IN THE MATTER BEFORE THE BOARD OF THE COMPETITION AND CONSUMER PROTECTION COMMISSION

Case File No. COMP/21/10/2022/01963

BETWEEN

ULENDO TAXIS LIMITED	**1ST COMPLAINANT**
THE ONLINE TAXI DRIVERS' ASSOCIATION OF ZAMBIA (OTDAZ)	**2ND COMPLAINANT**
TRADITIONAL TAXI OPERATORS	**3RD COMPLAINANT**

AND

YANGO ZAM LIMITED	**RESPONDENT**

BEFORE:

Commissioner Angela Kafunda	**Chairperson**
Commissioner Sikambala M. Musune	**Vice Chairperson**
Commissioner Derrick Sikombe	**Member**
Commissioner Bishop Dr. Wilfred Chiyesu	**Member**
Commissioner Pelmel H. Bonda	**Member**
Commissioner Onesmus Mudenda	**Member**

DECISION

Below is a summary of the facts and findings presented by the Competition and Consumer Protection Commission ("the Commission") to the Board of Commissioners following investigations carried out in the above case.

Introduction and Relevant Background Information

It was submitted that:

1. On 21st December 2022, the Competition and Consumer Protection Commission ("the Commission") initiated investigations against Yango Zam Limited ("the Respondent") regarding allegations of predatory pricing of online ride hailing services. The Investigation was initiated after the Commission received complaints from Ulendo Taxi Limited ("the First Complainant") who alleged that the Respondent was pricing taxi rides below the marginal costs incurred in the provision of ride hailing services, to obtain market share. It was alleged that the conduct made other competitors in the online ride hailing service provision, who did not have the capacity to price below marginal costs, to exit the market. It was alleged that once all the competitors had exited the market, the Respondent would hike their prices and make abnormal profits to the detriment of consumers. It was further submitted that the Respondent was not paying taxes for their operations in Zambia and as such were able to charge lower prices than their competitors who were paying taxes.

2. Additionally, the Commission received a complaint from the Online Taxi Drivers Association of Zambia (OTDAZ) ("the Second Complainant"). It was alleged that the prices that the Respondent was charging customers on the Yango digital platform were too low. The Second Complainant further alleged that drivers were unable to cancel rides if they decided not to proceed with the order before picking the customer and that before picking the customer, drivers were unable to see the details of trips such as destination and price of the trip. Further, it was alleged that even the other incentives such as the weekly bonuses which were previously provided by the Respondent to the drivers were withheld or revoked in unexplained circumstances.

3. Further, the Commission received a complaint from traditional taxi operators ("the Third Complainant") who submitted that online ride hailing drivers were operating outside the provisions of the Road Traffic Act No. 11 of 2002 as they did not hold licenses which allowed them to operate as taxi service providers. It was submitted that this was unfair as traditional taxi operators were required to carry such licenses. In addition, it was also alleged that passengers had the ability to reduce the fare for the ride and did not consider the wear and tear of the vehicle.

The Conduct

It was submitted that:

4. The alleged conduct involves the Respondent charging prices that were below marginal cost for online ride hailing services. It was alleged that the intention of the Respondent was to limit competition by making other competitors to exit the market and later hike prices to abnormal levels. In addition, the Respondent is alleged to have created unfavorable conditions for the drivers by ensuring that the drivers are locked in to the Yango service by dropping the fare to be paid by customers and ensuring that drivers could not reject rides in the event that a driver was assigned a passenger.

Legal Contravention

It was submitted that:

5. The alleged conduct by the Respondent appeared to be in contravention of Section 8, Section 10 (1), Section 16(1), Section 16 (2)(a), and Section 16 (2)(g) as read together with Section 15(1) of Competition and Consumer Protection Act, No. 24 of 2010 as amended by Act No. 21 of 2023 ("the Act").

