforms were set up.

The modified legislation (referred to hereinafter as the modified Taxi Act) strives to ease entry into the taxi market by new businesses, thereby generating more competition and stimulating operators to render new services while matching consumer demand.

The modified Taxi Act does not apply to street taxis only, but also to contracted transport (car transport with driver in lieu of payment based on previously agreed fares). Being part of the marginal measures stipulated as regards launching the modified Taxi Act, the Maximum Fare Procedure does, however, not apply to contracted transport. Similar to the chapters on the other countries surveyed, this chapter focuses on street taxis in particular.

The modified Taxi Act will be implemented in phases in order to facilitate a meticulous transition from a strictly regulated to a deregulated market. One direct measure entails centralisation of capacity policy and dismantling of licensing restrictions at both national and regional levels. Effective 1 January 2002, taxi-transport zone division was abolished in the Netherlands.

2.2.1 *Schematic outline of major taxi-sector policy issues*

Scheme 2.1 briefly outlines the current state of affairs regarding taxi policy in the Netherlands. Nine policy elements are identified; viz.:

- 1 Requirements of the taxi (vehicle);
- 2 Requirements of the taxi driver;
- 3 Requirements of the taxi operator;
- 4 Transport zone;
- 5 Pricing;
- 6 Required consumer information;
- 7 Airport access;
- 8 Fiscal facilities;
- 9 Enforcement.

Where possible and appropriate, the following aspects are stated for each element:

- *Organisational stipulations*. These entail specific statutory stipulations governing all elements differentiated. The main points of these *organisational stipulations* are stated.
- *Quality prerequisites*. These entail restrictions applying to the leeway of the taxi-sector profession, such as mandatory types of services rendered, fare structure, taxi-fare levels or transport zones.
- *Capacity prerequisites*. These entail restrictions applying to the capacity of the taxi sector, such as the number of taxis, drivers and operators. These restrictions are hereafter referred to as *capacity conditions*.

Scheme 2.1 is also adopted while discussing the individual countries surveyed, and forms the basis for the comparative analysis between the Netherlands and the other countries surveyed.

As scheme 2.1 shows, the previously agreed maximum capacity for the supply of taxis no longer exists (see capacity conditions for taxi (vehicle)). Besides, effective 2001, transport zones for picking up customers were abolished. Within this system, taxi drivers were not permitted to pick up customers outside of their own transport zone without prior orders by telephone. This also applied to the national airport, Schiphol. Use of the taxi ranks at Schiphol (Schiphol taxis) was reserved for taxi operators in the region of Amsterdam/Zaandam/Schiphol. Due to long-term contracts between Schiphol Airport Authorities and several taxi operators, restrictions are currently enforced as regards the use of taxi ranks by taxi operators who do not hold contracts.

Besides, pricing is based on the Maximum Fares Procedure, entailing that the fare of a taxi trip should not exceed a legally stipulated maximum, consisting of the sum of the boarding fare, the waiting fare and the fare for the distance covered (calculated at a rate per kilometre). It was intended that both maximum fares and transport zones will be abolished in the second phase of implementation of the Taxi Act (as per January 1, 2002). Meanwhile, abolition was effected due to severe taxi-tariff hikes in 2001.

The modified act also comprises measures relating to the quality of the driver (statement of good behaviour), information provided to the customer (driver ID, blue number plate, fare-price information).

Following implementation of the modified law, local responsibility for the issuance and registration of licences was abolished. These activities are currently assumed by the Inspectiedienst Verkeer en Waterstaat (IVW), which will also ensure that the operator fulfils the requirements set. The IVW is responsible for all monitoring and enforcement. Nationwide enforcement platforms were set up to implement this, within which the IVW (Inspectiedienst Verkeer en Waterstaat), the police, the public prosecutor, the GAK (Joint Administration Office) and special investigation services work together. (The IVW was formally known as RVI.)

Scheme 2.1: The Netherlands

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	A car being used as a taxi has to be approved by the Ministry of Transport, Public Works and Water Management (<i>RDW</i>). Besides, taxis should be marked with special blue number plates.	Taxis Are subject to annual tests. Taxis have to be fitted with a taximeter. Policy embraces that board computers have to be fitted by the end of 2002. There are rules concerning the use of roof lighting. Use of roof lighting is not compulsory.	The number of vehicles deployed by each operator is not determined by the government (except for the capacity test for new operators). The requirement of 24-hour availability (as enforced in decentralised regulations) was abolished following centralisation of enforcement powers.
Driver	Every driver has to have a driver's ID card in his own name. With this ID card, a driver may work for more than one operator.	Requirements for a driver's ID: <ul style="list-style-type: none"> – Statement concerning behaviour – Medical declaration – Passport photo. – Valid driver's licence 	A driver ID is valid for five years, and costs € 40 (2002). Rules governing operating hours and breaks are enforced.
Taxi operator	Every taxi operator has to have an operator's licence and one or more licence certificates. Along with the operator's licence, the operator receives certificates for the number of cars for which he can prove the long-term availability for taxi transport.	Conditions for an operator's permit: <ul style="list-style-type: none"> – Competence, in the form of a certificate for taxi operators (or, until 1 July 2001: historical competence) (this requirement applies only to those in actual and permanent charge) – Reliability, in the form of a certificate of good behaviour (this applies only to those who are in charge and are drivers) – Chamber of Commerce registration. – An operator's licence is valid indefinitely. – An operator's licence costs (to new operators) € 500 (2002). Licence certificates are provided at € 12 (2002). 	Till 2002, a capacity test applied to new operators: one had to prove that each vehicle turned over at least f 50,000 (€ 22,689) a year, and the vehicle had to be operated for at least 390 hours per quarter. This test was abolished effective January 1, 2002. It is prohibited to lease, sell, purchase or hire operator licences. Licence certificates are issued per taxi and are replaced every five years.

Scheme 2.1: The Netherlands (continued)

	Organisational conditions	Quality conditions	Capacity conditions
Transport zone	The Netherlands is divided into transport zones. Operator's licences and certificates are only valid within particular zones. These will be abolished in principle effective 01/01/2002.	The taxi may pick up passengers within its own transport zone only. If demand for taxis within its own zone is fulfilled, boundaries may be crossed; customers may be dropped off anywhere.	
Pricing	Maximum fares are set: <ul style="list-style-type: none"> – Starting fare – Fare per kilometre – Waiting fare. 	The operator may vary the fare price within the maximum tariff. Until 2002, passengers were theoretically permitted to negotiate the fare of a taxi trip destined to outside the transport zone. Following the abolition of transport zones, passengers are not permitted to negotiate taxi fares. The minister has informed parliament that the maximum-fare procedure will continue into 2002 and 2003.	
Consumer information	The operator's licence certificate has to be visible to the customer while in the vehicle. Every operator has to have a complaints procedure. Every operator has to be affiliated to a disputes committee. The driver's ID has to be visible to the customer while in the vehicle so that he is aware that the driver is reliable and identifiable. A taxi should be identifiable by the blue licence plate. The taxi price has to be visible both inside and outside the taxi.		
Airport access	Till 2002: According to zone system, under which only taxis from the Zaandam, Amsterdam and Schiphol regions may use the ranks at Schiphol. This system was abolished; although there seems to be a privileged position allocated to several taxi-service operators due to the contracts they have with Schiphol Airport Authorities. These contracts do not expire before mid 2004, at the very earliest.		
Fiscal facilities	Taxi operators are exempt from road tax (<i>MRB</i>), and may qualify for (<i>BPM</i>) tax returns if they are able to prove that 90% of mileage travelled entailed taxi-transport services.		
Enforcement	If the driver is unable to display an ID, then both driver and operator may be prosecuted. Operator's licences and certificates are issued by the <i>RVI</i> , who also checks whether the operator fulfils all requirements. Tested every five years. The licence certificate has to be visible to enforcement agencies within the vehicle. In addition to a taximeter, trip statistics have to be kept for monitoring. The <i>IVW</i> (<i>Inspectiedienst Verkeer en Waterstaat</i>) is responsible for all monitoring and enforcement. However, nationwide enforcement platforms were set up (<i>IVW</i> , police, public prosecutor, <i>GAK</i> and special investigation forces) for the exchange of information and expertise.		

Background developments to arrive at current taxi policy

Until 2000, the Netherlands enforced a clearly regulated taxi policy, as part of the 1988 Passenger Transport Act. Key points of this act related to the taxi sector entailed:

- Decentralisation: The issuance of licences per taxi by provincial authorities, which were able to delegate these duties to a consortium of local authorities;
- Capacity control by provincial authorities or cooperative local authorities, based on demand and preserving opportunities for profitable exploitation;
- Price control and a uniform structure of fares for the entire country;
- Control of the quality of the range of taxi services, by setting requirements for the vehicle, the operator and the driver;
- Market control, by setting up transport zones, within which solely those operators who were registered in that zone could operate (i.e., pick up customers);
- Monitoring and enforcement by three bodies (police, licence issuers and the RVI).

Over the years, it emerged that implementing Wp in the taxi market did not lead to an adequate match between demand and supply. Taxi operators were unsuccessful in anticipating changing demand. Besides, supply stagnated (while even a slight drop in the number of taxis occurred between 1995-1999). Wp appeared to be ill-equipped to deal with the blurring line between taxi transport and public transport. The above entailed sufficient reasons for the government to revise taxi-policy stipulations, as illustrated by the modified Taxi Act.

2.3 Taxi-sector structure

General structural data

In 2000, there were 19,300 taxis in the Netherlands. Compared to 1999, taxi numbers rose by 17%. Compared to 1995-1999, a turnaround materialised in the development of taxi numbers: between 1995 and 1999, the number of taxis fell by 3%. Of the total number of taxis in 2000, 3,418 were active in the four largest cities (Utrecht, Amsterdam, Rotterdam and The Hague). In these cities, the taxi numbers rose by 13% in 2000. The growth resulting from deregulation was stronger in the rest of the country (+18%) than in the four large cities.

Table 2.1 Selected structural data on the taxi sector in the Netherlands

	4 large cities 2000	Netherlands 2000	Netherlands 1996
Number of residents	2,000,000	15,900,000	15,400,000
Number of taxis	3,418	19,291	19,881
Number of operators	1,880	3,599	2,834
Number of drivers	N/A	29,200	N/A
Total turnover of taxi sector in €	135 million	635 million	N/A
Number of taxis per 1,000 residents	1.8	1.2	1.3
Number of taxis per operator	1.80	5.4	7.0
Turnover per taxi in €(2000)	40,000	49,000	N/A
Average fare in USD*	10.67	N/A	N/A
Average bus fare in USD*	1.37	N/A	N/A

* Figures cover Amsterdam; source: UBS (United Bank of Switzerland).

Compared to the other countries surveyed, taxi density in the Netherlands ranks from average (nationwide) to low (large cities). One should note that while the capital city was examined in the other countries surveyed, figures on the Netherlands cover the four large cities in their entirety as such (Amsterdam, Rotterdam, The Hague and Utrecht); this may present a slightly more favourable image of Amsterdam as regards taxi density and per-taxi turnover compared to the overall four-large-cities image.

Taxi fares

Modified legislation concerning deregulation of the taxi market came into force effective 1 January 2000. One aspect thereof entails setting a (temporary) national maximum fare for taxi transport (Maximum Fare Regulation), with the aim to prevent deregulation from causing undesirable taxi-fare hikes as long as the available supply of taxi transport (i.e., capacity) lags behind demand for taxi transport. Briefly, the measure stipulates that taxi-trip fares may not exceed the fare of the same trip when departing from the aggregate sum of the maximum tariff stipulated for every fee element.

The maximum tariff comprises three fee elements; viz.: starting fare, fare per kilometre driven and waiting fare per hour. Tariffs vary according to taxi usage; i.e., taxis with a capacity not exceeding four passengers (including the driver) may charge lower tariffs than those exceeding the five-passenger capacity. Besides, when the aggregate sum of the maximum tariff stipulated for every fee element does not exceed the maximum as stipulated, higher fares may be charged.

Presently, the following maximum levels apply to each fee element when using a taxi not exceeding the four-passenger capacity, excluding the driver (maximum fares for larger taxis are staged between brackets):

– Starting fare	€ 4.79	(€ 7.81)
– Fare per kilometre driven	€ 1.81	(€ 2.10)
– Waiting fare per hour	€ 30.76	(€ 30.76).

See www.taxiwet.nl for up-to-date information on current maximum fares.

In practice, average taxi fares charged are, with € 2.45, € 2.70¹ and € 26.39², significantly lower than the maximum tariff. However, with the exception of taxis in the north of the Netherlands, price levels charged in 2000 showed a distinct increase compared to 1999. Owing to this development, the Minister of Transport, Public Works and Water Management decided to maintain the 'Maximum Fare Procedure'.

2.4 Taxi-sector performance in the Netherlands

2.4.1 *Economic performance*

Turnover per taxi in the Netherlands amounts to € 40,000, and ranks at a low level compared to both Sweden (completely deregulated) and Denmark (completely regulated). This is not so much the result of fare levels, as according to an international comparative study by UBS, Amsterdam scores highly in this area. A low turnover may be attributable to the fewer hours that the taxi is operational (available for transport), a lower number of kilometres travelled per taxi, and a lower actual level of occupation.

¹ Daily fare per km travelled.

² Day-time waiting fare.

Equally, sound figures that may be used to enable international comparison are unavailable.

2.4.2 *Services rendered*

KPNG recently conducted a study into the use and assessment of taxi services by the consumer. The most important findings of this study are included in this section.

Almost half of all residents of the Netherlands above the age of 16 (6,300,000) used a taxi in 2000. In 1999, this percentage was at a comparable level. 31% of consumers used the taxi for business travel (among other purposes) in 2000, 26% for travelling to the airport, 44% to a station, 60% during a leisure trip and 41% for other activities (family visits, hospital, etc.). Taxis are primarily made use of for leisure purposes (by 25%). Business trips accounted for 17 to 20% of taxi mileage approximately.

In general, passengers in the Netherlands are positive regarding taxi travel. Eight out of ten travellers allocate a score of 7 out of 10 or higher. Only 5 per cent are really dissatisfied, and allocate a score of 5 or lower. Compared to 1999, taxi-user satisfaction rose. Nowadays, those who are dissatisfied generally complain about telephone access and driver behaviour.

Since no comparable information was available in this respect on the other countries surveyed, an international comparative survey on this issue was omitted.

2.5 Brief review

Table 2.2 Selected macro data on the Netherlands

Description	Value
Number of residents in 2000	16,100,000
Actual economic growth 1995-2000 (GNP)	+17%
Income per capita population 1999 (GNP/residents) in €	(approx.) 23,000

In the 1995-2000 period, the Netherlands were marked by rapid economic growth, particularly in 1998, 1999 and 2000. Developments in 2001, however, indicate a drop to 1%. Owing to growth, demand for taxi services clearly rose in recent years. In contrast, however, capacity adaptation was more limited causing greater tension between supply and demand of taxi services (taxi shortage). In view of these developments, and within the framework of the government policy regarding deregulation and liberalisation, changes to the Passenger Transport Act were implemented in 2000.

With the revision of the Wp, the government has outlined the framework for a fully deregulated taxi market. This deregulation will be implemented step by step and has to be completed in 2002. By using this step-by-step approach, the government hopes to be able to fine-tune the policy where necessary, should it appear that deregulation does not lead to the desired results, or leads to chaotic developments. For instance, the maximum fare has been set temporarily to protect the consumer from excessively high price increases.

3 Taxi policy and the taxi sector in Sweden

3.1 Current taxi policy

Central taxi policy

Taxi transport comes officially under the jurisdiction of the Ministry for Industry, Employment and Communication (Näringsdepartementet). The legal framework for taxi transport is established in the Commercial Passenger Transport Act (Yrkestrafiklagen) and the regulations derived from it by the Ministry and the SNRA (Swedish National Road Authority). These regulations consist of the operational computations stated in the Act.

Sweden has a central taxi policy. Taxi legislation enforced holds for the entire country. The provincial authorities' task is merely executive (issuing licences) and concerned with monitoring (supervising the proper use of licences, checking that regulations are constantly obeyed). The provincial and local authorities do not have policy-making powers at regional level, except for aspects relating to the taxi's use of public highways (i.e., planning, lay-out and use of ranks, or the taxi's use of bus lanes).

Deregulated taxi policy

The taxi sector has been extensively deregulated under current legislation. There are no quantitative restrictions regarding size of and entry into the taxi sector (means of transport, profession, firm) and there are no limits concerning transport zones (no predefined taxi zones). There are, however, strict regulations regarding the quality of the taxi, the taxi driver and taxi operator. In addition, clear regulations were set by the government concerning the information provided to the consumer and the method of setting fares.

Duration of licences

No time limit applies to the licences for performing taxi services. There are, however, periodical (five-yearly) checks on the operator's solvency. Insolvency or criminal behaviour on the part of the operator may lead to the withdrawal of the licence.

Scheme 3.1 shows the key elements of the current taxi legislation and executive stipulations.

3.2 Policy principles and developments

The law regarding commercial passenger transport was radically revised in 1990. Now, all forms of bus and car transport are covered by this law and taxi transport is thoroughly deregulated. This deregulation was implemented in one move and affected all market aspects (the number of taxis, pricing, transport zones, operator requirements, specific professional requirements).

The years following deregulation are viewed with hindsight by all concerned as a very chaotic period in which criminal behaviour (robbery, deception, excessive prices) and all manner of sidelines run by taxi drivers (selling Coca-Cola, food, etc.) were not uncom-

mon¹. The main cause of this is said to be the lack of executive stipulations (anybody with a driver's licence was able to work as a taxi driver or start a taxi firm) and monitoring.

After these initial chaotic years, there has been a certain amount of re-regulation since 1995 including stricter requirements, partly for the passenger's protection. In particular, re-regulation has taken place concerning:

- The requirements placed on the taxi driver (driving skill, vehicle knowledge, First Aid skills, knowledge of streets, apparent behaviour)
- The requirements placed on the taxi operator (capital/liquidation position, entrepreneurial skills)
- The requirements placed on the taxi (recognition, registration)
- The requirements placed on pricing (uniform method)
- The requirements regarding registration on behalf of the tax service (taximeter/board computer)
- The requirements regarding customer information (items and issue of receipt, ID card, price comparisons).

The abovementioned changes were implemented between 1994 and 2001. The comparative price statement was the last item to be implemented in 2001. Usually, the operators' organisation (Taxi Förbundet: social party), the consumer agency (Konsumentverket: advisor), the SNRA (regulating governmental body) and the County Councils (provincial government as executive body) are involved in preparing, setting and implementing legislative changes and regulations.

¹ See P. Arn inge (1998), 'Before and after deregulation', *Journal of Dial-A-Cab*, London.

