

**SUBMISSION TO THE COMPETITION AND CONSUMER COMMISSION OF SINGAPORE (CCCS) IN RELATION TO THE PROPOSED PLATFORM FEE FOR GRAB'S RIDE-HAILING SERVICES IN SINGAPORE**

Confidential information in the original version of Grab's submission has been redacted from the published version on the public register. Redacted confidential information in the text of the published version of Grab's submission is denoted by [X].

**1. Introduction**

1.1 Grab has been in discussions with CCCS on adjustments to the prices of its ride-hailing services in Singapore. This document outlines Grab's proposal to implement a platform fee.

**2. Proposal for Platform Fee**

2.1 Grab respectfully requests for the CCCS' approval for Grab to implement a platform fee of \$0.30 for each ride to help cover operating costs.

2.2 For background, Grab invests heavily to provide a safe and pleasant experience on its platform. These investments centre around improving their safety and security, fraud prevention and identity protection as well as programmes to protect drivers' livelihoods and well-being.

2.3 One aspect of this investment is [X]. In 2019, this amounted to approximately \$[X]. Examples of the safety features include the following<sup>1</sup>:

2.3.1 **Personal Accident Insurance:** Grab partners with various insurance providers to purchase insurance coverage for passengers, from boarding to drop-off, and for drivers, from point of booking to drop-off. Coverage purchased by Grab includes medical expenses, accidental death and permanent disablement which apply to each booking;

2.3.2 **Number masking:** As part of Grab's commitment to protect privacy, Grab [X]. When a passenger calls their driver from the app, or vice versa, the phone number displayed will be a set of random digits instead of a real phone number. This privacy feature helps ensure that neither party will be able to contact each other after the ride, ensuring privacy and reducing the incidence of post-ride conflict or harassment;

2.3.3 **Driver facial recognition:** Grab [X]. Specifically, Grab's transport options include a driver facial recognition feature, which provides passengers with added peace of mind knowing that their driver has been verified. The technology enables the driver's identity to be quickly accessed by Grab or law enforcement in the event of an accident or criminal/safety incident;

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<sup>1</sup> [X].

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2.3.4 **Emergency button:** To safeguard safety during rides, Grab [REDACTED] to respond to passenger alerts via its in-app emergency button. When triggered, Grab's in-app emergency button [REDACTED], which will attempt a callback to the passengers' Grab-registered mobile number, and if necessary, escalate the matter to Police for rapid response. This feature is necessary to address cases of immediate danger, when urgent assistance is required, such as when there is an instance of road rage, a traffic accident or a medical emergency.

2.4 Beyond [REDACTED], Grab also incurred approximately \$[REDACTED] in 2019 to develop features that further enhance passenger security and safety including:

2.4.1 **Share My Ride:** Passengers can let their friends or loved ones know where they are by sharing their trip details and live GPS location. The technology provides assurances to loved ones while also acting as a deterrent to bad behaviour from drivers.

2.4.2 **Driver Telematics:** Using high-tech algorithms that utilise the phone's sensors, Grab is able to tell if a driver was speeding, braking harshly or accelerating too quickly. This input is used to provide weekly feedback reports to drivers and encourage safe driving.

2.4.3 **Fraud Prevention:** Grab has developed security features that help prevent and block the usage and circulation of illegal apps and suspicious devices or accounts, commonly used for fraud and attacks on our users' accounts.

2.4.4 **Driver Background Checks:** Grab performs a security and safety screening on all driver applicants before qualifying them to drive on our platform.

2.5 Grab intends to continue investing in safety at the same pace in the next 12-24 months. Some examples of planned safety features include:

2.5.1 [REDACTED].

2.5.2 [REDACTED].

2.5.3 [REDACTED].

2.6 Grab also invests heavily to provide its drivers with benefits that protect their livelihoods and welfare. In 2019, this amounted to approximately \$[REDACTED]. Some of these benefits include:

2.6.1 **Ad-hoc situational relief:** Grab has been active in stepping up to provide its drivers with financial relief during situational crises like the Covid-19 outbreak. Grab's contribution to the relief in 2020 is at least \$[REDACTED].

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**2.6.2 Driver Prolonged Medical Leave:** Grab currently offers select drivers paid medical leave for when they are unable to drive for a prolonged period due to injury or illness.<sup>2</sup> This benefit protects driver income, and alleviates their financial strain during their period of inactivity. Grab has extended this benefit to all Diamond, Sapphire and Ruby drivers under Grab’s Emerald Circle program.

**2.6.3 Grab Driver Benefits:** Grab provides its drivers with many benefits such as discounts on fuel, vehicle rental, AA membership, mobile plans, car servicing, dental and healthcare<sup>3</sup>. These benefits alleviate drivers’ operating costs and provide access to basic healthcare.

**2.6.4 Grab Driver Medisave Match Programme:** Grab further supports its drivers healthcare needs by matching drivers’ Medisave contributions up to \$100 per driver per month.

**2.6.5 Driver upskilling and job transition:** Grab partners with organisations to (a) to equip driver-partners with the necessary skills sets to drive safely and stay relevant in an increasingly digital economy and (b) help drivers find suitable job opportunities when they wish to transition to a new career. Grab launched a career support portal in Jun 2020 to further facilitate these efforts.

2.8 The total consolidated cost of investing into safety and driver benefits is approximately \$[REDACTED] per year, which equates to \$[REDACTED]. Grab therefore respectfully requests for the CCCS’ approval to implement a platform fee of \$0.30 on each ride to help cover these costs.

<b>Investment</b>	<b>Total investment in 2019</b>
Safety - [REDACTED]	\$[REDACTED]
Safety - [REDACTED]	\$[REDACTED]
Driver benefits	\$[REDACTED]
Covid-19 relief package (2020)	\$[REDACTED]
<b>Total investment</b>	<b>\$[REDACTED]</b>

2.9 Grab has observed that this is a practice that is in line with ride-hailing industry norms and does not represent a disproportionate increase in fares. For example:

2.9.1 Uber charges a booking fee in many of the countries it operates in including the United States, Australia, Brazil and Hong Kong. The booking fee for various cities in the

<sup>2</sup> See <https://www.grab.com/sg/driver/insure/prolonged-medical-leave-insurance/> for more information.

<sup>3</sup> See <https://www.grab.com/sg/grabdriverbenefits/> for more information.

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United States is upwards of ~USD\$2. It says on their website that “The booking fee helps cover our regulatory, safety, and operational costs, including insurance protection for you [passengers] and your drivers on every trip”.<sup>4</sup>

2.9.2 Lyft charges a service fee upwards of ~USD\$2 in various cities within the US and Canada. It says on their website that “the Service Fee is an additional fee added on a per-ride basis. The fee helps support the Lyft Platform and related services, including a broad spectrum of operating costs and safety measures like insurance and background checks.”<sup>5</sup>

2.9.3 Go-Jek levies a \$0.70 platform fee which it states goes into improving ride-hailing services.

2.10 In summary, Grab requests for a flat platform fee of \$0.30 to be charged for each ride. The platform fee will enable Grab to maintain and enhance the various safety measures highlighted above, and other relevant operating costs. A third of the funds collected through the proposed platform fee, will be committed towards providing benefits for driver welfare.

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<sup>4</sup> <https://help.uber.com/riders/article/booking-fee?nodeId=92439a81-251a-48e2-8735-8e8146f84590>

<sup>5</sup> <https://help.lyft.com/hc/en-us/articles/115013081048-The-Service-Fee>