

# Market Study on Ride-Hailing Applications in Japan

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Japan Fair Trade Commission

## 1. Purpose

A ride-hailing application provides a service that matches passengers—the demand side of passenger transportation services—with taxis and Japan’s ride-hailing vehicles on the supply side, which are used for daily life and travel, by using digital technology. In particular, under the situation where taxis and Japan’s ride-hailing vehicles are in short supply, it plays a role in efficiently allocating limited taxis and Japan’s ride-hailing vehicles, and thereby ensuring smooth transportation of passengers. It is expected that reasonable and highly convenient services will be provided through fair and free competition among ride-hailing app operators. On the other hand, a ride-hailing application is a type of digital platform where the indirect network effects work, thus users (passengers, taxis and Japan’s ride-hailing vehicles) tend to use certain ride-hailing applications, making it difficult for new players to enter this ride-hailing service market. Therefore, a specific ride-hailing app operator can hold a monopolistic or oligopolistic position in the market and may also be in an influential position in negotiations with users.

Furthermore, as railway stations and airports are places where the demand for taxis and Japan’s ride-hailing vehicles is high, it is necessary to ensure a fair and free competitive environment among ride-hailing app operators and among taxi operators at such places where passengers get on taxis and Japan’s ride-hailing vehicles from the viewpoint of improving convenience for passengers using a ride-hailing application.

The Japan Fair Trade Commission (hereinafter referred to as “JFTC”) has conducted a study to understand the actual condition of transactions related to ride-hailing applications, as well as the access of taxis and Japan’s ride-hailing vehicles to taxi stands, and to present its views on competition policy and the Antimonopoly Act (AMA). The JFTC has now compiled and published the results of the study.

## 2. Results

The study results are available only in Japanese; the summary and the point are also available in English. Please refer to them as attached.

\* Please refer to the original text written in Japanese for more details.

\* English translation of the summary and the point will be posted at later date.