Scheme 3.1: Sweden

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	Taxi transport is largely regulated within the SNRA (Swedish National Road Authority) taxi transport regulations. If the taxi fulfils the technical requirements set, a taxi registration is issued. Registration takes place at the County Council.	No particular requirements apply to the taxi itself except that it has to display the word 'taxi', contain a taximeter/board computer, be insured and, of course, be in good condition. The taxi may carry up to 9 persons (including the driver).	The number of taxis is unlimited.
Driver	The driver has to be registered and in the possession of a driver's ID card.	The taxi driver has to possess: <ul style="list-style-type: none"> – at least two years (faultless) driving experience; – special vehicle and first-aid knowledge; – a diploma of street knowledge, for Stockholm; – proof of good behaviour: no criminal record in the last five years. 	None.
Taxi operator	The taxi operator has to be in the possession of an operator's licence. With this licence, he may deploy one or more (unlimited) taxis.	In addition to the driver requirements, the operator has to complete a specific operator's training course, and has to possess adequate funds (working capacity) for the firm (SKR 100,000 for the first taxi and SKR 50,000 for any additional taxis). A licence is issued on the basis of this.	None
Transport zone	No limits	No limits	No limits
Price	No price regulations regarding the level of trip price. There are, however, regulations regarding price structure (now uniform for all taxi operators).	No regulations.	The price is, in theory, negotiable. In practice this rarely occurs, partly because many taxi drivers follow the guidelines set by the dispatch centre to which they are affiliated.
Consumer information	In addition to the identification of the vehicle as a taxi (taxi sign on roof and yellow licence plate starting with the letter T) and the visible presence of the driver's ID card with photo, price information has to be visibly present in the taxi.	Price information entails that comparative prices for a 10-km ride with a 15-minutes duration, Monday to Friday, both within and outside of working hours are visibly displayed (legible from inside and outside). Fixed prices are stated for the ride from Stockholm to Arlanda Airport in Stockholm taxis. A fixed format is used for the comparative price information.	

Scheme 3.1: Sweden (continued)

	Organisational regulations	Quality conditions	Capacity conditions
Airport access	<p>The taxis' access to the airport is determined by contracts drawn between the operators/owners of the taxi terminals at the airport and the taxi-dispatch centres. As the number of positions is limited (approximately 50 at the national Arlanda Airport), the contracted centres have exclusive rights to the positions in the taxi lanes. These contracts run for three to four years. Contracts between Arlanda and the centres are approved by the Swedish competition authorities (Konkurrensverket). Nevertheless, possibilities of liberalizing taxi lanes are under examination by the Konkurrensverket and County Council. Presently, the first lane is allocated to the five main centres, while ten others may use the second. According to the County Council, this restriction hinders competition to a certain extent (as the customer goes directly to the first lane). By releasing both lanes for all centres with which a contract is signed, the customer is given a greater choice. In addition, the County Council argues for objective criteria in the selection of centres to be contracted.</p> <p>N/A: A similar situation exists for the taxi lanes near the central station in Stockholm. The three main centres (Taxi Stockholm, Taxi Kurir and Taxi 2000) have contractual rights to the preferred inner lane. The other centres/unaffiliated taxis are, therefore, forced to use the less favourable outer lane.</p>		
Complaints	<p>Complaints are usually submitted to and dealt with by the taxi operator or dispatch centre to which the firm is affiliated. They have to ensure that complaints are dealt with properly. The government does not play an important role in this. However, complaints may be submitted to the County Council and the KonsumentVerget consumer organisation (a governmental body). The County Council may involve the complaints in its decision to issue or withdraw licences. The KonsumentVerget does not have any official authority in this.</p>		
Enforcement	<p>Policy monitoring and enforcement with regard to the taxi sector at national level are the responsibility of the Ministry for Industry, Communication and Employment. Nationwide implementation (such as holding driving exams for professional taxi drivers) is handled by the Vägverket (or SNRA (Swedish National Road Authority)). Issuance of licences (for taxis, drivers and taxi operators) is handled by the County Council. It evaluates and monitors registration systematically. Violations are dealt with by the police (stopping illegal taxis). The tax service is responsible for monitoring incomes.</p>		

3.3 Future policy developments

Radical changes to taxi legislation and regulations are not expected in the coming years, now that the necessary re-regulation has been completed. Presently, more attention is paid to tracking violators and sanctioning violations, and the options for increasing competition among taxi operators are being examined by the County Council and Competition Authority.

Tracking and sanctioning

Although Stockholm's taxi density is high, there is a shortage of taxi in the early hours of the morning. Insufficient numbers of operators offer their services at night since the obligation to supply services 24 hours a day was abolished, which entails that around 03:00 or 04:00 hours in the morning, there is a shortage of taxis, although demand for taxis at this time is growing. Competition by illegal taxis, and incorrect declaration of taxi earnings by registered drivers are important points for the Taxi Förbundet lobby and the County Council's policy. They hope to halt these excesses by tightening tracking and sanctioning policies. However, the operators' organisation claims that the police apparatus lacks these possibilities.

Increasing competition

The County Council and the SNRA claim there is insufficient competition in the taxi sector. This is mainly due to the fact that only a small part of the taxi service is potentially sensitive to direct competition. 50% of taxi turnover is raised through transporting disabled people, patients and students. Fixed-price agreements are made between taxi-dispatch centres (of which there are about 300 in Sweden) and local authorities for this type of transport and contracts are usually entered into for a fixed period (often two years). Besides, a quarter of the turnover may be attributed to business travel, which depends first and foremost on quality. The remainder is taken up by the transport of private consumers. In order to promote price awareness, the comparative price has been implemented, although it is expected that it will take several years before consumers start 'buying' taxi services on the basis of price.

The County Council is also examining the possibility of limiting competition through the allocation of taxi-rank positions at Arlanda Airport and Stockholm Central Station. The current system seems to protect major companies, or at least give them a competitive edge by allocating to them the more favourable taxi lanes instead of to other operators (see scheme 3.1).

3.4 Taxi-sector structure

General structural data

Sweden's taxi density is significantly higher than that of the other European countries surveyed which have or had a highly regulated regime¹. The high density in Sweden materialised almost immediately after deregulation. Within the span of one year (1990/1991), the number of taxis rose by over 2,000 to 14,800. Since then, the number of taxis ranked around 14,600 (see table 3.1).

¹ Taxi density in Ireland was low prior to deregulation, although it is now close to that of Sweden.

Table 3.1 Selected structural data on the taxi sector in Sweden

	Sweden 2001	Sweden 1996	Stockholm Ån 2001(*)
Number of residents	8,900,000	8,700,000	1,600,000 (760,000)
Number of taxis	14,521	14,558	5,337 (4,000)*
Number of licences (operators)	9,205	9,950	N/A
Number of operators (active)	8,521	8,948	2,990
Number of drivers	40,000	34,000 (1994)	N/A
Total turnover taxi sector in €(2000)	1.3 billion	1.0 billion	N/A
Number of taxis per 1,000 residents	1.63	1.67	2.8 (4.0)*
Number of taxis per licence	1.58	1.46	N/A
Number of taxis per operator	1.70	1.62	1.80
Turnover per taxi in €(2000)	85,000	68,000	N/A
Average taxi fare in USD	N/A	8.12 (1994)**	9.12 (2000)**
Average bus fare in USD	N/A	N/A	1.82 (2000)***

(*) Stockholm region. 60% of Stockholm-region residents live in the city itself.

* Data concerning the Stockholm region, estimates for the city of Stockholm are stated in parentheses (source: Taxi Förbundet).

** 5-km ride in the city (source: Union Bank of Switzerland).

*** 10 km or 10 stops in the city (source: Union Bank of Switzerland).

What is particularly noticeable is that the number of operator licences constantly declined since the start of 1995, after sharp growth between 1990 and 1995. Sweden had 8,100 licences in 1990, 10,100 in 1995 (approximately 1,000 'sleepers') and has now 9,200 (approximately 700 'sleepers').

Taxi prices in practice

The taxi sector in Sweden has three main purposes:

- The taxi as a paid means of individual transport with driver (private/business travel). In principle, the price is agreed between the taxi operator/centre and the passenger.
- The taxi as a means of transport for special individual or collective travel (the disabled, students, patients, etc.). The price for this is set by local authorities together with the taxi operator/centre.
- The taxi as a supplement to collective public transport (minibus taxis in sparsely populated areas). Here, price is determined in consultation between the public-transport operator and the taxi operator.

In principle, taxi operators are free to set their own prices. In practice though, price is determined by the taxi-dispatch centre. The Competition Authority in Sweden has agreed with this. The passenger may negotiate a price, although this rarely happens in practice. Prices of taxi rides in major cities do not vary a great deal between the various providers (Stockholm: Taxi Stockholm, Taxi Kurir, Taxi 2000). A possible reason for this may be that many taxi operators feel they are bound to the centre's advisory fare and that the majority of passengers do not choose on the basis of price and have little

awareness of price differences (in a fully crystallised market, this results in price levelling between providers). Operators now try to distinguish themselves more in terms of quality. This manifests itself particularly in the driver's smart clothing, personal attention and the luxurious interiors of Swedish taxis.

3.5 Taxi-sector performance in Sweden

Economic performance

The developments of recent years indicate that the sector is now fairly stable and its capacity matches demand fairly well¹. A characteristic of this development is the steady economic growth in the sector since 1996. In 2000, the turnover per taxi was SKR 810,000 (approximately € 85,000), and turnover grew by 25% in four years. Within the same period, total taxi cost rose by 9% and the price increase for taxis was 11%. This indicates considerable growth in the number of kilometres travelled by taxi (+13%) and slight improvement in the profit per kilometre travelled (+1.8%).

Innovation

The majority of innovations in the field of individual private transport and business taxi transport were implemented in the early years of deregulation. As such, there are special 'lady taxis', 'mini taxis' and 'business transport'. Package transport services are now offered and, in collaboration with (and upon request of) bus operators, taxis are used in regional bus services.

Services may be provided 24 hours a day; although in practice, there is a shortage at night and during peak weekend hours.

Information

In recent years, governmental decisions and technological information have both helped improve the information provided to the passenger. This has manifested itself particularly in the information included in the receipt (stating the time, date, distance, starting fare, costs per km and waiting fares) and also in the comparative price statement (compulsory since 2001). The comparative price indicates the operator's price for a 10-km ride during working hours on a normal working day, and during other hours. In addition, Stockholm taxis also state the fixed price for a ride to the national airport.

Customer satisfaction

Despite the increase in services and the improved information, a study by the KonsumentVerket (early 2001)² shows that 41% of taxi passengers would not state that the service's quality is actually good. Advance information regarding the trip price in particular is seen as unsatisfactory. Improvements were made on this point since the comparative price was set (mid-2001).

¹ Notwithstanding the peak in demand during weekend night-time hours.

² Konsumentverket, report 2001:2, *At your service*.

3.6 Comparison with the Netherlands

In comparison with the Netherlands, Sweden has a strongly deregulated taxi sector. The main differences are included in scheme 3.2. These differences and similarities are put into a wider international context in chapter 11.

Scheme 3.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none"> – Compulsory registration – Compulsory taximeter – No maximum number of taxis 	<ul style="list-style-type: none"> – Compulsory board computer
Driver	<ul style="list-style-type: none"> – Compulsory licence – Proof of good behaviour 	<ul style="list-style-type: none"> – Minimum of two years of faultless driving – Special taxi licence required (first aid) – Compulsory diploma (street knowledge)
Taxi operator	<ul style="list-style-type: none"> – Compulsory licence per operator – No compulsory 24-hour service 	<ul style="list-style-type: none"> – Special operator's training compulsory – Minimum work capital compulsory
Taxi service	<ul style="list-style-type: none"> – No distinction made between street taxi and contracted transport 	
Transport zone	No restrictions	
Price	<ul style="list-style-type: none"> – Predefined price structure 	<ul style="list-style-type: none"> – Free pricing – Customers may negotiate fare
Consumer information	<ul style="list-style-type: none"> – Taxi has to be identifiable – Driver's identity has to be visible – Price information has to be visible 	<ul style="list-style-type: none"> – Visible (inside and outside) statement of comparative price – Compulsory receipt – Detailed information on receipt
Airport access*	<ul style="list-style-type: none"> – Airport access for taxis depending on exclusive contracts between airport and taxi-dispatch centres 	
Enforcement	<ul style="list-style-type: none"> – Policy monitored and enforced by national government 	<ul style="list-style-type: none"> – By the police – Operator's licence and taxi registration issued by lower government authorities (regions)

* Even on large private sites (Central Station Stockholm, Ericsson business site), the owner of the site has the right to 'sell' taxi-rank positions to one or more taxi operators/centres (see also *Taxi abroad, Part II*).

3.7 Brief review

Table 3.2 Selected macro data on Sweden

Description	Value
Number of residents in 2000	8,900,000
Actual economic growth 1995-2000 (GNP)	+ 14%
Income per capita population 1999 (GNP/residents) in €	(approx.) 30,000

In the period between 1995 and 2000, Sweden was marked by a period of mediocre economic growth (1995, 1996, 1997). Since 1998, it has seen major growth through to 2000, with an annual growth percentage of 3.5 or above. Developments in 2001 indicate a drop in economic growth. In connection with economic growth, unemployment has also seriously dropped in Sweden. Presently, less than 3.7% are unemployed (ongoing quarterly figures for the 2nd quarter of 2001; source: SCB).

High activity severely augmented demand for taxi services in Sweden in recent years. In 1999 and 2000 in particular, turnover rose sharply (1999: +7%; 2000 +5%). High demand for taxi services, in combination with a shortage in the labour market, has caused a deficit of taxi drivers. This deficit is now one of the main problems for the Swedish taxi sector, and Stockholm in particular.

Since the implementation of the new commercial passenger-transport law, taxi transport has not really been a hot political or social item. Now that the most important problems are removed through adapted regulations, deregulation has finally been completed and the sector is stable. Policy makers, the consumer organisation and the trade organisation all agree that the current situation is preferable to the previous regulated situation.

The Taxi Förbundet points out in particular that profit levels are now under the responsibility of the taxi operator. Taxi firms compete, they perform better and improve in many areas, such as information for customers, the quality of the service (type of vehicle, driver's attire, passenger comfort), the response time to calls, administrative data processing (board computer), etc.

Sweden's situation is also favourable in comparison to that of other countries in terms of economic performance in the taxi sector (turnover per taxi in Sweden: € 90,000). The deregulation as implemented appears to have resulted not only in a greater availability in the long term but also in companies that perform better economically. It is worth noting, however, that the development of the taxi sector has also certainly been positively influenced by progressive reduction of VAT rates for taxi firms between 1990 and 2001.

The government (Stockholm region) and the consumer agency occasionally express the desire to increase competition between taxi operators and centres (especially for taxis at Arlanda), and to improve the quality and availability of taxi services during peak hours. In view of the profits already made in this area, it appears that these are the final refinements of what is now a well performing system.

4 Taxi policy and the taxi sector in New Zealand

4.1 Current taxi policy

Central taxi policy

The general policy regarding taxi transport is under the responsibility of the Ministry of Transport. Policy development and implementation are carried out by the LTSA (Land Transport Safety Authority). Taxi transport policy is included in the LTA (Land Transport Act) and the PSV rule (Passenger Service Vehicle rule). The latter legislation came into force in September 1999 and concerns all forms of commercial passenger transport (requirements of buses, taxi and minibuses).

Formulation and implementation of taxi policy are both fully centralised. The LTSA has regional enforcement agencies. They are in charge of registration of taxis, taxi operators and taxi organisations (a type of taxi-dispatch centre), monitoring registration and fulfilling the conditions set for the issuance of licences. Using the taxi organisations' obligatory complaints records and police data, they frequently check up on the use of licences.

Deregulated taxi policy

The New Zealand taxi sector is largely deregulated. Extensive procedures only apply to safety, reliability and consumer-information aspects. The emphasis is placed on self-regulation (including monitoring the correct application of legal stipulations). The Approved Taxi Organisations (ATO) direct this self-regulation. Firms have to be affiliated with one of the 180 ATOs in New Zealand. This compulsory membership increases opportunities for self-regulation and monitoring by market participants.

An overview of the main points of New Zealand policy is included in scheme 4.1.

Scheme 4.1: New Zealand

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	Taxi preconditions regarding the vehicle are set out in the PSV rule (Passenger Service Vehicle rule). The vehicle has to be licensed as a Passenger Service Vehicle and has to be registered with a recognised taxi organisation (Approved Taxi Organisation (ATO).)	Vehicles offered for service for transporting up to 12 passengers have to have a licence. No distinction is made between taxis, minibuses and buses.	No upper limit - abolished in 1989. Limits may be set at airports by private owners.
Driver	Conditions for drivers are set out in the Transport Services and Licensing Act (TLSA), 1989. Taxi drivers have to be licensed as such.	Drivers have to: <ul style="list-style-type: none"> – be suitable and skilled persons; – sit an exam to prove their geographical and legal knowledge; – have a special passenger's module (P-endorsement) on their licence; – possess an Area Knowledge Certificate for the area in which they work; – speak English well. 	None.
Taxi operator	The taxi operator has to have a licence to run the company (issued by the Land Transport Safety Authority (LTSA)).	The conditions for the licence are based on management capacity and honesty. The operator has to register with the taxi organisation of his choice.	None.
Taxi organisation	A taxi organisation or ATO may be a large organisation with numerous affiliated operators or a small unaffiliated taxi firm that operates as a dispatch centre (without affiliated operators). The taxi organisation has to be approved by the LTSA.	Taxi organisations have to: <ul style="list-style-type: none"> – offer communication services 24 hours a day, 7 days a week; – register members, vehicles and drivers; – supervise the fulfilment of legally stipulated quality controls for vehicle and driver; – keep an up-to-date complaints register (up to two years). 	None.

Scheme 4.1: New Zealand (continued)

	Organisational regulations	Quality conditions	Capacity conditions
Transport zones	Ranks are not regulated by the Land Transport Rule (1999). These come under the jurisdiction of the local authority.	Taxis may not stop within 20 metres of a rank or accept a fare.	None.
Price	Pricing is not regulated, although information on pricing is.	Taxi operators have to inform the government of their prices - via the ATO -, and this information has to be displayed on each taxi (both inside and outside).	
Consumer information	Highly regulated	<ul style="list-style-type: none"> – The driver's ID with a photo and a unique number has to be visibly displayed. – The taxi has to clearly display the taxi organisation's name and the car number, or the 'licence name'. – The fare structure known to the government has to be clearly stated both inside and outside the taxi. – The fare display has to show an address where complaints may be submitted. – The driver has to provide a receipt upon request. 	
Complaints procedure	In principle, complaints should be submitted to the ATO, which has to ensure they are dealt with appropriately. The ATO have to maintain a record of these complaints. If the complaints are not dealt with satisfactorily, the traveller may notify the regional LTSA agency. The LTSA may use these complaints in its capacity to issue or withdraw taxi-organisation licences.		
Airport access	Airports are private property. Access to these sites is distributed among ATOs on a tender basis every two years. The ATO pays for access to the airport. Other rules often apply to age, appearance and condition of the taxi (tidiness, etc.). These are set by the airport owner. Although deregulation was effected at national level, airport rules were tightened.		
Enforcement	Policy is effective at national level (Land Transport Safety Authority, a part of NZ Ministry of Transport). There is no policy at local or regional level. The provision of ranks is the local authorities' exclusive responsibility. Self-regulation by the ATOs themselves is an important basis for the monitoring and enforcement system.		

