

COMFORTDELGRO TAXI TO INTRODUCE TEMPORARY FUEL-RELATED INCREASE IN FARES

28 March 2022 – As a result of the sharp increase in fuel prices in recent weeks, ComfortDelGro will introduce a temporary increase in distance fares on all its taxis with effect from 4 April 2022.

This “fuel-related price increase”, which is being introduced following strong feedback from its drivers, is a temporary measure that will be reviewed by the end of May 2022 and removed if fuel prices ease.

The proposed one-cent increase will affect distance and waiting time fares. The flagdown fare will remain unchanged. Based on the proposed revision, fares will increase by about 32 cents for a travelled distance of 10km. Assuming an average of 10 to 12 trips a day, cabbies’ earnings are expected to improve by between S\$3.20 and S\$3.84 daily. This will help to cushion the impact of the recent surge in fuel prices, which has increased their daily fuel costs by between S\$3.55 and S\$13.50 in the last month alone.

Global oil prices have increased by over 50% in the last six months – about a-third of which occurred in the last month alone, resulting in market pump prices crossing the S\$3-mark.

To help alleviate the increase in fuel costs and other operating expenses, ComfortDelGro Taxi had effected its first fare increase in a decade on 1 March 2022. The adjustments then included a 20-cents increase in flagdown fares as well as a two-cents increase in distance fare and waiting times.

To further help cabbies cope with the steep fuel cost increases, ComfortDelGro Taxi has also extended a one-time rental rebate of S\$90¹ to its hirers. This is over and above the ongoing rental waivers that have been in place since the start of the COVID-19 pandemic, including a two-month full rental waiver which was dispersed during the Circuit Breaker period of 2020, when demand for taxi services ground to a halt. In the last two years, a total of about S\$206.5 million in rental waivers has been disbursed.

Mr Jackson Chia, CEO of ComfortDelGro Taxi said the decision to introduce the temporary fuel-linked fare hike was taken after very careful consideration.

“The ongoing conflict in Ukraine has wrecked havoc on global fuel prices. In the last month alone, the price of petrol has surged by 21%. And even though we have been absorbing a large part of the increase in fuel costs so that our drivers can enjoy a lower rate of \$2.20 per litre of petrol, compared to the S\$3.05 per litre if they had pumped outside, they are still paying close to 14% more than what they were paying in February. Even with the ongoing rental rebates and the special one-off rental rebate, drivers are still finding it difficult to make ends meet. We hope commuters will understand that this move is a measure of last resort and will be removed once fuel prices return to reasonable levels,” he said.

Welcoming the news of the temporary fare increase, Cabby Chua Junjie, who has been driving for more than eight years, said: "I drive over 200km on most days just like many cabbies, and the surge in fuel prices have been very costly for us. With this temporary fare increase, it will definitely help us cope better."

The temporary fuel-linked fare increase marks the second time ComfortDelGro Taxi has implemented such an adjustment. The first took place in July 2008 when a 30-cents fuel surcharge was introduced as a result of persistent and sustained increases in fuel costs. At that time, Brent crude oil, a major benchmark price for purchases of oil worldwide, hit an all-

¹ S\$90 rental rebate for hirers who drive the entire month of March. A pro-rated amount is given for hirers who drive less than 31 days.

time high of US\$147.50. That fuel surcharge was removed in November 2008 when global fuel prices eased.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 35,000 buses, taxis and rental vehicles. We also run 177 km of light and heavy rail networks in Singapore and New Zealand. Our global operations span seven countries – Singapore, Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia. In Singapore, ComfortDelGro operates close to 9,000 taxis.