Theory of Harm

It was submitted that:

6. The theory of harm in this context explains how a dominant firm's decision to sell below marginal cost constitutes a breach of competition law by prioritizing long-term market integrity over temporary consumer savings. The Commission identifies two primary risks: exclusionary abuse, where rivals are forced out and new competitors are deterred by unprofitable prices; and exploitative abuse, where the resulting monopoly allows the firm to hike prices and exploit service providers, such as drivers, who are left with no alternative platforms.

Investigations Conducted

It was submitted that:

7. In investigating the matter, the Commission conducted market surveillance between August 2022 and September 2023 to understand the provision of online ride hailing services in Zambia. The Commission duly served a Notice of Investigation ("NOI") on the Respondent on 21st December 2022. The Commission further facilitated meetings with other relevant institutions which included the Ministry of Commerce, Trade and Industry (MCTI), Ministry of Justice (MoJ), Patents and Companies Registration Agency

(PACRA), Ministry of Transport and Logistics, Ministry of Labour and Social Security, Road Transport and Safety Agency (RTSA) and Zambia Revenue Authority (ZRA) on the matter.

Findings

The Parties

The Complainants

Ulendo Taxi Limited (Ulendo) ("First Complainant")

It was submitted that:

8. The Complainants were Ulendo Taxi Limited (Ulendo) and Yango drivers who operated taxis within Zambia. Ulendo operated a digital platform for online ride hailing services.

Online Taxi Drivers Association of Zambia (OTDAZ) ("the Second Complainant")

It was submitted that:

9. The Online Taxi Drivers Association of Zambia is an association or a group of drivers who are affiliated with available ride-hailing platforms. These platforms connect passengers with nearby drivers through a smartphone app, providing a more efficient and convenient way to hail a taxi. Their key characteristics include being platform-affiliated as their work highly depends on the various platforms for rides; App-based as passengers book rides through a mobile app; standardized fares as their fares are calculated based on distance and time and are technology-enabled as they use GPS and other technologies to navigate and track rides.

Traditional Taxi Operators ("the Third Complainant")

It was submitted that:

10. Traditional taxi operators in Zambia are typically individuals who own or rent their own vehicles and operate independently. They often ply the streets, waiting for passengers to flag them down. These operators are part of informal associations but their operations are generally not regulated or standardized. They are however subject to the Provisions of the Road Traffic Act for licensing and registration. Their key characteristics include independent ownership, informal operations, street-based as they wait for passengers on the streets

and variable fares where the fares can vary depending on the driver and the distance.

Other Complainants

It was submitted that:

11. During the course of the Investigations, the Commission received numerous complaints from drivers and concerned citizens that included low fares charged by Yango, lack of safety for drivers, drivers not knowing the destination of the potential passengers as well as the ability of the passenger to reduce their fare to be paid. Additionally, it was submitted that Yango had removed the performance bonuses which were complementing the low fares.

The Respondent

Yango Zam Limited

It was submitted that:

12. Yango Zam Limited is a company which was incorporated in Zambia in 2022 under registration number 120220039705. Yango Zam submitted that they were an affiliate of Maple Leaf United (MLU) Africa B.V who operated the Yango mobile application. The business activities of Yango Zam include the provision of information services, management consultancy and web portals, market research and public opinion polling and advertising. The registered business address of Yango Zam is House No. 3, Mpulungu Road, Olympia Park, Lusaka.

Table 1: Directors in Yango Zam Limited

Name	Position	Nationality
Kabanda Nachilanga Chewe	Director	Zambian
Lebedev Philipp Sergeyevich	Director	Netherlands

Source: PACRA printout dated 29th November, 2022

13. The Commission established that MLU Africa B.V was an international company that provided digital platforms for ride hailing services and owned the Yango platform which also operated in Zambia. The Commission noted that Yango Zam Limited was an affiliate of MLU Africa B.V in Zambia.

Submissions from the Respondent

It was submitted that:

14. It was submitted that the Respondent began operations in Zambia in March 2022 as an information service provider incorporated in the Netherlands. It was submitted that the platform functions as a digital connector between partners, drivers, and users, operating under specific online E-services and terms-of-use agreements rather than as a direct transportation carrier.