4.2 Policy principles and developments

The economic regulation of the NZ taxi sector was abolished in 1989. This entails that there are no longer any restrictions/preconditions regarding:

- Number of taxis
- Number of taxi operators
- Number of taxi drivers
- Taxi-transport zones
- Level of taxi fares.

The main reason for the changes was, according to the government at that time, that except for aspects of safety (vehicle, skill) and honesty (the correct application of fares, proper consumer information, street knowledge, no misleading services), there were no overwhelming reasons for the economic regulation of the taxi sector. Another important factor was that at the end of the 1980s, the government had to cut spending due to the economic crisis in New Zealand. The aim was to let the market take care as much as possible itself to allow for the dismantling of the government apparatus. To illustrate the point: in 1989, six Ministry of Transport employees were specifically responsible for the taxi sector; there are currently none¹.

In order to prepare and implement changes in government transport policy, the government institutionalised consultation with the sector in 1994 by setting up the Industry Consultative Group. The trade organisation (Taxi Federation and Limousine and Shuttle Association) represents the taxi operators here. The government is represented by the LTSA (Land Transport Safety Authority).

No major changes were made to the deregulation system since 1995. Taxi-sector regulation is not regarded as a major political issue anymore, although there are a few modifying proposals in legislation. However, these are not deemed to have any significant relevance (see below).

4.3 Future policy developments

Proposals have recently been made by numerous parties (government, interest groups, etc.) to implement certain legislative changes for the taxi sector at government level.

These relate to:

- The requirements set concerning registration and transparency of information regarding taxi organisations, which should be recorded by the LTSA
- A 'safety-grading system' to establish the taxi operators' safety performance
- Further subdivision of 'small commercial passenger transport' for taxis, shuttles and 'private-hire cars' with modified rules for each sub-group where necessary
- Greater requirements of taxi organisations' financial accountability.

The background to these proposals is to be found, on one hand, in the government aim of improving the safety of commercial passenger transport, and on the other, in the trade organisation's wish to combat unfair third-party competition (e.g., the 'courtesy vehicles' provided by hotels to transport guests around)².

¹ See Personenvervoer, April 2000, *Tien jaar deregulering in New Zealand* (Ten years of deregulation in New Zealand) (1).

² See Personenvervoer, April 2000, *Tien jaar deregulering in New Zealand* (Ten years of deregulation in New Zealand) (2).

The LTSA is currently working on a new programme for coding all the rules concerning land transport (Land Transport Rules). The Operator Licensing Rule will also form part of this. This future law (final version is still unpublished) consists of all the rules regarding transport services using small vehicles (up to 12 persons). These are set out in the 1989 Transport Services and Licensing Act.

4.4 Taxi-sector structure

Table 4.1 Selected structural data on the taxi sector in New Zealand and Auckland City

	New Zealand 2000	New Zealand 1989(*)	Auckland 2000
Number of residents	3,800,000	N/A	1,200,000
Number of taxis*	7,108	2,742	3,329
Number of ATOs*	180 (1998)	107	38
Number of taxi operators*	6,200	2,742	N/A
Number of taxis per 1,000 residents	1.87	0.4 (rough estimate)	2.79
Number of taxis per operator	1.11 (1998)	1	N/A
Average price 5-km taxi ride in USD**	N/A	N/A	4.34
Average price 10-km bus ride in USD**	N/A	N/A	1.02

(*) No data is available for the intermediate years. 1989 gives a good idea of the situation in New Zealand directly prior to deregulation.

* Source: LTSA.

** Source: Union Bank of Switzerland.

Taxi density in New Zealand is relatively high, and roughly similar to that of Sweden. This occurred directly after deregulation, which was implemented in a period of economic depression. The trade organisation feels to some extent that there are now too many taxis. This is borne out by the large number of unused taxis at ranks during off-peak hours; this would seem to be more balanced during peak hours (geared to demand).

Taxi organisations

Taxi firms in New Zealand have to be affiliated to a taxi organisation (ATO). There are currently more than 180 of these, for 6,200 taxi operators. The ATO is seen as an important instrument in achieving a high-performance taxi sector without excessive governmental interference.

In view of the large number of ATOs and the constant growth of this number, one may safely say that the taxi operator has a wide choice of taxi organisations to which he may affiliate.

Taxi prices in practice

In theory, operators are free to set their own prices. This is often done at ATO level. The passenger may negotiate the price but this is unusual for standard services. Compari-

sons have been easier for the consumer to make since the fare structure was simplified after 1989.

In Auckland, competition over the years has levelled and brought about a drop in rates in recent years, which may be due to the New Zealand's recession until the late nineties. The different providers' fares are now quite close. This indicates that the competitive situation has stabilised and that price competition no longer plays a part in attracting customers.

4.5 Taxi-sector performance in New Zealand

Services

The New Zealand government does not see fit to place any economic or commercial restrictions on the taxi sector due to the principles of free enterprise. Taxi operators are free to offer any services. The condition does, however, apply that taxi operators offer regular taxi services 24 hours a day.

Since 1989, the variety of taxi vehicles and services rose visibly. There are now taxi buses, all manner of group transport, tourist trips, pick-up services, for instance at airports, weddings, funerals, etc. Goods are also carried by taxi (permitted if small, irregular and of minor importance). Collective use of taxis (shared taxis) is permitted but, due to the high supply, is uncommon¹. Since 1995, little has changed in terms of services.

Information

According to reports, the passenger's options regarding taxi fares are optimal, both in terms of direct comparison (at taxi ranks) and in terms of non-time-related comparison (e.g., the information on taxi operators' websites).

Customer satisfaction

A recent LTSA study of taxi passengers in Auckland and other places shows that customer satisfaction is higher than it was five years ago. Safety was key to this study. Points of interest were waiting times at ranks, the condition of the vehicle, drivers' driving behaviour and social behaviour. No direct connection may be made between deregulation and the perception of safety (according to the reporter: 'there may be some impact from the deregulation of taxi services, but the overall pattern of consumer satisfaction is one of stability').

4.6 Comparison with the Netherlands

New Zealand, just as Sweden, has a more deregulated taxi policy than the Netherlands. The most significant similarities and differences are included in scheme 4.2. Chapter 11 contains a more comprehensive discussion of this.

¹ For a comprehensive service, please see Part II, section 7.5: *Taxi market: behaviour and competition*.

Scheme 4.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none"> – Compulsory licence – No upper limit to the number of taxis – No distinction between contracted transport and street taxi 	<ul style="list-style-type: none"> – Vehicle has to be enlisted with a registered taxi organisation (ATO)
Driver	<ul style="list-style-type: none"> – Compulsory licence – Proof of good behaviour 	<ul style="list-style-type: none"> – Certificate (local knowledge) compulsory (after exams) – Special section on licence is compulsory
Taxi operator	<ul style="list-style-type: none"> – Compulsory licence 	<ul style="list-style-type: none"> – Conditions: management capacity and fairness
Taxi organisation		<ul style="list-style-type: none"> – Has to be registered with LTSA – Compulsory activities – Compulsory complaints register – Has to be available 24 hours a day, 7 days a week
Taxi service	<ul style="list-style-type: none"> – No distinction between contracted transport and street taxi 	
Transport zones	<ul style="list-style-type: none"> – No restrictions 	
Price		<ul style="list-style-type: none"> – Free pricing; customers may negotiate fare – Fares are not regulated – Government has to be notified of fares
Consumer information	<ul style="list-style-type: none"> – Visible ID card – Visible prices 	<ul style="list-style-type: none"> – ATO name has to be visible on vehicle – Address for complaints has to be visible on fare chart (both inside and outside the taxi) – Has to provide receipt upon request
Airport access	<ul style="list-style-type: none"> – Access on the basis of contract between airport and taxi-dispatch centre 	
Enforcement	<ul style="list-style-type: none"> – Organised at national level 	

4.7 Brief review

Table 4.2 Selected macro data on New Zealand

Description	Value
Number of residents in 2000*	3,800,000
Actual economic growth 1995-2000 (GNP)*	+13%
Income per capita population 2000 (GNP/residents) in €*	(approx.) 16,000

* Source: OECD (2001), or calculations based on OECD.

** Euro/dollar rate 2000.

In the last five years, New Zealand has seen good economic growth. There was a clear recession until 1995, which was accompanied by company closures and reorganisations and led to high unemployment. The growing industry since 1995 has not brought about any significant reduction in unemployment as yet.

Deregulation was implemented completely in one fell swoop in 1989. LTSA policy workers point out the success deregulation has had. 'People are using taxis more, the price is the same as it was in 1989, there is more competition, the quality of taxis and drivers has improved greatly, drivers wear uniform, (...) and there is more innovation in the sector.'¹. To illustrate: between 1989 and 1999, the number of taxis in New Zealand rose from 2,700 to around 7,100.

In addition, the fact that the legislative changes made now are only concerned with the further elaboration and improvement of quality and safety controls indicates that capacity management is no longer the focus of the New Zealand government's attention.

According to experts consulted and market participants involved, compulsory membership of a taxi-dispatch centre has made the current self-regulation successful and acts as a guarantee of a taxi service's quality.

On the other hand, taxi-sector spokesmen also point out the problems associated with the current high number of taxis. During rush hours, the availability is indeed evenly spread; but outside of rush hours, there is a definite case of overcapacity, which entails that the taxi sector is not performing optimally in economic terms.

¹ See Personenvervoer, April 2000, *Tien jaar deregulering in New Zealand* (Ten years of deregulation in New Zealand) (1).

5 Taxi policy and the taxi sector in Ireland

5.1 Current taxi policy

Partly centralised and partly decentralised policy

The general framework for the taxi policy is set out in the 1961 Road Traffic Act and the associated executive stipulations (Statutory Instruments)¹. Implementation is carried out at local authority or municipal level (Dublin Corporation). This concerns registration, pricing, monitoring of transport zones and until recently, capacity policy.

Partly deregulated policy

Taxi legislation is strictly regulated in outline (driver requirements, pricing, zone system, consumer information). Capacity restrictions relating to the number of taxis were abolished in November 2000, and now anyone who fulfils the requirements may start his own taxi firm.

See scheme 5.1 for main policy points.

¹ For a brief description of these statutory instruments, see Fingleton, Evens and Hogan: *The Dublin Taxi Market: Re-regulate or Stay Queuing*, Appendix 1, The Policy Institute Dublin, 2000.

Scheme 5.1: Ireland

	Organisational preconditions	Quality conditions	Capacity conditions
Taxi (vehicle)	Legislation concerning the taxi sector is set out in section 7 of the 'Road Traffic Act' (1961) and in 13 supplementary 'Statutory Instruments' (1968-2000).	One licence is issued per taxi. The conditions for this are: the vehicle should be permitted to use public highways by the 'National Car Test Centre'; taxis have to have a 'roof sign'; taxis have to be accessible to the disabled and have a special licence plate. All taxis have to have wheelchair access from 2003. Presently, a licence for a taxi with wheelchair access is much cheaper than one for a non-wheelchair-accessible taxi (£ 100 vs. £ 500 (€ 130 vs. € 630)).	The quantitative maximum for the number of licence holders was abolished effective 1 November 2000. Licences are, however, subject to fees.
Driver	See Taxi (vehicle) for legislative framework.	Drivers have to have a special licence for public-transport services (Public Service Vehicle Licence); in addition, they have to be insured and able to prove that their licence has never been withdrawn.	No limits apply to the number of drivers. The maximum number of taxis did until recently implicitly set a limit to opportunities to enter the profession.
Taxi operator	See Taxi (vehicle) for legislative framework.	Taxi operators have to stick to the set fare structure and at least behave in a polite way.	See Driver.
Taxi organisation	None.	None.	None.
Transport zones	Transport zones are, in theory, identical to the borough lines. The 'Dublin Taximeter Area' relates to the functional area of the Dublin Corporation, Fingal, Dublin & Dun Laoghaire/Rathdown County Councils.	Taxis may pick up passengers at a rank, Hackneys (private-hire vehicles) may not use ranks but are ordered in advance (though they are not subject to government-set fares).	
Price	Local authorities determine standard fares. These fares may be in the form of maximum rates or fixed prices. They apply within that transport zone. Transport outside regional boundaries is not subject to fixed prices.	Prices are the same for all taxis, but supplementary services, such as assistance with luggage, etc., may be charged for. Fares may not be negotiated, unless the destination is outside the local borough. The starting fare in Dublin is Irish £ 1.90 (€ 2.40). The rest of the fare is based on time units as long as the taxi does not stop or drive slower than 7.5 miles an hour. Otherwise, it is based on distance units. (Per 1/9 mile or 40 seconds = Irish £ 0.10 (€ 0.14).)	

Scheme 5.1: Ireland (continued)

	Organisational preconditions	Quality conditions	Capacity conditions
Consumer information	See Taxi (vehicle) for legislative framework.	The taxi has to display its licence number, the driver's name, and the fare structure clearly to the consumer. In practice, the licence number is usually displayed on the 'roof sign'. Information is also available at the ranks. Complaints are handled by the local Garda (police).	
Airport access	According to the taxi-zone system	Access is reserved for taxis registered within the Dublin Corporation's transport zone.	
Enforcement	Enforced by the Carriage Office, a special section of the Garda (police).		

5.2 Policy principles and developments

Within passenger-transport policy, the taxi is viewed as part of the public-transport facilities. It is also seen as an instrument in changing the way people travel and as an opportunity to reduce the number of private vehicles in the city.

The Irish taxi sector has had a fully regulated policy for years. Some changes were implemented prior to 2000 but these have had little effect on policy principles, excepting the broad decentralisation implemented in 1995. The local authorities were then in charge of the enforcement of all major taxi regulations (issuing licences, registration, monitoring, price setting). Growing demand for taxi services led to the abolition of taxi-quota policy in 2000. The number of taxis permitted throughout Ireland is now unlimited. This expansion did, however, mean that taxi licences (negotiable) suddenly lost their total value (up to Irish £ 80,000). This brought about a number of legal actions against the government, seeking compensation or a return to previous policy. The plaintiffs lost these cases.

The partial deregulation in 2000 affected taxi capacity only. Other real characteristics of the policy (price levels, the zone system) are still in force. There are no indications that this will change in the short term.

Presently, discussions are taking place with the taxi sector regarding different aspects of taxi policy such as price levels (effective since 1998 in Dublin; proposals have been made to increase prices by 14%) and compensation for the loss of value of licences.

5.3 Taxi-sector structure

Table 5.1 Selected structural data on the taxi sector in Dublin

	Dublin 2001	Dublin 1995
Number of residents	1,200,000	?
Number of taxis	6,257	1,974
Number of licences	6,257	1,974
Number of organisations	17-20	17-20
Number of taxi ranks	90	N/A
Number of taxi driver's licences	13,000	N/A
Number of taxis per 1,000 residents	5.2	<2 (rough estimate)
Average price 5-km taxi ride in USD*	7.17	N/A
Average price 10-km bus ride in USD*	1.05	N/A

* Source: United Bank of Switzerland.

The data that is available on the taxi sector in Ireland concerns the Dublin Corporation. In general, only basic numerical data is available. The information available demonstrates that there has been considerable growth in the number of taxis, almost all of which took place in 2001. There was little change in the taxi sector in the previous 15 years, which may be a consequence of strict capacity policy.

5.4 Taxi-sector performance in Ireland

According to experts, demand for taxi services in recent years rose sharply owing to the growing economy and the rise in tourism. The supply of taxi services was entirely left behind due to the strict capacity policy. A study by the Irish competition authorities showed that the number of taxi licences in Dublin rose by only 50 (2.5%) between 1991 and 1997. Capacity restrictions were abandoned in 2000 partly as a result of this. The high value of the taxi licence (Irish £ 80,000) is a good indication of how tense the market was at that time¹.

Presently, there is no real insight into the potential influence of modified taxi policy on service quality. According to spokespersons, quality declined (anecdotal evidence). The only real visible change is the removal of the option of 'taxi sharing'. This subject was negotiated by the government and the taxi sector when removing capacity controls.

5.5 Comparison with the Netherlands

Compared to the Netherlands, Ireland's regulation of the taxi sector is even stricter. The essential differences are displayed in scheme 5.2. Chapter 11 contains a comprehensive discussion of the differences in taxi policy between the countries/cities surveyed.

Scheme 5.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none">– No maximum number of taxis– Separate registration of taxi vehicles	<ul style="list-style-type: none">– Licences are negotiable
Driver	<ul style="list-style-type: none">– No maximum number of drivers	<ul style="list-style-type: none">– Special licence compulsory
Taxi service	<ul style="list-style-type: none">– No compulsory 24-hour service	<ul style="list-style-type: none">– Separate regulations for contracted transport
Transport zones		<ul style="list-style-type: none">– Zone system– Transport zone is borough
Price		<ul style="list-style-type: none">– No maximum, but fixed fare– No fare negotiation within zone
Consumer information	<ul style="list-style-type: none">– Taxi has to be identifiable– Driver's name has to be visible– Fares have to be visible	<ul style="list-style-type: none">– Complaints dealt with by local police
Airport access		Ranks reserved for taxis registered in the zone covering the airport
Enforcement	<ul style="list-style-type: none">– Main issues are determined nationally	<ul style="list-style-type: none">– Implemented by local authority/local police

¹ For a comprehensive view of the taxi sector in Ireland prior to deregulation, please see Oscar Faber, *Review of Taxi and Hackney Carriage Service in the Dublin Area*, June 1998.

5.6 Brief review

Table 5.2 Selected macro data on Ireland

Description	Value
Number of residents in 2000	3,700,000
Actual economic growth in 1995-1999 (GNP)*	+42%
Income per capita population in 2000 (GNP/residents) in €	(approx.) 26,000

* Source: Eurostat.

Ireland has seen turbulent economic growth in the last six years. Ireland is at the head of Europe with 42% growth from 1995 to 1999. This growth is not solely the result of increasing industrial and commercial activities but also of a great increase in tourism from other countries.

The number of foreign tourists rose by 25% between 1997 and 2000. Demand for taxi services also rose substantially over these years. Exact figures are absent, but experts and market participants are unanimous that the Dublin region in particular, which is seen as the economic engine of the country, has or has had a great shortage of taxis. In order to meet growing demand for taxi services, partial deregulation of the taxi sector was implemented.

