

Taxi services in the Transport Code, comparison with Sweden

Transport market legislation is currently being updated. The objective of this reform is to promote the creation of new service models, ease market entrance, dismantle national regulation that limits competition and reduce the level of public guidance. New provisions will be compiled into the Transport Code, which will be extended in stages to cover all forms of transport. The changes proposed to taxi services are included in the fact sheet 6/2016. This fact sheet provides more details on the Swedish model.

Price of taxi rides

Transport Code proposes no longer specifying maximum rates for taxi rides. Information about the price or the basis for its calculation should be provided to the customer clearly and intelligibly before the ride. However, the service provider could make the decision on the pricing model.

Set rates for taxi rides were dropped in Sweden in the 1990s. Among other things, the price level was affected by the fact that price regulations had forced the price of taxi rides below the market price before the liberalisation of pricing. At the same time, the sector was also brought within the sphere of value-added taxation. The price increase was thus not exclusively a result of dismantling price regulations. Nevertheless, the prices were stabilised after a brief increase.

However, it is not sensible to compare the situation in Finland with the situation 26 years ago. The current situation in the taxi sector and in the entire society is completely different. New business models have emerged, for instance, though the introduction of smartphone applications and advance payment, which will also guide the taxi sector into price competition.

The situation in Sweden has also changed from the 1990s. There has been an increase in regulations related to pricing information. In 2015, an act entered into force, pursuant to which the driver must verify the price of the ride beforehand if the total price of the journey will exceed 500 krona (around EUR 56).

According to a survey by the Swedish Transport Agency (2014), the majority of those participating in the study (74%) considered the price level for taxi rides to be reasonable. Only 2% of the taxi customers responding to the survey considered the price of a ride as so high that they suspected that they had been deceived¹. In Sweden, the taxi sector has received above-average grades in consumer satisfaction surveys compared to the entire Swedish traffic sector.

Availability of taxi rides

Reports indicate that after the deregulation in Sweden, the number of taxis has increased, customer waiting times have been reduced and companies of different sizes using different business models operate in the market. The availability of taxis is good even in sparsely populated areas considering the country's average².

1 Transportstyrelsen, Prissättning och prisinformation vid taxiresor, dia 30, <http://www.transportstyrelsen.se/globalassets/global/press/marknadsundersokning-och-prisinformation-taxi-september-2014.docx.pdf>

2 Statens väg- och transportforskningsinstitut, VTI, rapport 774 revision 1, Regelförändringar i transportsektorn – Effekter av omregleringar inom inrikesflyg, taxi, kommersiell tågtrafik och bilprovning, 2013 ja Svenska Taxiförbundet, 2014 Branschläget – en rapport från svenska taxiförbundet, 2014.