

SPANISH COMPETITION *Highlights ...*

Weekly follow-up: 8 May – 12 May

The CNMC questions the fact that Extremadura Region grants taxi licences according to the population of each municipality.

The Royal Decree 277/2015 regulates intercity road transport in Extremadura. It grants taxi licences according to the number of inhabitants of the municipality to which the vehicles are assigned. Article 6 sets a limit of 2 authorisations in municipalities with less than 2000 inhabitants. This number will increase for each additional 2000 inhabitants.

This limit has been denounced, considering it is contrary to the principles of necessity and proportionality contained in the Ley de garantía de la unidad de mercado (“**LGUM**”).

The CNMC’s conclusions are that the Junta de Extremadura has not justified the necessity of the measure in relation to the safeguarding of (i) the protection of the interests and safety of the users and (ii) the protection of the urban environment. On this basis, it is not necessary to carry out a proportionality analysis.

The procedure.

The above conclusion has been reached in the context of art. 28 LGUM, which provides the possibility to request CNMC a preliminary report by the Secretaria del Consejo para la Unidad de Mercado. This report may include proposals for action to be assessed.

The conflict between VTCs and taxis.

The conflict between taxi licences and VTCs arose years ago. To curb the growth of the latter, several public administrations imposed measures aimed at limiting them.

For instance, in Barcelona, the number was limited to one VTC licence for every 30 taxi licences. However, in December last year, the EU Advocate General confirmed that the measure was disproportionate to the protection of the general interest and harmed consumers by reducing competition in the overall taxi and VTC market.

It will be necessary to wait for the judgement to see how this matter develops.