Before 2000, the Irish taxi sector was strictly regulated. The capacity limits caused the availability of taxis to fall further and further behind demand over the years, which developed strongly as a result of economic development. In Dublin in particular there was, and is, a shortage of taxis.

Presently, the Irish taxi sector is clearly on the move. The first major step towards deregulation has been taken, although the results of this are as yet unclear. There are plans for initial reports to the government on new taxi-sector developments in September 2001. Provisional results have not been published. For the time being, growth of capacity is thought to be very high, although it is uncertain whether the quality of service has also improved. Indeed, the initial signs indicate that taxi quality may have declined.

6 Taxi policy and the taxi sector in the United Kingdom

6.1 Current taxi policy

Decentralised policy

The general framework for taxi policy is set out in the 1841 Hackney Carriage Act, and in the 1841 London Hackney Carriage Act. These Acts were revised and extended several times since. The general frameworks indicate the guidelines for implementing these laws at local level. This may be the authority for a large urban region (London Metropolitan), a city, a rural borough or a municipal borough of a major city.

Largely regulated policy

Taxi legislation is regulated in terms of all main issues (requirements of the taxi and driver, the number of taxis, pricing, zone systems, consumer information). Local authorities are able to determine the number of taxis within their local area, and set prices and entry requirements to the profession of taxi driver/operator. All taxi drivers are also operators. Maximum fares are set for zones and are, in theory, negotiable between customer and driver. If the taxi carries passengers outside its transport zone then prices are free.

Please see scheme 6.1 for further elaboration.

Scheme 6.1: United Kingdom

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	The most important law regarding the taxi sector is the (London) Hackney Carriage Act (1843). This Act has been modified 11 times between 1847 and 1999.	No vehicle that is not a taxi may display the 'taxi', 'cab', or 'Hackney' sign. Besides, special requirements apply to ensure public safety. In London, highly specific demands are placed on the vehicle's turning circle. These demands are set out within the policy.	Local authorities are able to set maximum numbers of taxis (Hackneys and private-rental cars with driver), although many do not. (Under the 1985 Act, they may limit taxi numbers if they are satisfied that there is no significant demand for taxis in their area.)
Driver	See (London) Hackney Carriage Act (1843), in particular the London Cab Drivers Act (1968).	New drivers have to be at least 21 years old, take a special driving test, a street knowledge test (takes three to four years in London) and have to provide a medical statement of health or take a medical test, depending on age. No serious misdemeanours.	There are no quantity restrictions.
Taxi operator	See Driver.	The driver (taxi owner) is also operator. Liability insurance for £ 5 million (€ 8 million).	
Transport zones	Taxi ranks are established by the Public Carriage Office (London) or local authorities (elsewhere). The London authority's zone includes The Metropolitan Police Area, the City of London and London Airport (Heathrow).	Taxi licences are valid for a particular area (zone). There are two types of licence in London: for the whole of London (green badge), or for a district (yellow badge). In London, drivers may possess licences for more than one district.	There are around 500 ranks in London.
Price	Maximum fares are set by local authorities. Prices may not be negotiated in theory, unless the destination is outside of the local zone.	Fixed starting fare, then extra costs per distance or time unit. Extra services such as baggage or unusual times incur additional costs. The maximum is almost always used in practice. The fare structure for London is as follows: starting fare (the first 378.6 metres) £ 1.40 (€ 2.20); every additional 189.3 metres £ 0.20 (€ 0.32).	
Consumer information	Certain obligations are included in the legislation.	The taxi's licence number has to be visible both inside and outside the taxi. The fare system has to be visible inside the taxi.	
Airport access	London City Airport and Heathrow are within the London taxi zone. Only taxis registered in London may wait and pick up customers there. However, airport sites are private property. Therefore, airport authorities have some influence on airport policy. Taxis wishing to enter the airport have to be registered with the airport authorities. They then pay a £ 2.40 (€ 3.80) 'fee' per ride to the airport.		
Enforcement	The most important legislation is passed centrally, while these frameworks are interpreted at local level. The responsibility for taxis in London lies with the Public Carriage Office. Local police are responsible for enforcing policy, and local authorities deal with complaints (in London: Public Carriage Office).		

The term 'taxi'

Taxis are referred to by the terms 'taxi', 'cab' or 'Hackney'. There are clear distinctions between taxis and Hackneys. Taxis may pick up passengers at ranks and on the streets, and have to possess a taxi licence. In London, stricter regulations apply to the model of the vehicle (the black cab).

Separate rules apply to contract transport using Hackneys or minicabs. They have to be ordered to the door and may not be hailed on the streets. These are not subject to licences (as yet). The taxi sector is more heavily regulated as the choice on the streets is more limited. When selecting a Hackney or minicab, the consumer may make price and quality comparisons in advance.

6.2 Policy principles and developments

UK taxi policy has been stable for some years. There have not been any radical changes in recent years. The most important principle of the current policy is maintaining customer safety. This safety is the most important responsibility of the Carriage Office.

An important change occurred for London in 2000, in that responsibility for licence issuance was shifted from the Metropolitan Police to the city's administrator (the Mayor of London). The Mayor's office has drawn, or is developing, new guidelines for the taxi sector.

The main change concerns registration of 'minicabs'. In order to combat unfair competition by minicabs, of which there are estimated to be around 40,000 in London, minicab operators have to possess a taxi-operator licence from 22 October 2001.

Other proposed London taxi-sector reforms relate to:

- Evening- and night-fare levels
- The fitting of video cameras in taxis
- Street-knowledge training (the Knowledge)
- The revision of the 6-mile rule (an archaic rule originating from the days of the horse taxi, when taxis were permitted to refuse rides longer than 6 miles)
- Promoting taxi driving as a profession for women and foreigners.

These changes are expected to be implemented in phases rather than all at once.

6.3 Taxi-sector structure

Table 6.1 contains some data regarding the United Kingdom taxi sector (England, Scotland and Wales). For the record, the number of taxi licences concerns exclusively those registered vehicles that are permitted to wait at ranks. 'Private-hire cars or Hackneys and minicabs' are not included.

The taxi sector has clearly grown in the last four years. In 1995, London had 22,000 taxi drivers - there are now 24,000. The number of registered taxis rose from 18,300 to 21,000 over the same period.

Table 6.1 Selected structural data on the taxi sector in the United Kingdom

	United Kingdom 2000	United Kingdom 1995	London 2000
Number of residents	59,500,000	59,000,000	7,000,000
Number of taxis = number of licences	70,000	60,000	21,000
Number of taxi driver's licences*	140,000	N/A	24,000
Number of ranks	N/A	N/A	(approx.) 500
Number of taxis per 1,000 residents	1.2	1.0	2.5
Turnover per taxi (rough estimate in £)	N/A	N/A	40,000
Average price 5-km taxi ride in USD**	N/A	N/A	11.10
Average price 10-km bus ride in USD**	N/A	N/A	2.22
Average length of taxi ride in km	N/A	N/A	2.5

* Counted double for drivers who use a PHV.

** Source: United Bank of Switzerland.

In the 1997-1999 span, England and Wales saw a total increase of 5,700 (+10% in 3 years' time)¹. This development shows that there is no especially strict licence policy in either London or the rest of the United Kingdom. Nationally, taxi density in the United Kingdom is also clearly higher than in Belgium, France or Germany, for instance, where stricter entry policy is maintained.

6.4 Taxi-sector performance in the United Kingdom

The taxi service consists of paid passenger transport, from the taxi rank or street in which the taxi is hailed. The range of services has not changed since 1995. All services are offered 24 hours, every day. Maximum fares set by the local authority apply to destinations within transport zones. In practice, these maximum fares are used as fixed prices for taxi transport within one's own zone. Under normal circumstances, all London taxis charge the same fare. Passengers may negotiate fares for destinations outside the taxi zone.

On the basis of the information gathered, it appears that the UK taxi service itself changed little. It may be that strict guidelines regarding models (black cabs in London) and the type of services make innovations impossible. Presumably, linked to economic growth, the use of taxi services rose in recent years. Given the very low annual number of complaints, the quality of the services may be said to be good. In London, the Public Carriage Office registered 1,600 complaints with a total of 85,000,000 trips within the London taxi area. The quality of London taxi services is safeguarded by tough training regarding street knowledge (the Knowledge).

¹ Source: Transport Statistics Bulletin. *A Bulletin of Public Transport Statistics: Great Britain 2000 Edition*.

6.5 Comparison with the Netherlands

In comparison with the Netherlands, the UK has, in theory, a stricter form of taxi-sector regulation. The main differences are outlined in scheme 6.2. In practice, things differ less noticeably as space is made for new taxis. London's entry requirements are, however, strict. See chapter 11 for further discussion of this point.

Scheme 6.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	– Licence required	– Local authority may set maximum number of taxis (but often do not)
Driver	– Licence required – Medical statement/test	– Special taxi driver's test (tough test of street knowledge)
Taxi operator		– Chauffeur is also taxi owner/operator
Taxi service		– Contracted transport is arranged separately (from street taxi)
Transport zone		– Zone system – Transport zone = borough
Price		– Maximum fare for travel within zones
Consumer information	– Taxi should be identifiable – Fare has to be visible – Licence number also has to be visible inside	
Airport access		– Only taxis registered within the zone may use airport ranks – Airports charge a fee per ride which is included in fare
Enforcement	– National legal framework (though archaic)	– Through local acts (London Acts) – Implementation by local authority – Local police and local government

6.6 Brief review

Table 6.2 Selected macro data on the United Kingdom

Description	Value
Number of residents in 1999	59,500,000
Actual economic growth 1995-2000 (GNP)	+16%
Income per capita population 1999 (GNP/residents) in €	(approx.) 23,000

Source: Eurostat/OECD.

The United Kingdom's economy has grown steadily between 1995 and 2000, and especially in 1999 and 2000. Economic growth is not seen as an extra boost for London taxi transport, which is always busy. Business and commuter traffic, tourist attractions and the many special festivities that take place in London all year round all place a heavy burden on public transport and the taxi sector.

The taxi sector in the United Kingdom is relatively tightly regulated. In practice, capacity control does not limit growth in capacity. In fact, the opposite is true: in recent years, it rose sharply. Setting a maximum fare instead of a fixed price also allows scope for market forces. However, little use is made of this in practice.

Policy developments for the London taxi sector do not point to any further deregulation as yet. The proposed policy items relate to the removal of 'gaps' in existing legislation in order to create an equal competition situation for all taxi-service providers.

7 Taxi policy and the taxi sector in Belgium

7.1 Current taxi policy

Largely regulated policy; partial deregulation in Flanders in 2002

In theory, the Belgian taxi sector is highly regulated although this has yet to be realised at local level. This has been extensively developed in Brussels and there is clear enforcement. Neither of the other regions have extensive control of local interpretation of the policy framework. However, Flanders has passed a decree giving new frameworks for implementing taxi policy at a local level within Flanders. One of the aspects of this is the deregulation of capacity.

Partly centralised and partly decentralised policy

The general guidelines for taxi policy are included in the 1974 Taxi Services Act. This is a national framework law that assigns great responsibilities to the regions of Flanders, the Walloon provinces, and the Brussels metropolitan region. Within the latter, policy making, implementation and monitoring are centralised. These regulations are recorded in the '1995 Taxi Ordinance'. The interpretation of policy frameworks occurs locally in the other regions.

The main policy points are outlined in scheme 7.1, examining the main regional (the whole of Belgium, Flanders and Brussels) differences.

Scheme 7.1: Belgium

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	The Taxi Services Act (1974) sets the requirements placed on taxis. This is elaborated upon at local level (Brussels: 1995 ordinance; Flanders: 2001 decree). The option of shared taxis is explicitly included in the Flanders decree.	<ul style="list-style-type: none"> – The vehicle has to be suitable for up to 9 persons. – The whole vehicle is made available for transport, not a single seat. – The taxi should be insured for 'paid transport'. – The taxi has to be fitted with a lamp (<i>spoetnik</i>) and a separate licence number. – The taximeter is compulsory in Brussels. 	Local authorities have to balance the number of taxis with public interests and the profitability of taxi operators. They may set a maximum for the number of taxis. In Brussels, this <i>numerus clausus</i> is set at 1,250 taxis. This is enforced through the number of licences issued to operators.
Driver	Taxi drivers have to be registered with the local/municipal authority.	<ul style="list-style-type: none"> – Taxi drivers in Brussels have to possess an 'aptitude certificate'. This is a certificate of knowledge that is issued after an exam. This has to be passed every year. – In addition, they have to pass medical tests, submit proof of registration in the municipal register, and be at least 21 years old. They also have to be able to provide proof of good behaviour and morals, and a work permit (employment certificate). 	No limit is set for the number of drivers.
Taxi operator	According to the Taxi Act, local authorities may set requirements for the taxi services offered within their area. Licences are compulsory for taxi operators. The operator receives a non-sharable licence for one or more taxis.	The licence has to state the number of vehicles used by the operator. The vehicles have to be registered with a four-digit identification number.	Licences are valid for up to ten years (Taxi Services Act (1974)), except for in Brussels (five years).
Transport zone	The Act states that local authorities may set boundaries for transport zones.	Taxis may be deployed from a rank or any other place not reserved for public transport. The local authority determines the number of ranks and assigns these to taxi operators. The principle of all taxi transport is that the driver - if he carries a customer to another borough where he does not have a rank position - returns 'empty' to the borough of his own rank, unless ordered by phone by a person outside of his borough (he does not use a rank then); or if people are waiting at an empty rank. The driver is then obliged to offer his services (if 'empty' on his way to his own rank borough).	Not applicable.

Scheme 7.1: Belgium (continued)

	Organisational regulations	Quality conditions	Capacity conditions
Price	Maximum fares are set at national (federal) level, within which local authorities may set maximum fares for their boroughs. Some large cities (e.g., Antwerp) operate perimeter zones in and around their own municipal area to set price structures (perimeter zone 1 = single fare; perimeter zone 2 = double fare).	Perimeter zones were set for taxi transport and public transport at a central level (by the Minister of Economic Affairs). If the taxi returns to the rank from outside the perimeter zones (1 or 2), a fixed sum may be charged (e.g., Antwerp).	In Brussels, the following maximum fares were set: starting fare: BEF 95; night-time starting-fare supplement: BEF 75; perimeter zone 1: BEF 40 per kilometre; perimeter zone 2: BEF 80 per kilometre. The driver may charge less than stated on the meter: the maximum fare is not the compulsory fare. This offers the customer the opportunity to negotiate.
Consumer information	The Taxi Services Act (1974) does not include rules regarding this. There are often special regulations at local level concerning the information that has to be provided to customers.	The taxi always has to identify the service. Fares have to be displayed inside Brussels taxis, and the driver has to provide a receipt detailing distance, place of boarding, destination and trip fare. Brussels has a special complaints line and an Internet site for complaints regarding taxi services. The local authority deals with these complaints and is entitled to impose sanctions.	
Regulating body	The abovementioned Act outlines the federal framework. Further elaboration on this occurs at regional (Flanders, Brussels and the Walloon province) and local level. The Act states that authorities may set conditions for operating taxi firms. These 'executive decisions' may concern the number of licences, fares, length of licences, driver quality, information, vehicle characteristics, and the location and set up of ranks. They are responsible for issuing licences, assigning ranks and setting maximum fares within the borough. The following are regulated: price, capacity, ranks, accounting system, entry, taxi identification, transport/price zones (perimeters). Besides, the following are regulated in Brussels: local knowledge training, identification of closed contract transport.		
Airport access	This depends on local authorities; but in principle, one has to stick to national (federal) requirements. For instance, only firms registered at Zaventem Airport may offer their services there. However, this is a current subject of political discussion.		
Enforcement	The police are responsible for monitoring violations and may impose fines. Brussels has its own control apparatus for implementing rules, to which the consumer may also submit complaints. This control apparatus may impose sanctions in the form of (temporary) withdrawal of licences, temporary impoundment and seizure of vehicles.		

7.2 Policy principles and developments

Under Belgian law, the taxi is a public utility. This entails that legislative and executive bodies have to create the opportunities for a full complement of taxis. A principle of this is that taxi firms have to be able to generate sufficient profit.

Belgian law enforces clear distinction between street taxis and contracted transport. Street taxis are strictly regulated by law, while contracted transport is generally free of regulations.

The regional (Flanders, the Walloon provinces and Brussels) and local authorities are responsible for implementing policy and monitoring its observance. According to parties involved, this does not always transpire as it ought to. There is inadequate supply of taxis in Flanders (especially in rural areas), a wide range of illegal taxis in Brussels, many firms do not profit sufficiently and there is imbalanced ('unfair') competition for Brussels firms by contracted-transport operators (chauffeur-driven limousine rental, or 'private-hire cars') and taxi firms that are not registered in Brussels.

In order to turn around the negative situation in the taxi sector, Brussels developed the framework law further in 1995 by means of a separate taxi ordinance. This serves several purposes:

- Banning illegal taxis in Brussels
- Removing competition by taxis that are not registered in Brussels
- Combating competition by contract services
- Combating the trade in licences (prohibited by law).

Brussels has opted for very strict regulation of the taxi market, in which prices may be set within a maximum. A characteristic of the Brussels taxi policy is the very strict control of taxi numbers. Between 1995 and 2000, the number of taxi licences and the number of registered taxis were cut by 24% and 10%, respectively (licences are issued in Belgium for one, two or more taxis; the number of taxis is stated on the licence). Presently, Brussels' taxi policy is focused on the continuing battle against illegal taxis, on improving taxi-service qualities and on formulating financial-economic requirements for taxi operators.

The opposite is taking place in Flanders. The government acknowledges a shortage of taxis and an inadequate use of taxis within the public-transport chain. The new Flemish taxi decree of 23 August 2001 comprises a number of measures intended to intensify taxi use. The most important of these measures are:

- The possibilities of taxi sharing
- The possibilities of using taxis for small-scale public transport
- The abolition of licence issuance for taxi vehicles
- Setting a separate minimum number of taxi firms for each borough in Flanders.

In particular, the abolition of vehicle licences and the setting of minimum numbers of taxi operators should ensure that competition is strengthened, taxi quality is improved and taxi numbers are enhanced.

7.3 Taxi-sector structure

Structural data concerning the Belgian taxi sector shows that there are obvious regional differences. Brussels has a high taxi density for Belgium, although this is low in com-

parison with other capitals. It also seems that the size of Brussels taxi-service operators is small. In contrast, taxi-service operators in Flanders are much larger. According to sources, this is linked to greater professionalism and innovation. On the other hand, taxi density is low in Flanders.