15. It was submitted that the Respondent does not set fixed prices for rides but instead establishes "maximum applicable tariffs" in consultation with Yango Partners who possess local knowledge of fuel costs and exchange rates. It was submitted that these tariffs provide predictability for users while allowing drivers the flexibility to charge lower fees if they deem it appropriate. It was submitted that the final fare is determined by a complex set of variables including distance, time, demand, traffic, and vehicle maintenance expenses.

16. It was submitted that the Respondent maintains no direct contractual relationship with drivers, as all driver registration and management are handled exclusively by Yango Partners. It was submitted that the revenue model consists of an 11.3% commission for the Respondent and a 3.7% fee for the partners, a structure the Respondent claims is comparable to competitors like Ulendo. It was submitted that while the service is free for passengers, partners are charged for access to the application's information services.

17. It was submitted that the Respondent was not a dominant player at the time of the investigation, having only operated in Zambia for eight months. It was submitted that the ride-hailing market has low barriers to entry due to the availability of ready-made software and free mapping solutions, which prevents any single entity from exercising significant market power. It was submitted that the prevalence of "multi-homing"—where drivers and passengers use multiple apps simultaneously—further ensures a highly competitive environment.

18. It was submitted that the legal standard for predatory pricing requires proof of pricing below marginal cost and a high probability of "recoupment," or the ability to raise prices later to recover losses. It was submitted that in a market with such low entry barriers, recoupment is impossible because customers and partners would simply switch to a competitor if prices were raised above competitive levels.

19. It was submitted that the discounts offered (such as 30% off the first three rides) were temporary promotional tools designed for market penetration and

were never intended to foreclose the market or eliminate competitors. It was submitted that such pricing is pro-competitive as it encourages consumers to try new services and increases overall market efficiency. It was submitted that any discounts given to users were fully compensated to the drivers by the Respondent to ensure driver income remained stable and viable.

Submissions from the Online Taxi Drivers Association of Zambia (OTDAZ)

It was submitted that:

20. OTDAZ submitted that there were over fourteen (14) online taxi platforms in the country. It was submitted that only three were popular, Yango, Ulendo and Zamcab. It was submitted that the online business had been well received by the public as it was safer for both customers and drivers, quicker and more convenient for customers.

21. It was submitted that online taxi platforms utilize proximity-based alerts and customer ratings to assign rides, though their registration requirements differ significantly; Ulendo mandates physical vehicle inspections and security clearances, whereas Yango operates an entirely digital registration process due to its lack of a physical presence in Zambia. It was submitted that drivers are required to maintain pre-funded "float" accounts to facilitate the deduction of commissions and the payment of bonuses, with Yango setting a lower minimum threshold of K100.00 compared to Ulendo's K200.00, while both platforms utilize these accounts to manage a 15% service fee per trip.

22. It was submitted that aggressive promotional strategies have shifted consumer preference toward the Respondent, creating a market environment where drivers often struggle to remain profitable because the Respondent does not implement the minimum distance charges found on competing platforms like Ulendo. It was submitted that although the Respondent subsidizes the cost of customer discounts, drivers must meet high trip thresholds to unlock bonuses, and the system's failure to recalculate fares for route changes frequently results in drivers incurring losses on longer distances.

23. It was submitted that the financial viability of the service depends on a tiered bonus system—ranging from K70.00 for 5 trips to K1,200.00 for 25 trips—yet these payments are often denied through the classification of "bad trips" and a rigid, AI-driven support system that prevents human intervention or grievance resolution. It was submitted that the Respondent's platform prioritizes ratings over driver safety, penalizing those who cancel trips even in hazardous or uncomfortable situations, which has led the Road Transport and Safety Agency (RTSA) to begin drafting a Statutory Instrument to regulate pricing within the sector.

