

Drivers brace for Egyptian ride-hailing laws

May 23 2018, by Aziz El Massassi



Ramez Wagih, an accountant in the morning and Uber driver in the afternoon, in his car in Cairo

New legislation regulating ride-hailing services in Egypt may have been welcomed by Uber and competitor Careem, but some behind the wheel fear they could be driven out of business.

After various twists and turns, including a ban on ride-sharing as recently as March, Egyptian lawmakers passed a bill in early May, pending approval by President Abdel Fattah al-Sisi.

The laws will require [drivers](#) to pay 3,000 Egyptian pounds (\$170, 140 euros) for a special licence, a huge outlay in a country where the average monthly salary is around \$200 and many people take multiple jobs to make ends meet.

"It is too much for an Egyptian," says Khaled, who has been bolstering earnings from teaching Arabic by working for Uber these past few months.

"As soon as the law is implemented, I will leave Uber," he adds, since 20 percent of each client's payment goes to the firm, making it hard to turn a profit.

Another driver, Mohamed, 27, bought a car to work for the firm, so may invest in the licence, but only if Uber guarantees earnings and provides support.

"If I have to pay fees without having the security of a normal job, I might as well be a taxi driver," he says.

But the legislation has been given the thumbs up by the ride-hailing firms, with Uber Egypt managing director Abdellatif Waked describing it as a "historic step", after years of legal uncertainty.

He says it paves the way for "increased investment, the creation of many jobs" and further Uber expansion in Egypt.

'Strong signal'

For Ramy Kato, Egypt managing director for UAE firm Careem, the new bill "sends out a strong signal that Egypt continues to be open for business and investment".

A couple of months ago, the firms feared that would no longer be the case.



Drivers working for Uber meet at the company's Egyptian headquarters in Cairo

In March, a lawsuit brought by conventional cab drivers saw a court ban ride-sharing.

Uber and Careem appealed, securing a suspension of the ruling in April, pending a verdict by a higher court.

Both ride-sharing companies have invested heavily in Egypt.

The country is "one of Careem's largest markets" where the company has invested \$30 million and has more than 100,000 drivers, according to Kato.

With a local customer base of four million people, Uber plans to invest around \$100 million in Egypt over the next five years.

The firm says it created 150,000 new job opportunities in the country during 2017 alone, including at one of its largest worldwide customer service centres.

The ride-hailing market is enhancing "investment, development and transport", said Mohamed Badawi, a businessman and member of parliament's transport committee.

Demand for the service in this country of around 100 million people is high, amid frustration with traditional taxi drivers, who sometimes refuse to turn on the air conditioning or the meter.

But some fear passage of the bill will not end the political and [legal uncertainty](#), especially since taxi drivers will continue to fight the loss of their turf.

Ramez Wagih, an accountant in the morning and Uber driver in the afternoon, spent weeks tied up in bureaucratic red tape, before officials gave him a temporary licence.

And the 36-year-old is buckling up for more mishaps ahead.

"The problem has taken too much time to settle and it will still take more," Wagih says.

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