Table 7.1 Selected structural data on the taxi sector in Belgium

	Belgium	Flanders		Brussels	
	2000	1998	1995	2000	1995
Number of residents	10,200,000	5,900,000	5,900,000	960,000	950,000
Number of taxis	4,000	1,934	1,734	1,283	1,420
Number of licences	3,300	1,206	1,104	909	1,189
Number of operators	N/A	751	757	892	1,004
Number of taxis per 1,000 residents	0.4	0.3	0.3	1.3	1.5
Number of taxis per licence	1.2	1.6	1.6	1.4	1.2
Turnover per taxi in € (rough estimate)	25,000	N/A	N/A	N/A	N/A
Number of taxis per firm	N/A	2.6	2.3	1.4	1.4
Average price 5-km taxi ride in USD*	N/A	N/A	N/A	5.83	N/A
Average price 10-km bus ride in USD*	N/A	N/A	N/A	1.17	N/A

* Source: United Bank of Switzerland.

On the basis of the aforementioned information, taxi density may be established at 0.2 per 1,000 residents (700 taxis for around 3,500,000 residents). The Walloon provinces' regional structure (few large cities, smaller towns and villages with large distances between them), and the Walloon population's readiness to help each other with transport problems would clarify this low taxi density.

7.4 Taxi-sector performance in Belgium

Little has changed in terms of the type of services in recent years. According to the executive body in Brussels, taxi quality has clearly improved, but is not optimal. Brussels has seen improvements in taxi model, technical facilities (board computer is compulsory) and the information provided to the customer. Drivers could, however, be more appropriately dressed and of greater service to the customer, according to a policy representative.

Belgium has a complex system of calculating taxi prices and a great variety of 'perimeter-zone' sizes used in calculating taxi-transport fares and public-transport fares. This system may result in a ride from Brussels to Antwerp being considerably more expensive than the other way around. This creates confusion and leads to complaints. The decentralised system of registration and handling entails that there is no way of monitoring customer satisfaction. There is no genuinely structured research into this. Policy agencies have to base any action to be taken on actual complaints. One may approach the Municipal Regional Cabinet's 'Service Taxi' in Brussels.

Besides, Belgium uses a progressive system of maximum fares. The government sets maximum fares at national level, and local authorities do so at regional/local level. The maximum-fare system entails that operators are free to set their own prices within this limit. According to sources, it is not unusual for prices to be negotiated between customer and driver. This may explain the relatively low price in Brussels for a 5 -km ride within the city.

7.5 Comparison with the Netherlands

The Belgian taxi sector is clearly more tightly regulated than the Netherlands' taxi sector is. Nevertheless, there are movements underway - in accordance with European guidelines - towards deregulation of the taxi market. The new framework for Flanders' taxi policy illustrates this. The major similarities and differences are included in scheme 7.2. The new frameworks for Flanders are stated in *italics*. For a more comprehensive international comparison, please see chapter 11.

Scheme 7.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none"> – Separate registration of taxi vehicles – <i>No maximum number of taxis (Flanders)</i> 	<ul style="list-style-type: none"> – Maximum number of taxis (Brussels)
Driver	<ul style="list-style-type: none"> – Compulsory licence – Medical test – Proof of good behaviour – Licence is valid for five years 	<ul style="list-style-type: none"> – Aptitude certificate (after exams) – Minimum age of 21 years – Street knowledge (Brussels)
Taxi operator	<ul style="list-style-type: none"> – Compulsory licence – Minimum number of taxis per borough (Flanders) 	<ul style="list-style-type: none"> – Licence controls maximum number of taxis (Brussels) – Licence is valid for five years (Brussels)
Taxi service	<ul style="list-style-type: none"> – Legal distinction is made between street taxis and contracted transport 	
Transport zones		<ul style="list-style-type: none"> – Transport zones apply – Transport zone = borough
Price	<ul style="list-style-type: none"> – Maximum fares set 	<ul style="list-style-type: none"> – Price zones set – Customers may negotiate price
Consumer information	<ul style="list-style-type: none"> – Taxi service has to be identifiable – Fares have to be displayed in the taxi 	<ul style="list-style-type: none"> – Receipts have to be provided (Brussels) – Complaints handled by local authority
Airport access	<ul style="list-style-type: none"> – 	<ul style="list-style-type: none"> – Regulated on the basis of zone system

Scheme 7.2 Comparison with the Netherlands; similarities and differences (contd.)

	Similarities	Differences
Enforcement	<ul style="list-style-type: none"> – National legal framework 	<ul style="list-style-type: none"> – The national framework is expressed federally in decrees/ordinances – Local authorities are in charge of implementation – Local authorities (the police) are in charge of monitoring compliance – Special control apparatus in Brussels – Local authority may impose sanctions

7.6 Brief review

Table 7.2 Selected macro data on Belgium

Description	Value
Number of residents in 2000*	10,200,000
Actual economic growth 1995-2000 (GNP)*	+15%
Income per capita population 2000 (GNP/residents) in €*	(approx.) 24,000

* Source: OECD (2001), or calculations based on OECD.

** Euro/dollar rate 2000.

Similar to other European countries, Belgium has seen good economic growth, especially in the years 1999 and 2000. The income per capita population (expressed as Gross National Product divided by the number of residents) is similar to that in the UK and slightly lower than that in Ireland. The taxi sector itself is highly concentrated in Brussels, where less than a tenth of Belgians live but where more than a third of taxis are found. This is directly connected to the concentration of offices (e.g., EU) in Brussels.

A progressive policy applies to the Belgian taxi sector. The federal frameworks are provided (i.e., for the whole of Belgium), but the individual regions (Flanders, Brussels and the Walloon provinces) may interpret them in their own way. This differs from region to region. Taxi policy was tightened in 1995 in Brussels, a new policy for Flanders was outlined in 2001, while the Walloon province does not seem to have any intention of modernising its policy for the time being.

The taxi sector in Belgium is currently definitely a political issue due to the policy changes in Brussels and Flanders' new frameworks. The double move being made at present is worth mentioning: tighter policy in Brussels in contrast with a clear move towards deregulation in Flanders.

Numerical data shows that the Belgian taxi sector is not particularly strong compared to the taxi sectors in the other countries surveyed. The very low taxi density illustrates this. It would seem that the current regulated policy provides some protection to the existing taxi sector, although the social objectives of the taxi sector contributing to public transport ('the taxi as public utility') are not met. Hard information to back this up is absent, except for a rough international comparison.

8 Taxi policy and the taxi sector in Denmark

8.1 Current taxi policy

Strictly regulated

Denmark's taxi sector is strictly regulated, and legal frameworks are set at national level by the Ministry of Transport. Denmark (Copenhagen) limits capacity through the number of taxis and also sets a maximum number of drivers, who have to be affiliated with a taxi organisation. Taxi drivers have to possess a licence (with a special appendix on the driver's licence). Fares are set.

Decentralised

The transport department of the Ministry of Transport is responsible for interpreting legislation. Further elaboration is carried out at local authority level. Copenhagen and its outer boroughs have set up an inter-authority executive body for this purpose. Other boroughs have their own local authority body in charge of executive matters regarding the taxi sector.

The taxi sector is fully regulated. Capacity (the number of taxis), the price of services, and the requirements of taxi operators and drivers are all regulated. Contracted transport is not covered by taxi-sector regulations.

The main points of taxi-sector policy are outlined in scheme 8.1.

Scheme 8.1: Denmark

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	Licences are issued for each vehicle. The number of taxis is limited by the provincial/local authority.	Capacity to transport 1 to 9 persons. The vehicle has to have an illuminated taxi sign. Minimal internal dimensions (Mercedes level). A taximeter has to be fitted in the car. All vehicles have to be affiliated with a taxi organisation.	In the Copenhagen area, the maximum number of taxis totals 2,550. (The number of licences issued was enlarged from 2,350 to 2,550 since 1995 to cater for growing demand.)
Driver	A licence is required for driving a taxi. The number of taxi driver licences is determined by the provincial/local authority.	The driver has to possess a valid driver's licence (for vehicles up to 3,500 kg). The driver has to possess a taxi card (Erhvervskort), which is an extension of the driver's licence. The driver has to take part in a 70-hour long course, after which one may be permitted to join the local 'taxi board'.	The number of drivers is not restricted. About four times as many drivers as licences are permitted in Copenhagen.
Taxi operator	A licence is needed to run a taxi firm.	Only drivers who are permitted by the local taxi board may be hired.	No explicit information.
Taxi organisation	A licence is required to run a taxi organisation	No explicit information.	No explicit information.
Transport zone	According to the zone system set by local or provincial authorities.		Copenhagen has set a larger taxi zone with the outer boroughs (the total area of affiliated boroughs).
Price	The price of taxi services is regulated and is set by local or provincial authorities.	Fares are not negotiable. Different fares apply to different times, for more than four passengers, for baggage, and for help by the driver with loading/unloading. In the Copenhagen region, the fare structure is as follows: starting fare: DKR 22 (€ 0.30); waiting fare: DKR 295 per hour (€ 35); distance: between 07:00 and 16:00 hours: DKR 8.25 (€ 1.10) per km; Friday 23:00 – Saturday 07:00 hours and Saturday 23:00 – Sunday 07:00 hours: DKR 11.80 (€ 1.55) per km; other times: DKR 10.05 (€ 1.33) per km.	
Consumer information	The provision of information is regulated.	Each taxi has to contain a book comprising rules. This book has to state the set prices, the driver, owner and vehicle requirements, and opportunities for the customer to complain.	
Airport access	According to the zone system. Only taxis registered in the Copenhagen zone and outer boroughs may use airport ranks and pick up/drop off customers there. There is a fixed system regarding taxis at the ranks.		
Enforcement	The policy is enforced by the local taxi board and the police. Complaints are dealt with by the taxi organisation and only reach the taxi board on rare occasions.		

8.2 Policy principles and developments

The key point of the transport policy, and, therefore, taxi policy, is to ensure the mobility of the population. Environmental principles also apply, as do labour market principles.

The taxi sector is the subject of discussion because of:

- The lack of taxi capacity in Stockholm
- The safety of drivers who are occasionally exposed to passenger violence
- The wishes of some taxi operators to liberalise taxi prices (price deregulation).

Some changes to taxi policy were made in 1998. These changes related to the taxi-sector quality (one of the measures entailed that motorcycles may not be used as taxis). Presently, no changes are expected.

8.3 Taxi-sector structure

Table 8.1 includes some of the structural characteristics of the taxi sector. This data refers to Copenhagen (including outer boroughs that are part of the Copenhagen taxi zone).

Table 8.1 Selected structural data on the taxi sector in Denmark

	Denmark	Copenhagen (including outer boroughs)	
	2000	2000	1995
Number of residents	5,350,000	1,400,000	N/A
Number of taxis	5,500	2,513	2,350
Number of licences	5,500	2,550	2,350
Number of operators	670	N/A	N/A
Number of taxis per 1,000 residents	1	2.1	2.0
Taxi sector turnover in €	480 million (1999)	230 million (1999)	200 million
Number of taxis per licence	1	1	1
Number of taxis per operator	8	N/A	N/A
Turnover per taxi in €	84,000	117,000	85,000
% kilometres 'sold'	N/A	50%	47%
Average price 5-km taxi ride in USD*	N/A	5.83	7.95
Average price 10-km bus ride in USD*	N/A	1.17	2.02

* Source: United Bank of Switzerland.

The Copenhagen taxi sector is relatively weakly represented in comparison with both 'deregulated' and 'regulated' cities. Only Brussels has a lower number of taxis per 1,000 residents. The growth in the number of taxis was 8 per cent in Copenhagen in the last five years. This shows that there is a tight policy line regarding the number of taxis permitted, although the Copenhagen government sees room for this to grow. In this way, Copenhagen follows London's example, and no *numerus fixus* is used for a longer period.

The turnover per Copenhagen taxi is very high at DKR 860,000 (approximately € 117,000), especially when compared to estimates for Belgium, for instance. This indicates a high occupancy rate and a relatively low fare (Brussels: fare USD 5.83, comparable fares in Amsterdam: USD 10.67 and in Copenhagen: USD 7.95). In Copenhagen, though, taxi prices are higher than in other parts of Denmark.

8.4 Taxi-sector performance in Denmark

Services have not changed since 1995, and are provided 24 hours a day, 7 days a week. Services and fares are equal for all Copenhagen taxis. These services are provided at non-negotiable prices set by local/provincial authorities.

Passengers rarely complain and are generally satisfied. Satisfaction has improved slightly since 1995 due to the compulsory driver-training courses, which include service training.

8.5 Comparison with the Netherlands

The taxi sector is strictly regulated in comparison with the Netherlands. The main similarities and differences are included in scheme 8.2. Please see chapter 11 for an international comparison.

Scheme 8.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)		– Maximum number of taxis
Driver	– Compulsory licence	– Maximum number of drivers – Compulsory special appendix on driver's licence – Compulsory training course
Taxi operator	– Compulsory licence	
Taxi organisation		– Compulsory licence – Compulsory membership of organisation
Taxi service	– Contracted transport is not covered by street-taxi regulations	– 24-hour service compulsory
Transport zone		– According to zone system – Zone system according to boroughs
Price	– Fares are not negotiable	– Prices are fixed
Consumer information	– Taxi has to be identifiable – Compulsory taximeter	– Book of rules has to be present in taxi (vehicle, driver, owner requirements, complaints procedure)
Airport access		– According to inter-authority zone system

Scheme 8.2 Comparison with the Netherlands; similarities and differences (contd.)

	Similarities	Differences
Enforcement	– National framework	<ul style="list-style-type: none"> – Implemented by 'taxi board' for the authority – Policy enforcement by local 'taxi board' and police – Complaints handled by taxi organisations and then 'taxi board'

8.6 Brief review

Table 8.2 Selected macro data on Denmark

Description	Value
Number of residents in 2001*	5,350,000
Actual economic growth 1995-2000 (GNP)*	+14%
Income per capita population 2000 (GNP/residents) in €*	(approx.) 32,000

* Source: OECD (2001), or calculations based on OECD.

** Euro/dollar rate 2000.

Denmark, with a per-capita GNP of € 32,000, is one of the most prosperous countries in Europe. Another sign of its healthy economic situation is its unemployment percentage of 5%. The main centre of activity is in and around Copenhagen, where 20% of the population live. 50% of Denmark's total taxi turnover is effected in the Copenhagen region. The numerical data provided in this chapter relates entirely to the situation in Copenhagen. Another important development for the taxi sector is the opening of the bridge/tunnel connection between Copenhagen and Malmö and the islands Sjælland and Fyn.

Denmark provides a clear example of a strictly regulated taxi sector. All services and prices are set within this framework. The great demand for taxis services in and around Copenhagen ensures a good level of occupation and taxi turnover.

What is characteristic of the Denmark taxi sector is the compulsory membership of a taxi organisation. Despite strict regulations, membership of an organisation is seen as a guarantee of good quality and good economic operation. Another characteristic is the high turnover per taxi. Denmark has the highest turnover of all countries and cities surveyed.

9 Taxi policy and the taxi sector in France

9.1 Current taxi policy

Strictly regulated

France's taxi-sector policy is meticulously detailed. The taxi sector is distinguished from other contract transport. France (Paris) has a maximum number of taxis, for which special 'parking licences' are issued (one per taxi). These may be traded. Taxi drivers have to have a licence (after sitting exams). There are designated zones where passengers may be picked up. Fares are fixed.

Partly centralised, partly decentralised policy

A general national framework law is implemented at regional level. At national level, the taxi sector is within the responsibility of the Ministry of Internal Affairs. A variety of regions are used at local level, ranging from cities and boroughs to departments (responsible for interpretation and implementation for boroughs with less than 20,000 residents). At municipal authority level (prefecture), further interpretation takes place at local level (municipal/regional level).

The main points of taxi policy are outlined in scheme 9.1.

Scheme 9.1: France

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	Taxis are subject to licensing; i.e., any car that one intends to use for taxi services has to be licensed.	The following are regulated: number of seats (max. 9, including driver); internal dimensions; compulsory time/kilometre registration equipment (for fare), external taxi sign; external identification of commune and registration number, taximeter (to record the driver's working hours). The taxi sign has to be illuminated if the taxi is available. It has to be covered when the taxi is not in service. The driver has to provide the customer with a ticket if the trip price is more than € 15.24, or if requested.	The number of taxis is restricted by a licence system. 14,900 are issued in Paris and 44,000 in the whole country. They may be traded after a certain period. Prices vary between € 15,000 and € 230,000.
Driver	Drivers have to possess a licence and a certificate.	Licence; no criminal record; certificate of aptitude (after sitting exam); medical test; in Paris, no other employment. Decent appearance and clean attire.	The driver has to have been active for at least 10 of the last 12 months in order to renew his certificate. He may not work for longer than 10 (under contract) or 11 (self-employed) hours a day. N.B.: Of the 14,900 Parisian licences, 850 are 'doubled up'; this entails that one car is shared by day-time and night-time drivers.
Taxi operator	There are no specific supplementary requirements of the firm.		

Scheme 9.1: France (continued)

	Organisational regulations	Quality conditions	Capacity conditions
Transport zones	Regulated through a zone system. Some boroughs have set up an inter-borough zone.	The driver has to choose the shortest route to the destination.	
Price	The Ministries of Internal Affairs and Finance are responsible for prices. Exact fares are set locally.	Although prices are set, the fare system is unfathomable to the customer and comparing prices is impossible. On top of regular prices, there are extra costs for trips to and from the railway station, fourth adults, animals and baggage.	
Consumer information	Determined by law/prefecture regulations.	The certificate of aptitude has to be displayed inside the windscreen; commune and registration numbers have to be displayed outside the vehicle and a small poster with official stamps has to be put up inside. The driver also has to have the following: licence; fares chart, stamped by the police prefect; notebook for recording accidents; cover for the taxi sign.	
Airport access	Taxi services at the airport are covered by the department's prefecture. According to this departmental-zone system, only taxis with a licence for the zone/department containing the airport may use the airport taxi ranks and collect passengers there.		
Enforcement	<p>The certificate of aptitude is checked annually. 500 plainclothes officers (under the responsibility of the Ministry of Internal Affairs) inspect the taxi driver's services. The Ministry of Internal Affairs is responsible for taxi policy, although implementation is effected by local and regional prefectures and authorities. They adapt national legislation to the departmental market by means of 'prefectural orders'. The prefectures prepare the aptitude exams and are responsible for issuance and annual validation of '<i>cartes professionnelles</i>'. The Mayor/Prefect of Police is responsible for:</p> <ul style="list-style-type: none"> – establishing the total number of taxis and the issuance of licences – establishing taxi ranks – establishing the zones passengers may be collected (except at airports). 		

9.2 Policy principles and developments

The French taxi service is seen as part of the public-transport system. Along with Germany, France is one of the most regulated countries as far as taxis are concerned. The taxi sector's authorities are worked out to the last detail, including strict clothing regulations. Capacity is regulated by setting a *numerus clausus* (Paris) through local-authority decisions.

In 1995, several major changes were effected as regards taxi-sector policy. Firstly, the exams that all taxi drivers have to sit were brought into line for all departments. In addition, a single legal procedure was set up to sell licences (until then there were two). All licences may now be freely traded regardless of their year of issuance. The price of a Paris licence is now around € 110,000.

