

Uber, Cabify stop services in Barcelona due to tighter laws

January 31 2019, by Renata Brito And Joseph Wilson



Ride-hailing companies Uber and Cabify said Thursday that they would stop operating in Barcelona after the regional government passed tighter regulations to appease taxi drivers.

Uber said in a statement that the law requiring users of the ride-hailing

apps to contract services 15 minutes beforehand was "totally incompatible with the immediacy of on-demand services."

The regional government of Catalonia is imposing the restriction after taxi drivers went on strike for several days in Barcelona. The protest included taxi drivers blocking a major boulevard and trashing cars used by ride-hailing companies.

Cabify said it was disappointed that authorities "gave in to the pressure and demands of the taxi sector."

Cabify, which had been operating in Catalonia since 2017, said that 98.5 percent of its rides were hailed in less than 15 minutes.

Enrique Rosich, 60, is a driver who works for a company that operates under Uber and he fears he will lose his job.

"This is bad news for those of us who work because starting tomorrow the most likely thing is that most of us will have to ask for unemployment benefits," Rosich said.

Cabify estimates that the ride-hailing sector has created over 3,000 jobs in Catalonia.

Taxi drivers, meanwhile, celebrated what they hailed as a victory of a traditional profession threatened by the disruptive forces of the gig economy.

"The new restriction is very light, but it is enough for us if they are off the streets," said 51-year-old taxi driver Guillermo Alonso. "They want to destroy the taxi and take over as a monopoly."

Taxi drivers have also been striking for over a week in the capital,

Madrid, to demand similar restrictions on ride-hailing services.

This is the second time Uber has pulled out of Barcelona.

Uber's initial service, which linked nonprofessional drivers with riders, was stopped after a court ruling in 2014.

San Francisco-based Uber returned to Madrid in 2016 and then to Barcelona last year with a new model that used drivers who possessed professional licenses.

But ride-hailing companies lost a major case in 2017 when the European Union's top court ruled that they should be regulated as transport companies, not technology companies. That case was brought by the Barcelona-based taxi association Elite Taxi, which has led the recent protests.

Taxi drivers complain that the ride-hailing companies provide the same service but don't have to abide by the same regulations, thus engaging in unfair competition.

Elite Taxi said it would remain "vigilant."

Spanish Public Works Minister Jose Abalos said local administrations need to address the issue because they have the best knowledge of each region.

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