

THE UNITED REPUBLIC OF TANZANIA



Land Transport Regulatory Authority

**IN THE MATTER OF LAND TRANSPORT REGULATORY AUTHORITY**

**AND**

**IN THE MATTER OF RIDE-HAILING TAXI SERVICES FARES SETTING**

*(Made under Section 19(1) of the Land Transport Regulatory Authority, 2019 and Regulation 13 (1) (b) of the Land Transport Authority (Tariff) Regulations, 2020)*

**ORDER NO. LATRA/01 /2022**

## **1.0 BACKGROUND**

The Land Transport Regulatory Authority (LATRA) is established under Section 4 of the Land Transport Regulatory Authority Act, 2019 to regulate land transport sector.

Subject to Section 19(1) of the Land Transport Regulatory Authority Act, 2019 and Regulation 13 (1) (b) of the Land Transport Authority (Tariff) Regulations, 2020, the Authority reviewed fares to be applicable for the ride-hailing taxi services in Mainland Tanzania.

## **2.0 RATIONALE FOR REVIEW**

Before establishment of LATRA, Local Government Authorities administered ride-hailing taxicab services including platform owners such as Ping, Uber, Little Ride and Bolt Tanzania.

However, under the arrangement, there were no clear mechanisms to regulate taxi services. Therefore, after coming into force of the Land Transport Regulatory Authority Act, 2019, LATRA is mandated under section 19(1) to set rates and charges of all regulated sectors stipulated under the Land Transport Regulatory Authority Act, 2019. Hence, since April 2020 the LATRA started to regulate taxicab services. As part of regulating taxicab services LATRA reviewed and set the fare. The Authority will monitor all service providers to ensure compliance.

### **3.0 FACTORS TAKEN INTO ACCOUNT DURING FARE REVIEW**

The analysis of the review was made pursuant to section 19(2) of Land Transport Regulatory Authority Act, 2019. Therefore, during fare review the Authority took into consideration the following factors:

- (i) The cost of producing ride-hailing taxi transport services;
- (ii) Use of electronic system capable to record movement and computing fare;
- (iii) Use of distance and time variables in determining ride-hailing fares;
- (iv) Consideration of macro-economic variables such as exchange rates, depreciation and inflation rate which affected costs of operation
- (v) Taxes and statutory fees;
- (vi) Urban road infrastructure, congestion and safety requirements
- (vii) Affordability of transport services; and
- (viii) Statutory requirements as provided under Sections 5, 6, 19, and 21 of Land Transport Regulatory Authority Act, 2019.

### **4.0 BOARD'S ORDER**

In view of the foregoing and in effort to maintain competition and affordable ride-hailing taxi services, the Board at its 6<sup>th</sup> Ordinary meeting held on 27<sup>th</sup> January, 2022 approved ride-hailing taxi services fares and ordered as follows:

#### 4.1 Approved Combined Fare from 05:00:01 to 23:00:00 Hours

Category	Rate in TZS
Economic Incremental Distance Fare per 100 meters	79.16
Economic Incremental Time delay Fare per 36 seconds	41.47

#### 4.2 Approved Combined Fare from 23:00:01 to 05:00:00 Hours

Category	Rate in TZS
Economic incremental distance fare per 100 meters	83.12
Economic incremental time delay fare per 36 seconds	43.54

#### 4.3 Approved Ride-Hailing Fares Per Km and Per Minute

From the above-combined fares (4.1 & 4.2):

- (a) The Ride-Hailing Fare per Km is **TZS 900.00**
- (b) The Ride-Hailing Fare per Minute is **TZS 100.00**

#### 4.4 Approved Minimum Fare

The approved Minimum Fare is **TZS 3,000.00**

#### 4.5 Approved Maximum Commission

The approved Maximum Commission is **15%**.

### 5.0 FOLLOW UP MEASURES

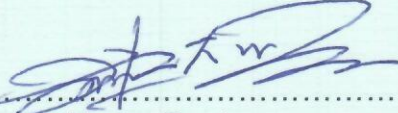
- (i) Ride-hailing service provider should use a platform with the capacity to transmit the relevant required information to the Regulator (application Integration Interface);
- (ii) Online Platform owners should ensure their networks enable access to the nearest vehicles to reduce the number of dead kilometers;

- (iii) Service Providers should avoid the use of abusive language and driving unclean cars;
- (iv) Ride-hailing service providers are prohibited to tamper with any system facilitating transactions;
- (v) Ride-hailing service providers should observe safety and security precautions;
- (vi) Platform owners should provide drivers with a platform to be heard, especially where customers complain about service provision.
- (vii) Platform owners' and service providers' contracts should describe the manner in which promotions will be provided;
- (viii) Platform owners' service provision contracts should be deposited with the Regulator before implementing them.

NB: This Order shall be executed in any number of counterpart, each of which, when executed, shall constitute a duplicate original, but all the counterparts of the Order shall together constitute one Order.

#### **6.0 EFFECTIVE DATES**

The Order shall be effective fourteen (14) days after public notice published in a widely circulated newspaper.

  
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Henry Bantu  
**VICE BOARD CHAIRMAN**

Dated and delivered under my hand and the SEAL of the Authority at Dar es Salaam this 14<sup>th</sup> day of March, 2022.

  
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Gilliard W. Ngewe  
**SECRETARY OF THE BOARD**