No important changes were made to taxi policy after 1995. Taxi-sector deregulation is not an important policy item for the government. Experts believe that the taxi sector will remain regulated for a long time yet. It does not seem unlikely, however, that in the coming years, increasingly more local authorities will gear policy to each other and set inter-borough zones and fares, reducing the number of people with decision-making powers (there are 36,000 local authorities in France), which is desired by the taxi operators' association. There is also a discussion underway in Paris concerning the number of taxis permitted (no more than 14,900 for many years). It has been said that there are not enough taxis in Paris (from the consumer's point of view). The taxi operators' association claims this is not the case, and neither does the Prefecture of Paris seem inclined to increase the number of taxis permitted.

Regulation is, however, an important point of discussion for the taxi sector, particularly the unfair competition provided in their opinion by 'hire cars with drivers'. This service is not tightly regulated and should provide services outside of the scope of the taxi service. In practice, the drivers' association claims, they are also providing normal taxi services. They are calling for more opportunities for taxis to provide alternative services and more stringent control of 'hire cars with drivers'. Here, parallels may be drawn with other cities that are strictly regulated, such as London and Brussels.

9.3 Taxi-sector structure

Table 9.1 contains the main taxi sector data for France and Paris in the year 2000. As there was little growth or otherwise in the French taxi sector, 1995 may be said to be similar to 2000.

In relation to other large European capitals (London, Berlin), Paris' taxi density is more or less similar. In comparison to other (smaller) capitals with deregulated capacity, taxi density is much lower. The national level is in fact very low. It is also notable that there has been little change in capacity at either metropolitan or regional levels.

Table 9.1 Selected structural data on the taxi sector in France and Paris

	France 2000	Paris 2000
Number of residents	60,000,000	6,000,000
Number of taxis	44,000	14,900
Number of licences	44,000	14,900
Number of operators	30,000	9,100
Number of drivers	N/A	17,000
Total turnover in €	N/A	838,000,000
Number of taxi ranks	N/A	350
Number of parking lots at ranks	N/A	4,500
Number of taxis per 1,000 residents	0.7	2.5
Number of taxis per licence	1	1
Number of taxis per firm	1.5	1.6
Turnover per taxi in €	N/A	56,000
Average price 5-km taxi ride in USD*	N/A	7.89
Average price 10-km bus ride in USD*	N/A	1.15

* Source: Union Bank of Switzerland.

Pricing

Taxi prices are set by the city or department. These are adjusted annually. The percentage increase is equal for all departments. Prices vary according to region, number of passengers, baggage, animals, or irregular items (skis, bicycles, wheelchairs, etc.). The taxi operators' association is discussing the idea of simplifying the fare system with the government, although this is not expected to change soon.

9.4 Taxi-sector performance in France

The street taxi's regular services are strictly outlined by law (passenger transport for payment through the hire of a vehicle with driver which may carry up to 9 persons including the driver). The taxi operator provides services for 24 hours a day, 7 days a week at set prices. Contracted transport and taxi services are clearly distinguished in France. Less strict requirements apply to contracted transport that provides much the same service. This elicits protests from taxi drivers who claim this is unfair competition.

In France, the taxi is seen as a part of public transport. As well as regular services, it is also used in some cities to complement standard public transport, for instance as a minibus in cities or as an alternative for regular buses with very low intensity. Remarkably, the taxi operators' association has proposed that the government gives them public status so that they may register for public-transport funding.

Despite strict regulation, public opinion of taxi-service quality is not particularly positive. Drivers may not always behave in a friendly way, it is often hard to find a taxi in larger cities, and the passenger is not always confident that he is getting to his destination by the shortest route. Transport is often denied as the driver is too busy or would prefer to wait for a more lucrative fare. Telephone access to cars and centres is not always all it could be. There are, however, initiatives underway to reduce taxi-waiting times - for instance at Roissy Airport.

9.5 Comparison with the Netherlands

Scheme 9.2 contains the main differences and similarities between the taxi sector in France and in the Netherlands (also see chapter 11).

Scheme 9.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none"> – Compulsory licence – Compulsory taximeter – Separate registration of taxi vehicles 	<ul style="list-style-type: none"> – Maximum number of taxis – Permits may be traded
Driver	<ul style="list-style-type: none"> – Compulsory licence – Proof of good conduct – Medical test 	<ul style="list-style-type: none"> – Certificate of aptitude compulsory (after exams) – May not be combined with other job – Decent appearance and clean attire
Taxi service	<ul style="list-style-type: none"> – Contracted transport is not covered by street taxi regulations 	
Transport zone		<ul style="list-style-type: none"> – Designated zones where passengers may be collected
Price	<ul style="list-style-type: none"> – Prices are fixed 	<ul style="list-style-type: none"> – Fixed prices; no maximum
Consumer information	<ul style="list-style-type: none"> – Taxi has to be identifiable 	<ul style="list-style-type: none"> – Certificate of aptitude has to be inside windscreen – Fares chart – Receipt has to be provided above certain amount or upon request
Airport access		<ul style="list-style-type: none"> – According to zone system
Enforcement	<ul style="list-style-type: none"> – Main points defined at national level 	<ul style="list-style-type: none"> – Further interpretation and implementation by local authorities and/or departments. Enforcement by local or departmental prefecture and police

9.6 Brief review

Table 9.2 Selected macro data on France

Description	Value
Number of residents in 2001*	60,000,000
Actual economic growth 1995-2000 (GNP)*	+13%
Income per capita population 2000 (GNP/residents) in €*	(approx.) 23,000

* Source: Eurostat/OECD (2001), or calculations based on OECD.

** Euro/dollar rate 2000.

France's per-capita income; i.e., GNP divided by the number of residents; is similar to that of Belgium and the United Kingdom. Economic growth is at a similar level. Approximately 6,000,000 people live in Paris and its outer districts (Paris + Petit Couronne,

referred to hereinafter as Paris), who make up 10% of the total population. Nearly a third of all taxis and operators are registered and active in Paris. Though focussing on structure, developments and regulations of the Paris taxi sector, the taxi sector for the whole of France is discussed.

France is a typical example of a strictly regulated taxi sector with seemingly characteristic problems, such as the debates concerning the number of taxis in Paris, the variety of fares, and the relationships with non-regulated services (rental cars with driver). Nevertheless, both government and trade organisations claim they wish to stick to the regulated system. The government may have formed this opinion due to its perception of the taxi service as a public utility (as in Belgium), and the trade organisations may also have taken this view due to the protective umbrella provided by this policy.

10 Taxi policy and the taxi sector in Germany

10.1 Current taxi policy

Strictly regulated

Germany enforces clear regulation of the taxi sector, just like France, Belgium and Denmark. The taxi sector is under the responsibility of the Ministry of Transport, Construction and Housing. The main national taxi-sector legislation (access to transport, vocation, and enterprise) is recorded in the 'Berufszugangsverordnung für den Straßenverkehr' and in the 'Personenbeförderungsgesetz'. This places the taxi sector under permanent government control. The taxi sector is kept separate from the rest of contracted transport. The policy concerns all major commercial aspects (pricing, taxi capacity, transport zones). Just as in France, sector capacity is determined from above and there is little or no room for growth.

As centralised as possible

Actual interpretation, implementation and monitoring of policy in relation to capacity, pricing, entry to the profession and taxi-service operations are decentralised as much as possible; i.e., placed under the authority of the various Bundesländer which, in turn, delegate this responsibility to urban and local authorities.

The main points of taxi policy are outlined in scheme 10.1.

Scheme 10.1: Germany

	Organisational regulations	Quality conditions	Capacity conditions
Taxi (vehicle)	The German passenger-transport act (Personenbeförderungsgesetz) and other (local) policies define taxis and the conditions they have to fulfil. A licence for each taxi is issued to the taxi operator (see below).	Taxis are motor vehicles for passenger transport, made available by an operator at officially appointed places, which convey passengers to their desired locations. Taxis have to have at least two doors on the right-hand side; be able to carry 50 kg of baggage with the maximum number of passengers; have to display a taxi sign; the taxi number has to be visible on the right of the rear window; and the vehicle has to be of a predefined colour. The vehicle has to pass an annual technical inspection, while exhaust fumes are also to be checked annually.	In practice, the number of taxis is defined by local government and there is little room for growth. Operators need a licence for each taxi, although there are waiting lists in practice. This depends on the authority, however (see also taxi operators below). Taxis may be deployed 24 hours a day.
Chauffeur	Taxi drivers are bound by a licence system. The licences (Personenbeförderungsschein) are issued and restricted by the local authority. The licence is valid for five years, or two years for beginners.	Licences are only issued to residents of that borough. The candidate has to be at least 21 years old, have a licence for at least two years, have a 'proof of health' issued after special medical examination, and gain a certificate of good behaviour which is issued after an exam on knowledge of the city and transport zones.	As a result of the restricted capacity policy (the number of taxis), there is in practice an upper limit for the number of drivers.
Taxi operator	Taxi operation is bound by a licence system (Berufszugangsverordnung). A licence is provided for each taxi (Konzession), but only to residents of the borough. It is initially issued for two years and may then be extended for four years at a time, unless the rules are found to have been violated.	In order to receive a licence, the operator has to be able to prove that s/he has never committed a criminal act and has never violated legislation in the field of passenger transport, social policy, tax and environmental laws. The Bundesland authority may determine the organisation of the firm. Besides, operators have to show (with certificates and references) that they are able to run a firm. They also have to demonstrate their financial status and that they have at least € 2,250 of funds for the first taxi and € 1,250 for each following taxi.	There is a surplus of taxis in Germany. The licence application usually ends up on a waiting list. Presently, there are 200 applications waiting in Bonn alone. The procedure for dealing with applications is complex. Each borough has its own system for prioritising candidates. This system leads to retiring taxi operators selling or hiring out their licences.

Scheme 10.1: Germany (continued)

	Organisational regulations	Quality conditions	Capacity conditions
Transport zone	This is regulated in the passenger-transport act.	Taxi drivers may only pick up passengers on their own site, at official ranks and if hailed manually while driving.	Taxis have to provide services for a certain region (Pflichtfahrgebiet). This is usually the local borough. Taxis may not refuse trips within this zone and are obliged to take the shortest route.
Price	Taxi prices are set by local authorities. There are no nationwide laws. The consumer should not be able to negotiate prices.	Price depends on distance and time. In Berlin, the starting fare was, until 2001, DM 5 (€ 2.55); then the price for the first 7 kilometres DM 3 per kilometre, then DM 2 (€ 1.02) per kilometre. (The average fare in Germany is DM 2.30 to DM 2.50 per kilometre (€ 1.18 to € 1.28.) The starting fare was abolished in 2001.	
Consumer information	Method and quality of providing information to the consumer are determined by the local authority (Stadt or Kommune). No rules apply as to the complaints procedure.	Usually, fare, name and address of the owner have to be displayed on the dashboard. The customer is free to choose his taxi at the rank, although at most, the impression is given that the first in line has to be taken. This is the ultimate form of competition based on quality. The drivers have to accept the customer's choice of taxi.	
Airport access	Usually according to zone system.	There are exceptions. Berlin (Tegel and Tempelhof Airports) and Brandenburg (Brandenburg Airport) have an agreement that taxis from both cities may drive to and wait at the ranks at all three airports. The airport at Leipzig is open to taxis from Leipzig and Halle. In contrast, only Cologne taxis may wait at the Cologne/Bonn Airport.	
Enforcement	Taxi-sector policy was decentralised fully in 1998. Central government has delegated responsibility to individual federal states (Länder), who have delegated a large part of implementation and monitoring to local authorities. Chambers of Commerce and Industry are responsible for examining taxi operators. Local authorities inspect whether taxi operators and drivers are fulfilling the conditions set every five years. In that case only, the licence may be extended by four or five years.		

10.2 Policy principles and developments

As in most other countries, a clear distinction is made legally between street-taxi services and contracted transport.

The German taxi sector is legally viewed as part of local public transport. The main objectives of public-transport policy are optimum availability/accessibility and the mobility of public-transport facilities. The taxi sector plays a crucial part in this, as it is able to provide public transport in regions where there is little demand for scheduled services.

Major importance is attached to the connections between various means of public transport. The different providers (including the taxi sector) work closely with local authorities in working out regional-transport plans (Nahverkehrsplan) that were initiated by federal states, after these were given much more responsibility in 1998.

It is still impossible to judge the success of the new policy of decentralisation and regional-transport plans in the eyes of the government. Central government is no longer sector-oriented (central assessment is impossible), and the various federal states' policies are still under development and vary greatly. The operators' association supports the new principles, within which the taxi sector is included in local- and regional-transport plans. The operators' organisation, however, does opine that this has not really been accepted by the sector. In that respect, the taxi sector should mean more to the public.

The new federal government (all Germany) formulated new frameworks for public transport, with the following policy points: economy, social needs, environmental protection, supporting the mobility and cooperation (networking) between the various means of transport. The consequences for the taxi sector are not clear.

10.3 Taxi-sector structure

Table 10.1 contains the main data concerning the German, and Berlin, taxi sector for the years 2000 and 1995. The number of taxis in Berlin fell to 6,650 in 1998, and returned to 6,924 in 2000 (nationwide, there were 51,900 taxis in 1998 and 52,500 in 2000).

Germany has a relatively low taxi density at national level. Even a large city such as Berlin has a fairly low density (comparable with Copenhagen). In view of the strict capacity policy, there was no growth whatsoever between 1996 and 2000. On the other hand, turnover per taxi is not high. In comparison to cities such as Copenhagen and Stockholm, Berlin taxis score extremely low (similar to Brussels). This may reflect the surplus of taxis in Berlin. The trade organisation claims there is overcapacity in Berlin.

Pricing

Prices are determined regionally, and in principle they are fixed. Although the passenger is, in theory, not permitted to negotiate prices, experts claim that this is not unusual.

Table 10.1 Selected structural data on the taxi sector in Germany and Berlin

	Germany		Berlin	
	2000	1996	2000	1996
Number of residents	82,800,000	81,600,000	3,330,000	3,470,000
Number of taxis	52,530	52,500	6,900	6,924
Number of licences	52,530	52,500	6,900	6,924
Number of operators	28,000	28,131	3,792	4,095
Number of drivers	(approx.) 110,000	N/A	(approx.) 14,000	N/A
Total turnover of taxi sector in €	2.759 mil.	2.734 mil.	174 mil.	N/A
Number of taxis per 1,000 residents	0.6	0.6	2.1	2.1
Number of taxis per licence	1	1	1	1
Number of taxis per operator	1.9	1.9	1.8	1.7
Turnover per taxi in DM	52,000	52,000	26,000	N/A
Number of ranks	N/A	N/A	349	314
Number of parking lots at ranks	N/A	N/A	2,646	2,228
Average price 5-km taxi ride in USD*	N/A	N/A	9.38	N/A
Average price 10-km bus ride in USD*	N/A	N/A	1.88	N/A

* Source: Union Bank of Switzerland.

10.4 Taxi-sector performance in Germany

Obviously, the most common service entails regular taxi service. Services are provided 24 hours every day, although the taxi operator may decide for himself for how many hours his services are available. In Berlin, one may hire a taxi for a set price for a city-sightseeing trip. The customer is not supposed to negotiate the price, although in practice, this does occur. The taxi is also seen as a part of public transport in Germany. Taxi services are included in the various federal states' local-/regional-transport plans. Taxis increasingly cooperate with other means of public transport. Shared taxis provide local connections in remote rural areas. Employers' associations focus on the service aspect. They believe that the quality aspects will become more important due to legal changes.

10.5 Comparison with the Netherlands

Scheme 10.2 contains the main differences and similarities between taxi policy in Germany and the Netherlands. Chapter 11 looks further into the differences between the countries surveyed (including the Netherlands).

Scheme 10.2 Comparison with the Netherlands; similarities and differences

	Similarities	Differences
Taxi (vehicle)	<ul style="list-style-type: none"> – Annual vehicle test – Taxis registered separately 	<ul style="list-style-type: none"> – Maximum number of taxis
Driver	<ul style="list-style-type: none"> – Licence required – Valid for five years – Statement of health – Statement of good behaviour 	<ul style="list-style-type: none"> – Licence for borough residents only valid in borough where the taxi firm is established – Minimum age 21 years old – Has to hold driver's licence for two years – City/regional knowledge exam – Use of alcohol prohibited – No smoking on request
Taxi operator	<ul style="list-style-type: none"> – Licence required 	<ul style="list-style-type: none"> – 1st licence for two years, thereafter: four years – Licensed per taxi – Licence for borough residents only
Taxi service	<ul style="list-style-type: none"> – 24-hour service not compulsory 	<ul style="list-style-type: none"> – Contracted transport is regulated separately
Transport zone	<ul style="list-style-type: none"> – According to zone system 	
Price	<ul style="list-style-type: none"> – Price may not be negotiated 	<ul style="list-style-type: none"> – Fixed fares set – In practice, negotiation does occur (Berlin)
Consumer information	<ul style="list-style-type: none"> – Taxi has to be identifiable – Fares have to be visible 	<ul style="list-style-type: none"> – Predefined vehicle colour – Taxi-owner data have to be displayed
Regulating body/enforcement		<ul style="list-style-type: none"> – Bundesland determines policy – Implementation by local authority – Monitoring by local authority
Airport access	<ul style="list-style-type: none"> – According to zone system, in theory 	<ul style="list-style-type: none"> – Incidental inter-borough zones for airport access

10.6 Brief review

Table 10.2 Selected macro data on Germany

Description	Value
Number of residents in 2001	83,000,000
Actual economic growth 1995-2000 (GNP)	+9%
Income per capita population 2000 (GNP/residents) in €	(approx.) 25,000

Source: Eurostat/OECD (2001), or calculations based on OECD.

Germany has seen modest economic growth in the last five years in comparison with other European countries (the Netherlands, Sweden, Ireland). Since reunification with

the former East Germany, per-capita income declined. Its current level is comparable with France, the United Kingdom and Belgium. Berlin has around 3,500,000 residents (4% of the total population). In Berlin itself, there are nearly 7,000 taxis (or 13% of the total number of taxis in Germany). Demand for taxis in Berlin is strongly influenced by the annual 'Love Parade' and even more by the restoration of Berlin as the administrative centre of Germany.

Germany is another typical example of a strictly regulated taxi sector. What is striking about Germany is that decentralisation is implemented so strongly, and that conscious efforts are made to create public-transport plans that include the taxi sector. Another remarkable factor is the - at first sight - small economic base of the taxi sector, with Berlin's average turnover per taxi failing to exceed DM 50,000 (€ 26,000).

In comparison to other countries, taxi density is low at 1.0. Berlin has a relatively low taxi density of 2.1 per 1,000 residents. This may indicate a shortage of taxis, although in practice, it would seem there is a surplus. After all, taxi turnover is extremely low in comparison to Sweden and Denmark, for instance. Copenhagen's turnover per taxi is € 116,000 with a taxi density of 2.5, while taxi turnover in Berlin is less than half with a density of 2.1. This contrast in international figures and values indicates that it is difficult to compare countries with the same standards.

