

Uber starts motorbike taxi service in Indonesian capital

April 13 2016, by By Stephen Wright



In this March 22, 2016 photo, taxis are lined up during a protest against competition from ride-hailing apps such as Uber and Grab at the main business district in Jakarta, Indonesia. App Uber on Wednesday, April 13, 2016, launched a motorbike taxi service in the Indonesian capital where Southeast Asian rivals Go-Jek and Grab are already battling for dominance. (AP Photo/Achmad Ibrahim, File)

Ride-hailing app Uber on Wednesday launched a motorbike taxi service

in the Indonesian capital where Southeast Asian rivals Go-Jek and Grab are already battling for dominance.

Jakarta is one of the world's most congested cities and motorbike taxis ordered from a smartphone app have exploded in popularity in the past 18 months as a way to beat snarled traffic.

Uber said that its "UberMotor" service would provide cheap and reliable transportation for hundreds of thousands of people.

The company used a local social media and YouTube star Arief Muhammad to launch its service, saying he was the first person in Jakarta to use an Uber motorcycle taxi.

Both Go-Jek, an Indonesian startup, and Grab, which operates in several Southeast Asian countries, claim to be the biggest provider of motorbike taxi rides in Indonesia.

The popularity of motorbikes and regular taxis ordered from a smartphone has provoked a backlash in the taxi industry.

Thousands of taxi drivers caused traffic chaos in Jakarta last month in a violent protest against what they believe is unfair competition.

Drivers say the apps, which are using funding from venture capitalists to offer heavily discounted fares, have severely reduced their income. The app companies say the transport industry should adapt to new technology.



In this March 22, 2016 photo, taxi drivers shout slogans during a protest against competition from ride-hailing apps such as Uber and Grab outside the parliament in Jakarta, Indonesia. Ride-hailing app Uber on Wednesday, April 13, 2016, launched a motorbike taxi service in the Indonesian capital where Southeast Asian rivals Go-Jek and Grab are already battling for dominance. (AP Photo/Achmad Ibrahim, File)

The Indonesian government is drawing up new regulations to govern transport apps but has so far resisted calls to ban Uber and similar services.

Officials estimate Jakarta's traffic jams cause economic losses of about \$3 billion a year.

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