

CCCS Issues Provisional Decision on Proposed Acquisition of Trans-cab by Grab



CCCS has expressed concerns that the Proposed Acquisition **will significantly reduce competition** between ride-hail platforms, and strengthen and entrench Grab's dominant market position.

The Parties: Grab and Trans-cab



Grab is the **dominant** ride-hail platform.



Trans-cab is **one of the largest fleets (taxi or private-hire)** not owned by or in partnership with any ride-hail platform in Singapore.

How is Grab a *dominant* ride-hail platform?

High numbers of ride-hail trips are completed on Grab, due to the large pool of drivers and passengers on its platform.



Proposed Acquisition Significantly Weakens Grab's Rival Ride-hail Platforms by Depriving Them of an Important Source of Drivers



The Proposed Acquisition is expected to result in a greater degree of "stickiness" of Trans-cab drivers to Grab's ride-hail platform.



Difficult for rival ride-hail platforms to replace any loss of Trans-cab drivers on their respective ride-hail platforms in a timely manner.



Shortage of drivers facing rival platforms



Stickiness of drivers to certain ride-hail platforms



High cost of fleet ownership and expansion



Lack of major non-affiliated taxi or private-hire car fleets to partner with



High cost of driver incentives

Impact on Competition: Weaken Competitive Constraints Exerted by Rival Ride-hail Platforms on Grab



Affect the ability of rival ride-hail platforms to:

- Fulfil trip requests and, over time, make them less attractive to passengers and drivers as drivers prefer ride-hail platforms with larger number of passengers, and passengers prefer ride-hail platforms with a larger number of drivers.
- Expand the scale of ride-hail platform services offered.



- Drivers and passengers could face higher prices and fewer choices for ride-hail platform services.
- Grab recognised that it will likely be able to significantly save on the incentives paid to drivers as compared to alternative means to increase driver supply.

Competition concerns raised, what's next?

CCCS will issue its final decision after consideration of representations from the Parties, as well as all available information and evidence. The Parties can also propose suitable Commitments to address the identified competition concerns.