11 International comparative survey and analysis of policy effects in the nine countries surveyed

11.1 Introduction

This chapter compares taxi policy and taxi-sector performance in the countries surveyed, with the objective to establish correlation between the degree of regulation of taxi policy and the structure and the performance of the taxi sector.

The comparative survey comprises three parts. Firstly, section 11.2 outlines similarities and differences in policy, structure and performance. Next, similarities and differences identified are explained on the basis of relevant details and results at country level. Lastly, section 11.3 provides the final assessment in respect of the correlation between policy, structure and performance.

11.2 Comparison of the nine countries surveyed

To facilitate adequate comparison, the countries surveyed are clustered according to degree of regulation (ranking from flexible to strict). Strict regulation is marked by more strictly regulated capacity policy and pricing policy, as well as more severe adoption of the transport-zone system. Clustering primarily serves as an indicator for the other deliberations in this chapter.

The ranking order according to degree of deregulation (from high to low) reads as follows:

1	Sweden	Capacity, pricing and transport zones completely deregulated
2	New Zealand	Capacity, pricing and transport zones completely deregulated, membership of taxi-dispatch centre compulsory
3	Netherlands	Effective 2002, capacity and transport zones completely deregulated; as for tariffs, ceilings are enforced, as well as maximum rates and zoning system (division by transport zones)
4	Ireland	Capacity deregulated, enforcement of maximum fares and zone system
5	UK	Maximum fare, flexible capacity policy and zone system
6	Belgium	Maximum fare, zone system; flexible capacity policy and deregulation for Flanders in 2002
7	Denmark	Fixed pricing, flexible capacity policy, zone system, compulsory membership of taxi-dispatch centre
8	Germany	Fixed pricing, strict capacity policy and zone system
9	France	Fixed pricing, strict capacity policy and zone system.

Table 11.1 provides a summary country review. Since taxi operators in the Netherlands, New Zealand and Sweden are permitted to render street-taxi services as well as contracted-transport services, data on the taxi sector in the Netherlands (as well as in Sweden and New Zealand) also cover contracted-transport services, while data on the taxi sector in the other countries surveyed cover street-taxi services only.

Table 11.1 Summary country review

Description	Sweden	New Zealand	Netherlands	Ireland	UK	Belgium	France	Denmark	Germany
Policy framework									
General legal framework	Centralised	Centralised	Centralised	Centralised	(De)centralised	(De)centralised	Centralised	Centralised	(De)centralised
Executive decision making	Centralised	Centralised	Centralised	Decentralised	Decentralised	Decentralised	Decentralised	Decentralised	Decentralised
Enforcement	Decentralised	Centralised	Centralised	Decentralised	Decentralised	Decentralised	Decentralised	Decentralised	Decentralised
Decentralised body	Region	Not applicable	Not applicable	City/borough	City/borough	City/borough	City/depart.	City/province	Region/city
Deregulation	Almost complete	Almost complete	Partial	Partial	No	Partial (Flanders)	No	No	No
Deregulation since	1990	1989	2000	2001	Not applicable	2002 (Flanders)	Not applicable	Not applicable	Not applicable
Status of contract transport	Free	Free	Free	Separate	Separate	Separate	Separate	N/A	Separate
Taxi tensions	No	No	Yes	Yes	No	Yes	Yes	N/A	
Type + degree of regulation									
Fare structure	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fare level	No	No	Maximum	Maximum/fixed	Maximum	Maximum	Fixed	Fixed	Fixed
Taxi transport zones	No	No	No (2002)	Yes	Yes	Yes	Yes	Yes	Yes
Maximum number of taxis	No	No	No	No	Yes	Yes/no ^a	Yes	Yes	Yes
<i>Numerus fixus</i> in practice	Not applicable	Not applicable	Not applicable	Not applicable	No	Yes/no ^a	Yes	No	No
Taxi driver	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Taxi operator	Yes	No	No	Yes	N/A	No	Yes	Yes	Yes
Taxi service	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Information	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Licence validity	Yes	No	Yes	No	N/A	Yes	N/A	N/A	No
Airport access	Market system	Market system	Zone system	Zone system	Zone system	Zone system	Zone system	Zone system	Zone system
Sector structure (2000)									
Number of taxis	14,521	7,108	19,300	6,257	(approx.) 70,000	(approx.) 4,000	(approx.) 44,000	5,500	52,500
Taxi growth in last 5 years	Nil	N/A	+2,406	+4,283	(approx.) +10,000	-150 / +200	Nil	+200	Nil
Percentage growth in 5 years	0	N/A	+14%	+216%	+17%	-11 / +13%	0	+4%	0
Taxi density nationwide	1.6	1.9	1.2	N/A	1.2	0.4	0.7	1.0	0.6
Taxi density in capital	4.0	2.8	1.5 ^c	5.2	2.5	1.3	2.7	2.1	2.1
Taxis per operator	1.7	1.1	5.4	N/A	1.0	1.6	1.5	1.7	1.9
Turnover per taxi in €	87,000	N/A	40,000	N/A	40,000 ^d	25,000 ^d	55,000 ^d	116,000 ^e	25,000 ^d
Membership of dispatch centre	Yes; market	Yes; compulsory	Yes; market	N/A	N/A	N/A	N/A	Compulsory	N/A
Performance/services rendered									
24-hour service	Not compulsory	Yes; compulsory	No	Not compulsory	Yes; compulsory? ^a	N/A	Yes; compulsory? ^a	Yes; compulsory? ^a	Not compulsory
Differentiated services	Yes	Yes	Yes	No	No	Yes/no	No	No	Yes
Connected to public transport	Yes	N/A	Yes	No	No	Yes/no	Yes	No	Yes
Estimate of public satisfaction	Adequate	Good ^e	Adequate	Low	Adequate	N/A	Low	N/A	N/A
Comparative rate in € ^f	8.10	4.90	11.20	7.70	9.10	6.60	7.50	6.70	10.45

a. The Brussels situation is stated before the '/', the Flanders situation thereafter.

b. 24-hour service is standard; obligation unknown.

c. Netherlands: four large cities.

d. Concerns: London (rough estimate); Brussels (rough estimate); Paris, Copenhagen and Berlin (hard figures).

e. Safety aspect.

f. Based on purchasing-power parity; EIM calculation based on UBS (United Bank of Switzerland) data, year 2000.

It should be noted that ranking might be open to discussion on some points. Both Germany (fluctuating taxi numbers between 1995 and 2000) and Denmark allow room for growth in the number of taxis, yet were ranked in the final cluster as they enforce a fixed-price system. Belgian taxi policy is noted as less strictly regulated as Belgium enforces a maximum-fare system, while Flanders' capacity policy is less strict. The *numerus fixus* in Brussels, however, entails that higher-up ranking is justified as well.

No attempt was made to allocate a numeric weight to the degree of deregulation. In view of currently available information, these weights would have to be based on too subjective an assessment, as would the assessment of the degree as to which countries regulate taxi policy as regards specific aspects. Although this would create numerical ranking, it would not allow for objective interpretation of the extent of differences.

An outline of the individual elements is provided hereinafter.

11.2.1 Policy framework

First, under the heading of 'policy framework' in table 11.1, it is determined whether there is a general nationwide policy, or whether policy is enforced at regionally differentiated (i.e., decentralised) level. As (de)centralised are marked: the United Kingdom, Belgium and Germany, since federal legislation is also set out in laws (decrees, ordinances, acts, provisions) for individual federal states. The United Kingdom, a.o., enforces separate laws for London and England. Very specific enforcement measures apply in London (black cab, the Knowledge). Belgium enforces different regional laws for Flanders, Brussels and the Walloon province; taxi policy varies nationwide; as regards key issues, taxi policy in Brussels differs from that enforced in Flanders. Germany and the United Kingdom are not marked by considerable differences at federal-state level as regards general taxi policy. Various federal states in Germany enforce taxi policies derived from federal legislation. The other countries surveyed (i.e., Sweden, New Zealand, Ireland, Denmark and France) enforce identical nationwide policy (and do not enforce regional decentralisation).

Policy enforcement, registry, licence issuing and supervision are generally implemented at decentral level, while municipalities and municipal authorities assume enforcement authority. Of the nine countries surveyed, only the Netherlands and New Zealand enforce nationwide central registry. In Sweden, the provincial authorities assume taxi-policy enforcement.

One issue the study focuses on is whether taxi policy is a topic in the countries surveyed. In countries already enforcing deregulation for years, consultations between taxi sector and government mainly pertain to additional improvement of information rendered to passengers and quality of taxi services. These governments are also no longer genuinely concerned with taxi-sector issues. For instance, the number of civil servants involved with the taxi sector at the Ministry of Industry, Employment and Transport in Sweden is less than one, while this was six in 1990. In countries where policy was recently modified (the Netherlands, Ireland), these changes resulted directly in visible tensions. In particular, the drop in value of the licences is one source of conflict (as was the case in Amsterdam).

In the other countries surveyed, the focus of consultations between the government and the taxi sector is on the issue of competition among taxi operators, in relation to the division in taxi-transport zones and the competition between taxi operators and other transport-service suppliers (contracted transport). This focus seems to be inherent

to the combination of ‘protection by controlling capacity’ and ‘restricting the taxi sector by demarcating services’. These problems are particularly prevalent in France and Belgium, and to a lower extent in the United Kingdom.

11.2.2 Policy objectives

As regards all countries surveyed, policy objectives may be identified. These policy objectives are either explicitly stipulated in the legislation, or implicitly expressed by experts with whom interviews were conducted. Table 11.2 provides a summary outline of these policy objectives.

Table 11.2 Policy objectives

Country	Policy objectives
Sweden	<ul style="list-style-type: none"> – Rising availability of taxis for the general public – Upgrading taxi quality – Enhancing competition among taxi operators – Increasing freedom of consumers to opt for specific taxis – Ensuring sharp pricing of taxi services
New Zealand	<ul style="list-style-type: none"> – Upgrading vehicle safety – Upgrading quality of taxi chauffeur – Protection of consumers against excessive fares
Netherlands	<ul style="list-style-type: none"> – Increasing competition among taxi operators – Enhancing accessibility to taxi profession – Enlarging supply of taxis and taxi services
Ireland	<ul style="list-style-type: none"> – Upgrading taxi availability – Ensuring adequate supply of public transport (covering taxis, too), to a.o. stimulate the general public not to use private cars in city centres
United Kingdom	<ul style="list-style-type: none"> – Ensuring safety of travellers and of the general public as such
Belgium	<ul style="list-style-type: none"> – General: Ensuring taxi availability as a means of public transport – General: Ensuring economic viability of taxi transport – Brussels: <ul style="list-style-type: none"> - Warding off illegal taxis - Neutralizing unauthorised competition by taxis not registered in Brussels - Curbing unauthorised competition by contracted-transport suppliers - Defusing trade in taxi licences – Flanders: <ul style="list-style-type: none"> - Enhancing taxi supply - Involving taxis in chartered public-transport services rendered in rural areas
France	<ul style="list-style-type: none"> – No specific information about policy objectives available
Denmark	<ul style="list-style-type: none"> – Ensuring public mobility of the general public
Germany	<ul style="list-style-type: none"> – Ensuring public mobility as integral part of public-transport policy

In countries enforcing regulated taxi policy, taxi transport is rated as an integral part of public transport, to which policy objectives are linked; i.e., ensuring that taxis contribute to the facilitation of passenger mobility by means of public transport. In Sweden and the Netherlands, policy objectives mainly pertain to market mechanisms, while departing from the assumption that improved markets will directly spur better performance by the taxi sector as an integral part of public transport. While one country strives to

achieve the above by means of regulated policy, the other strives to achieve an identical objective by means of deregulated policy. One may assume that as concerns ultimate policy objectives, there are many similarities between taxi policy based on regulation and taxi policy based on deregulation. Similarities are, however, materializing in the options adopted in policy to achieve those objectives; i.e., deregulated policy is marked by focus on market mechanisms, while regulated policy is marked by piloting by and protective leverage of the government.

11.2.3 *Type and nature of deregulation*

Regulation and deregulation by country

Generally, two types of taxi policy may be differentiated; i.e., regulated versus deregulated policy. In practice, though, none of the countries surveyed appear to be fully deregulated. The majority of the countries surveyed (i.e., the United Kingdom, Belgium, France, Denmark and Germany) are marked by regulated taxi policy on the basis of a taxi-policy framework set by the government. Ireland and, effective 2002, Flanders enforce partly deregulated policy, mainly entailing the abolition of taxi-capacity restrictions. Sweden and New Zealand are practically completely deregulated, and merely enforce regulation targeting technical vehicle-quality control and the level of chauffeur knowledge and experience. By now, while still stipulating maximum fares, also the Netherlands enforce largely deregulated taxi policy.

Experience gained with and characteristics of deregulated taxi policy

Quality and information

In Sweden and New Zealand, the process of deregulation is linked to legislation targeting technical vehicle-quality control, improving the knowledge level of drivers, increasing passenger safety, improving the registry of trips and turnover, as well as upgrading information rendered to passengers. In Sweden, this led to the since recently enforced compulsory display of reference fares (inside and outside the windscreen) (ten years after deregulation).

Self-regulation

Both Sweden and New Zealand attach major significance to self-regulation and to the input by taxi-dispatch centres. New Zealand implements mandatory membership of taxi operators to taxi-dispatch centres. The latter have to comply with prerequisites as regards registry of taxi operators associated, and have to submit an account of the turnover by taxi operators. In 2000, Sweden considered implementing mandatory membership (due to an initiative by the taxi operators' association); however, the government rated this as conflicting with the principles of a free market and free entrepreneurship.

Airport access

Government influence on the access of taxis to airports and other large private sites is a sign of free-market principles in a deregulated taxi policy. Agreements are reached between market participants. National and local governments do, however, check whether these agreements comply with competition policy. Sweden is currently looking into possibilities of creating more leeway for competition between taxi operators as regards airport access.

Group haulage

Another characteristic of deregulation is that every two or three years (as in Sweden), taxi operators tender for collective-transport contracts (patients, disabled, school transport) outsourced by local governments to the taxi sector. Experts claim that Swedish

local governments have benefited the most from deregulation, since tender procedures ensured sharp market prices charged for collective transport.

Pricing

Sweden and New Zealand leave pricing to the market forces. Although this entails that passengers are theoretically permitted to negotiate taxi fares, they are not likely to do that very often, since customers focus on service quality, comfort, safety, punctuality, direct availability and short waiting times, are unaware of bargaining possibilities and, therefore, simply accept fares as recorded. To rise passenger awareness in respect of fare differences and price competition, Swedish taxi operators currently have to publish reference fares. Customers in the Netherlands are not permitted to negotiate taxi fares.

Experience gained with and characteristics of regulated taxi policy

Regulated taxi policy bases on several constant criteria; i.e., control of capacity, prices, services and transport zones. Notwithstanding differing taxi-policy implementation, all countries surveyed enforcing regulated taxi policy adopt these criteria as an integral part of policy.

Price control

The United Kingdom, Belgium, Ireland and the Netherlands enforce maximum tariffs for taxi transport by taxis within their own region. Germany, Denmark and France stipulate taxi fares. Several of the countries surveyed (i.e., Belgium, the United Kingdom and Ireland) permit fare bargaining as long as it concerns travel to destinations outside taxi operators' own transport zones. Belgium also permits fare bargaining within taxi operators' own transport zones. While, officially, Berlin and London do not permit such negotiations, customers do negotiate taxi fares. Passengers in the Netherlands, too, are not permitted to negotiate taxi fares.

Capacity control

As regards taxi capacity, the various countries/cities surveyed enforce varying regulated taxi policy. The city of Brussels, for instance, uses its powers to curb taxi capacity to an economically viable level, while Paris did not change taxi capacity for years. Germany's 2000 taxi capacity ranks at 1995's level, although fluctuations between 1995 and 2000 indicate that no maximum fares were adopted. Lastly, the governments of Denmark, the United Kingdom and Flanders enforce much more flexible taxi-capacity policy; i.e., they were marked by a capacity rise of several to more than 15 per cent over the past five-year span.

Transport zones

Transport zones entail a fixed item of regulation. Almost all examined countries with regulated taxi policy enforce transport zones related to boroughs, regions (such as the metropolitan region in Belgium) or 'collective regions' (a group of local-authority transport zones). Prior to 2002, the Netherlands maintained mandatory transport-zone division in zones exceeding municipal borders, while France presently maintains several types of regional cooperation initiated by adjacent municipalities and municipal councils.

Airport access

Airport access, in all 'regulated countries', is reserved for taxis that are registered in the borough or transport zone in which the airport is located. However, the national Zaventem Airport in Belgium is not located in the municipal region of Brussels. This has created an odd situation where many Brussels taxis may take passengers to Zaventem

but may not pick up passengers there. The taxis registered in Zaventem may take passengers into Brussels but cannot in principle collect customers there. The question taxi drivers are asking themselves is 'Where should I register, and how can I fill my taxi on the return trip?'

Position of contracted transport

Remarkably, the countries surveyed enforcing regulated taxi policy (i.e., the United Kingdom, Belgium, France, Denmark and Germany), as well as Ireland, are marked by clearly distinct and integrally different policy principles applying to street taxis and contracted transport. On the one hand, access to the street-taxi sector is placed in a rigorous framework, so as to render a diversity of services. In all countries surveyed enforcing regulated taxi policy, contracted transport is not regarded as part of taxi transport. Taxi operators are either free to engage in contracted transport, or only when specific conditions are met. On the other hand, regulation of contracted transport provides much leeway to contracted-transport suppliers (i.e., they do not face restrictions on haulage-price, type of services rendered and transport zones).

11.2.4 *Sector structure*

The underlying study defines sector structure as the number of taxis and the taxi density in a country/city. Besides, taxi density (i.e., the number of taxis per 1,000 residents) entails a simple criterion for comparing the supply of taxis in different countries and cities. Table 11.1 outlines taxi-density data at both national and metropolitan level. Notably, there are clear differences between taxi density in countries and cities with deregulated capacity policies and those with regulated capacity policies. Dublin, Stockholm and to a lesser extent Auckland have much higher taxi densities than London, Paris, Copenhagen and Berlin (from 2.1 to 2.5).¹ Despite the fact that its taxi density is extremely low (1.6), Brussels strives to reduce taxi capacity even more, as well as to combat unfair competition by illegal taxis, or those registered elsewhere or rental cars with drivers. Stringent Brussels capacity policy seems to go hand in hand with a tense market situation in Brussels in which illegal services have a clear effect on the taxi environment. Deregulated countries display higher taxi densities at national level as well. Again, it is apparent that the taxi densities in Belgium, France and Germany are very low indeed in comparison to the other countries surveyed. Ireland had very low taxi density until 2000, and Dublin in particular where there was a great shortage of taxis. Since then, capacity restrictions were lifted and Dublin's taxi density rose to record levels. Whether this has had the desired result will become apparent from the economic development of the taxi sector in the next few years. For the time being, the market also has to deal with a tense situation between 'old' taxi operators (those who have paid a great deal of money for their licence) and 'new' taxi operators (who pay only registration fees for a taxi licence instead of money/goodwill).

