

Taxi and vehicle-for-hire services in the Act on Transport Services, comparison with Sweden

Transport market legislation will be reformed. The objective of the reform is to promote the creation of new service models, ease market access, dismantle national regulation that limits competition and reduce the level of public guidance. New provisions will be compiled into the Act on Transport Services, which will be extended in stages to cover all modes of transport. The changes to taxi and vehicle-for-hire services are included in the fact sheet 4/2017. This fact sheet provides more details on the Swedish model.

Price of taxi rides

According to the Act on Transport Services there will no longer be a maximum price for a taxi trip. Clear and understandable information about the price of the trip and the grounds for its determination must be made available before the trip. However, the service provider could determine the pricing model.

The system of set rates for taxi rides was abandoned in Sweden in the 1990s. Before the liberalisation, the price level was affected, among other things, by regulations that had forced the price of taxi rides below the market level. At the same time, the sector was 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, through 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. Pursuant to an act that entered into force in 2015 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 so high that they thought they had been deceived.¹ 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 process in Sweden, the number of taxis has increased, customer waiting times have reduced and companies of dif-

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



ferent sizes using different business models operate in the market. Considering the national average, the availability of taxis is good also in sparsely populated areas.²

²Statens 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.