11.2.5 *Performance of and services rendered by the taxi sector*

The performance of the taxi sector may be differentiated by economic performance and service-related performance. Economic performance entails turnover generated by taxi operators/taxi organisations (see table 11.1, outlining per-taxi turnover) and the fare

¹ It should be noted, however, that in the Netherlands, New Zealand (Auckland) and Sweden (Stockholm), street taxis may be deployed for contracted transport. Data on these countries thus implicitly cover contracted transport, while the latter is omitted in the data on the other countries surveyed. Therefore, taxi density might be higher, and might seem more favourable compared to non-deregulated countries.

charged for services rendered. Service-related performance entails the diversity of and innovation in services, the integration into public transport and customer satisfaction.

Turnover per taxi

The taxi sector's economic performance also varies greatly in the countries surveyed. Taxi turnover is that low in Brussels and Berlin (both governed by regulated policy) that the situation barely seems economically viable. In contrast, the situation in Copenhagen and Stockholm appears to be healthy. According to experts, in Denmark, this is connected to high occupation rates (50% of kilometres driven are sold). In Sweden, experts say that this situation is the result of years of development, during which negative elements of the first few years after deregulation were removed by stricter supervision, the overcapacity of taxis was reduced, demand for taxis rose considerably in recent years, the fare price of taxis did not increase excessively (partly as a result of the reduction of VAT on taxi services), and taxi operators were increasingly able to exert influence on services and fares in the taxi sector.

Fares charged for taxi services

Taxi prices vary greatly from country to country. Table 11.3 shows the prices over a set distance (5-km ride within the city) for the cities surveyed. These figures are put alongside the price of a 10-km bus ride or subway ride. The data originally comes from the UBS (United Bank of Switzerland) and is converted into Euro. Prices are adjusted to purchasing-power parity.

Table 11.3 International comparison of taxi prices in 2000

City	Price 5-km taxi ride in €	Price 10-km bus ride in €
Amsterdam	11.20	1.40
Auckland	4.90	1.20
Berlin	10.50	2.10
Brussels	6.60	1.30
Copenhagen	6.70	1.70
Dublin	7.70	1.10
London	9.10	1.80
Paris	7.50	1.10
Stockholm	8.10	1.40

Source: EIM calculations based on UBS data.

The relatively high price of a taxi ride in Amsterdam in 2000 is notable. The price of public transport seems average for Europe. The relative and absolute differences between the prices of bus and taxi services are at their highest in Amsterdam. In both absolute and relative terms, Auckland has the smallest difference between the two trips.

Diversity in services rendered

The services provided to the public seem to be directly dependent on current taxi policy. Limits are certainly set on the type of services the taxi sector may provide in regulated countries. In Belgium it is, for instance, even illegal to use a street taxi as a shared taxi (hired per seat). In addition, countries with a regulated taxi policy do not view a range of services that may be associated with contracted transport as services provided by street taxis. In these cases, taxi operators are not permitted to provide these services unless it is made clear that the vehicle is used as 'rental car with driver'. As regards the latter, Brussels enforces mandatory separate car registry.

The variety in the range of services is clearly larger in a deregulated market than in a non-regulated one. This is often a direct consequence of the fact that taxi operators often also attract services associated with contracted transport. In that case, the latter may also be part of the street-taxi activities, since no restrictions are enforced to the services rendered by street taxis.

Integrating into public transport

Connections between taxi services and public transport seem to be becoming more prevalent. In Sweden, this is the result of contracts between public-transport enterprises and taxi organisations/operators. In Germany, the Nahverkehrspläne are developed at Bundesländer level, with which the government intends to provide better connection with public transport by involving taxi services. The regional government of Flanders hopes to achieve the same by allowing shared taxis as well as other measures. In return, the taxi sector wishes to receive a subsidy for its public-transport services.

Information rendered to passengers and passenger satisfaction

In general, passengers in the Netherlands are positive regarding taxi travel. Eight out of ten travellers allocate a score of 7 out of 10 or higher. Only 5 per cent are really dissatisfied, and allocate a score of 5 or lower. Compared to 1999, taxi-user satisfaction rose. Nowadays, those who are dissatisfied generally complain about telephone access and driver behaviour. Since no comparable information was available in this respect on the other countries surveyed, an international comparative survey on this issue was omitted.

There is a limited quantity of robust data regarding the passenger's satisfaction with the services provided by the taxi sector. Recent research information is only available for New Zealand (in terms of taxi safety), Sweden and the Netherlands. In other countries, the information is limited to general impressions (where the rating is low, one should also note that only rough indications are available). Information on the development of customer satisfaction is provided by Sweden for 1996-2000: consumer association research shows that a growing percentage of passengers are satisfied with the taxi service.

11.3 Comparative survey and analysis of policy effects in the nine countries surveyed

The comparative survey examines whether there is any correlation between the type and the degree of regulation (i.e., policy) and:

- 1 Structure of the taxi sector:
 - a. Available taxi capacity, number of taxis and taxi density
 - b. Trends as regards taxi capacity
- 2 Business performance of the taxi sector:
 - a. Turnover of the taxi sector
 - b. Price of taxi services
- 3 Service-related performance of the taxi sector:
 - a. Innovativeness and diversity of services rendered
 - b. Intensity of taxi use
 - c. Passenger satisfaction.

Table 11.4 comprises an outline of the deregulation effects identified. For each policy variable, an indication is provided of the effects of deregulation on the basis of differences between the countries surveyed. Initially, robust conclusions may be drawn for taxi capacity only. As for the other aspects, due to the limited number of observations,

the diversity of policies, and the sometimes brief experience with deregulated policy (Ireland, the Netherlands), only rough indications of the influence of policy on the structure, the economic situation and the economic performance of the taxi sector can be provided.

Table 11.4 Effects of deregulation on taxi-sector performance

Policy variable	Policy effect
Taxi capacity available	Direct strong effect: clear increase after deregulation
Taxi density	Direct strong effect: clear increase in density in country/capital
Capacity development	Effect after several years: balanced adaptation to demand
Turnover of taxi sector	Effect after several years: higher turnover per taxi
Fares of taxi service	Effect after several years: trend equal to transport prices
Innovation/diversity	Direct effect: new services; effect after several years: new technology
Intensity	No information available
Satisfaction	Effect after several years: clear improvement

Correlation between degree of regulation and taxi-sector structure

Presumably, deregulation of taxi policy generates improved matching of the supply of taxi services to demand. One would then usually assume that the number of taxis would rise due to deregulation. Observations in the countries surveyed seem to confirm this. Compared to regulated countries, deregulated countries are marked by a considerably higher taxi density at both the national and the metropolitan level.

Besides, it is generally assumed that the supply of taxi services will grow more in accordance to higher demand for taxi services. The information available on both Sweden and New Zealand seems to indicate that a deregulated sector may indeed grow along with demand and that after a number of years, a balanced and effective taxi market may arise. The fact that growing demand for taxi transport in Sweden has not coincided with a growth in the number of taxis indicates a temporary overcapacity resulting from the explosive growth immediately following deregulation. Adapting to demand also appears possible in regulated situations if the government creates scope for it, as illustrated by developments in London (rise of the number of taxis by 17% over a five-year span).

Correlation between taxi policy and taxi-sector business performance

One of the purposes of deregulation is to remove competition restrictions and thus provide market parties with more leeway to compete amongst themselves. This should result in improved taxi-sector performance (sharper consumer prices, higher efficiency, more innovation, more services). In the long term, deregulation should also lead to a healthy sector in terms of business performance. Developments in Sweden prove that adequate per-taxi turnover may be generated in a deregulated market; ten years after deregulation, per-taxi turnover is currently at a high level. Although one may expect that adequate per-taxi turnover may be achieved in a strictly regulated taxi market (as proven in Denmark), various strictly regulated countries (France, Belgium and Germany) attain low to very low scores in this respect. Based on the above, one may conclude that no robust correlation can be established between the degree of regulation and per-taxi turnover.

Trends in Sweden, however, seem to indicate the possibility of adequate per-taxi turnover in a deregulated market.

It is impossible to ascertain whether deregulation leads to sharper pricing since there are considerably varying circumstances in the countries surveyed. Factors affecting fares, such as (wage levels, VAT levels on taxi services, fuel prices, special depreciation procedures, taxi purchase cost, compulsory technical facilities, taxi-licence cost and subsidies) may differ substantially. Comparison of taxi fares is, therefore, rather impossible. Besides, it should be noted that Swedish consumer associations and government agencies do not rate the price sensitivity of the private-transport market as particularly highly. This may offer more scope to taxi operators and organisations to compete in terms of quality rather than price.

Correlation between taxi-sector deregulation and service performance
Presumably, innovation in the taxi sector is more likely in a deregulated situation than in a regulated one. A condition for this is that the deregulated taxi sector is given leeway to provide new services. Experience gained in Sweden and New Zealand supports this theory. Conscious involvement of the taxi sector in the German public-transport chain, the Dutch train taxi, and the proposed changes in Belgium (Flanders), on the other hand, illustrate that service-related innovation may be achieved. One may, however, presume that launching periods will be longer in view of more complex decision-making structures.

Information on intensity and development of taxi use is absent for many countries, making it impossible to provide a direct statement as to whether deregulation is linked to higher demand for taxi services. General statements entail that demand rises mainly due to higher welfare levels. Deregulation may make it easier for markets to respond to this increasing prosperity, as illustrated by enhanced taxi capacity in Sweden, New Zealand and Ireland.

The entire deregulation process should eventually lead to greater customer satisfaction with the taxi service as quality improves, prices become sharper, availability is greater and more services are provided. Little information is available as regards customer satisfaction. Only Sweden, New Zealand and the Netherlands provide genuine information on this subject. Swedish research findings reveal that four out of ten passengers currently rate taxi-sector performance as less than adequate (while allocating a score below 8 out of 10), while passengers state that the quality had further improved over the years. In the Netherlands, eight out of ten passengers give the taxi sector a rating of 7 out of 10 or higher.

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Annex I Information model

This annex contains the set of questions regarding the taxi sector that is used by EIM and its research partners in ENSR.

Policy: regulation

Please give information on the present situation (2001) on the following subjects. This information should be collected at national level and in case the policy/regulation is also formulated at a local/regional level also for the selected metropolitan area.

– What definition for street taxis is used in the taxi policy/regulation?
– Is regulation/deregulation of the taxi sector a 'hot issue' in your country? If yes please explain?
– What are the objectives of the taxi policy/regulation? Please include all objectives. In the Netherlands for example the objectives relate to mobility and accessibility but also other goals (economic, social, environment)
– Is the policy regulated at central or local level – What is organised at central level? – What is organised at the State/Province/County level? – What is organised at local level?
– Which parties/organisations are involved in the development of the policy?
– Which organisation is responsible for the implementation of the policy (providing licenses etc.)?
– On which items is the policy regulated or not regulated (e.g. capacity, price, entrance of new enterprises entrance of new drivers, taxi ranks)?

<ul style="list-style-type: none"> – Have the policy objectives been reached according to the government? Where is this view based upon? – Have the policy objectives been reached according to the employers' organisation? Where is this view based upon? – Have the policy objectives been reached according to the consumers' organisation? Where is this view based upon? Is there for example a structural consumer test?
<ul style="list-style-type: none"> – Are there formal requirements to provide information to the clients (users of the taxis)? If yes what information must be provided and how?
<ul style="list-style-type: none"> – Are there formal requirements regarding the taxi driver. If yes, what are these requirements? Are they different for new entrants from drivers continuing in the industry? – Are there formal requirements regarding the execution of the taxi services? If yes, what are these requirements? – Are there formal technical requirements regarding the vehicle? If yes, what are these requirements?
<ul style="list-style-type: none"> – Is there regulation regarding the access of taxi companies at airports. Is this for example the exclusive right for one or a number of companies?
<ul style="list-style-type: none"> – Is the evaluation of the policy regulated? – Has the policy been evaluated/have the policy results been studied? If yes, when and what were the results. If not, why not?
<ul style="list-style-type: none"> – Are there specific support measures (financial arrangements, fiscal) for the sector. If yes please give the name of the scheme (the original name and English translation) and include a short description. – If available can you give information on the extent in which the support measures are used.

- Are there legal requirements regarding the handling of complaints of the consumers?
- Does the handling takes place at national or local level? If this takes place at local level is the procedure the same for all regions?
- Is there an organisation that is responsible for handling of complaints? If yes which parties are involved?
- Are consumers' organisations involved in the handling of complaints?
- How are complaints handled in practice?
- What are the experiences with this system?

Policy: Monitoring implementation of policy and observance of regulation

Please give information on the present situation on the following issues. This information should be collected at national level and for the selected metropolitan area in case the policy/regulation is (also) formulated at decentralised level.

- Describe the arrangements for monitoring the implemented policy and the observance of regulation.
- Who is responsible for the monitoring of each?
- How effective is it in practice?

Policy: Changes in policy

Please give information on the following issues. This information should be collected at national level and for the selected metropolitan area in case the policy/regulation is also formulated at decentralised level.

- Have the policy/regulations changed since 1995?
 - On which items has a change been made and what were the reasons for this change?
 - Were these changes implemented in phases or 'at one time'?
 - Did the changes have the expected effect? If no, why not?
-
- Are there proposals to change the policy/regulation?
 - If yes on which items?
 - What are the reasons for these proposals?
 - Will the changes be implemented in phases or 'in one time'?

Taxi market: structure

Please give quantitative and qualitative information on the following for:

The present situation (the most recent year available)

The developments since 1995

This information should be collected for the metropolitan area and preferable also at national level.

<ul style="list-style-type: none">– What is the number of taxi companies and licenses?– What was the development since 1995?
<ul style="list-style-type: none">– Describe the system of taxi ranks, and the extent of use of ranks.– How many taxi ranks are available?– What was the development since 1995?
<ul style="list-style-type: none">– How many taxis are available?– What was the development since 1995?
<ul style="list-style-type: none">– How many taxi drivers are available? Please make a distinction between 'full' time and part time drivers.– What was the development since 1995?

Taxi market: behaviour and competition

Please give quantitative and qualitative information on the following for:

The present situation (the most recent year available)

The developments since 1995

This information should be collected for the metropolitan area and preferable also at national level.

<ul style="list-style-type: none">– What types of services are offered?– Are services offered 24 hours a day and all days of the week?– Have the type of services changed since 1995?

<ul style="list-style-type: none"> – Please explain the price rates system e.g. flag fall and distance rate? – What are the prices? – Do prices differ per type of services? E.g. small cars are cheaper than big ones. – Is the consumer able to negotiate on the tariff? – Have changes taken place regarding these issues?
<ul style="list-style-type: none"> – How is the information for consumers on the types of services and the tariffs provided? – Have changes taken place since 1995? And if yes, in what way?
<ul style="list-style-type: none"> – Where there are alternative tariffs and/or hiring arrangements (for example multiple hire) how are these communicated to the potential consumer? – Is the consumer in a good position to recognise the services and tariffs and is s/he able to compare them? – Have changes taken place since 1995? And if yes, in what way?
<ul style="list-style-type: none"> – Is the taxi sector organised? What are the names of the employers' organisations and can you give an idea on the number of taxi's companies that are member?

Taxi market: Performance

Please give quantitative and qualitative information on the following subjects for:

The present situation (the most recent year available)

The developments since 1995

This information should be collected for the metropolitan area and preferable also at national level.

<ul style="list-style-type: none"> – What is the performance of the taxi sector (numbers of clients, number of taxi trips, seat miles, average duration of a trip, and average price per trip? – How has this performance changed since 1995? – What are the major explanations for these changes? – Is there any evidence that consumer demand is not being satisfied - apart from willingness to pay - for example insufficient taxis at times of the day, or at specific localities, or for types of trips. Do not include situations caused by physical constraints, for example the excess demand at the end of a major sporting event.
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- How satisfied are the consumers? Overall and in relation to certain types of trips (for example travel from airport to the city)
- Has the level of satisfaction changed since 1995?
- What are the main explanations for this development?

- What is the turnover of the taxi sector?
- How has this turnover developed since 1995?

Environment

Please give qualitative information on the development of the following variables since 1995. This information should only been collected for the selected region. We like you to give in particular relevant reasons why the (changes in) the environment in the last years might have affected the use of taxi services for private or commuter traffic

- The number of the inhabitants
- The demographic composition of the population

- The economic climate (average income and employment)

- The accessibility by car in the region? (opening up main roads, congestion, toll-collection, parking accommodation, cost of parking)

- The car-usage for commuter traffic
- The car-usage for 'private' traffic
- The modal split of commuter and private traffic in total

- The available public transport (types, size, services, price)
- The use of public transport

- Local and regional circumstances that might have had an impact on the use of taxi services (new attractions, events)

Persons interviewed

Please give the details on the persons you have interviewed:

Name:

Name of the organisation:

Full Address:

Name:

Name of the organisation:

Full Address:

Name:

Name of the organisation:

Full Address:

Annex II Persons interviewed

Belgium

C. Thijssen	GTL
M. Popescu	Administration region Bruxelles Capitale, Directrice Service Taxi
W. Faber	Taxi Plus en Personen Vervoer
M. Dehaes en Mr. I. Strubbe	Ministerie van de Vlaamse Gemeenschap Afdeling Personenvervoer - Luchthavens

Denmark

I. Nielsen	
S. Kiørboe	Fødselsstyrelsen København K.
M. Clausen	Danske Taxi Vognmænd

Germany

F. Wilhelmsmeyer	BZP Deutscher Taxi - und Mietwagenverband e.V.
W. Wruck	Innung des Berliner Taxigewerbes e.V.
W. Doose	Bundesministerium für Verkehr, Bau- und Wohnungswesen
Mevr. Kowalzik	Senat für Verkehr und Stadtentwicklung Berlin
Hr. Hoffmann	Landeseinwohneramt Berlin

France

M. Roche	Ministerie van Binnenlandse Zaken,
M. Estival	FNAT, (Fédération Nationale des Artisans Taxis')
Mevr. Lalande	AUT-FNAUT, ('Associations d'usagers des Transports - Fédération des Associations d'usagers des Transports - Ile-de-France')

Ireland

D. Gallagher	Consumer Association (Transport)
E. Brady en C. Corl	Office of the Director of TrafficDublin Corporation
I. Goggin en J. Evans	Competition Authority
M. Morris	Irish Taxi Drivers Federation
J. Weafer en M.Callaghan	Ministry of Environment and Local Government