24. It was submitted that the Respondent's low-pricing model has forced several competitors out of the market, creating a coercive environment where drivers are financially pressured to use an unprofitable platform because alternative options have been eliminated by the Respondent's heavy promotions.

Yango Partners

It was submitted that:

25. Yango Partners are distinct registered companies or businesses, that have formalized an agreement with Yango to act as an intermediary in recruiting and managing individuals or services that operate under the Yango platform. This partnership allows the Yango Partners to register drivers for ride-hailing services, or facilitate the onboarding of other service providers that Yango might offer, such as delivery personnel, on Yango's behalf. Essentially, they serve as an operational extension of Yango, handling the local onboarding, vetting, and potentially ongoing management of service providers for Yango's operations in a given market.

Submissions from Yango Partners

It was submitted that:

26. It was submitted that Yango Partners are established Zambian car hire companies that transitioned into the ride-hailing ecosystem by signing dual contracts with Yango Zam Limited and MLU Africa B.V. It was submitted that these partners serve as essential intermediaries whose primary responsibilities include the formal registration of drivers, the remittance of performance bonuses, and the dissemination of technical updates to the fleet. It was submitted that although drivers possess the technical ability to register themselves directly via the application, the platform's architecture requires every driver to choose and operate under a specific Yango Partner.

27. It was submitted that the financial relationship is defined by a 15% fee structure per trip, which is divided into an 11.3% service fee for the Respondent and a 3.7% commission retained by the partner. It was submitted that the Respondent utilizes a "float account" system for partners, where the 11.3% commission is automatically deducted from the partner's deposited funds for every completed trip undertaken by their registered drivers.

28. It was submitted that the Respondent retains exclusive authority over pricing, setting fares based on time and distance with a base price of K20.00 for the first 1.5 kilometres, followed by K5.00 per kilometre and a K1.00 per minute waiting charge. It was submitted that to drive market penetration, the

Respondent offers new clients a K40.00 discount on their first three rides, with the cost of these promotions being fully reimbursed to the drivers' float accounts to ensure their earnings remain unaffected.

29. It was submitted that the application employs automated monitoring to identify "bad rides," such as self-bookings or trips completed away from the mapped destination, which results in the cancellation of any associated bonuses to prevent fraudulent activity.

Relevant Findings

It was submitted that:

30. It was established that the Respondent provided a digital platform which connected drivers to customers. The Commission established that the Respondent set the prices for ride hailing services. It was found that Yango agents and drivers were price takers as the prices were determined by the Yango platform.

31. It was established that the prices of online ride hailing services were determined by factors such as: the demand for rides; distance of the ride; the duration of the ride; traffic levels during the ride; the wait time of the driver; and, weather conditions present.

32. The Commission noted that the Respondent charged a 15% commission of the price of a trip to taxi drivers. Of the 15%, 11.3% was remitted to the Respondent, while 3.7% was withheld by the Respondents agents while the remaining 85% remained with the driver.

33. The Commission found that on average, most drivers online ride hailing services used vehicles with engine-cylinder capacity (cc) below 1,500 cc.

The Relevant Market

It was submitted that:

34. The relevant market includes the relevant product market and relevant geographical market. Considering the foregoing, the Commission therefore defined the relevant markets as ***the provision of online ride hailing services in Lusaka, Kitwe and Ndola.***

Competition Analysis

Consideration under Section 8 of the Act

Whether there is an enterprise, a group of enterprises or a trade association

It was submitted by the Technical Committee (TC) that:

35. Investigations by the Commission have revealed that Yango is an enterprise involved in the provision of information services that include ride hailing and delivery services and were incorporated in Zambia as Yango Zam Limited in September of 2022[1]. In addition, the partners that have been engaged by Yango to recruit drivers on Yango's behalf are also enterprises registered with PACRA[2] demonstrating that they are enterprises. The partners are listed below include the following:

1. Always Transport and Logistics
2. Augmas Car Hire Travel & Tours Limited
3. Biscan Innovations Limited
4. Carkita Limited
5. Chara Transport
6. Climah Car Hire
7. DAEE Translogistics and Engineering Services
8. Drift Taxi Movements Zambia Limited
9. Drift Taxi Movements Zambia Limited
10. Thebe Investment Management Ltd
11. Faircar Hires and Tours Ltd
12. Fancy Ride Car Rentals Ltd
13. Gocar Hires & Tours Limited
14. Gretah Logistics Limited
15. Jedon.Com Limited (Jedon Company Limited)
16. KDK Solutions Ltd
17. Kenako Investments Limited
18. Kopala Riders Limited
19. Loyale Transportation Limited
20. Taliana Innovations Limited
21. Unified Leam Limited
22. Machiko Express Car Rentals
23. Mirazh Transport Solutions Limited
24. Mirriangwe Trading Limited
25. Mpanqa Ya Mambwe International Limited

[1] PACRA Printout
[2] https://search.pacra.org.zm/

26. Mwape's Creations and Car Hire
27. Natwende Travels Limited
28. Chintu Chengo Clementina Investment Limited
29. Optimistic Activation Agency Limited
30. Otlichno Avto Transport and Logistics Limited
31. Pyramidix Logistix Limited
32. Rent and Ride Limited
33. City Drive Rent A Car Limited
34. Romwe Car Hire and Tours
35. Something Automotive Limited
36. Teleriders Transport and Logistics Ltd
37. Tiiye Rides Zambia Limited
38. Twende Kazi General Dealers[3]

36. It therefore follows that the Yango Partners are enterprises of interest and these enterprises as registered by PACRA provide information services relating to ride hailing services while others provide transportation services and also register drivers that are willing to offer transportation services to customers that seek these transportation services.

Whether the enterprise or group of enterprises enter into an agreement or undertake a concerted practice

It was submitted by the TC that:

37. A vertical agreement between the Respondent and Yango partners can be described as a vertical agreement between enterprises operating at different levels of the production or distribution chain, concerning the conditions under which the partners provide transportation services to end consumers using the Respondent's platform. The parties which include the Respondent and the Yango Partners, operate on different levels of the supply chain as the respondent operates at the platform level, providing the technological infrastructure (the app, algorithms, payment processing, etc.) that facilitates the connection between drivers and riders. They are essentially a service provider enabling transactions. On the other hand the Partners (Transport Companies) operate at the level of providing the actual transportation service to the end consumers (the riders). They utilize Respondent's platform to reach customers and conduct their business.

38. From, the case at hand, it can be noted that there is a vertical agreement between Yango as an information service provider and various car hire companies, herein referred to as "Yango Partners" to register drivers of motor vehicles as well as registered taxi drivers to provide rides or transportation

[3] Submissions made by Corpus Legal Practitioners in a letter dated 27th January 2023, responding to a request for further Information in response to the Notice of Investigation

services to different customers. This agreement involves Yango providing a platform that connects customers in need of transportation with drivers who are willing to provide rides using their own vehicles. The agreement is entered into when Yango Partner car hire services register potential drivers to provide transportation services provided though an application that will connect the potential passenger to a driver and when the Yango Partner agrees and accepts to the terms and conditions set by Yango during registration[4].

39. The agreement is referred to as the 'E-Service Agreement'. The agreement spells out the terms and conditions for the operation of Yango and their Partners as referred to in the agreement as counterparties. The agreement further addresses the engagement of Yango and their partners as well as the engagement of the independent drivers that offer transportation services[5]. Investigations have therefore revealed that there is an agreement which is referred to as the E-Services Agreement. The agreement governs how Yango and the Yango Partners will interact to provide transportation hailing services to customers seeking transportation the engagement of independent drivers providing those services.

Whether the agreement has, as its objective or effect, the prevention, restriction or distortion of Competition

It was submitted by the TC that:

40. From the investigations conducted by the Commission, it was found that the Respondent engaged a strategy of penetrating the market using various means that included low prices for passengers, bonuses for drivers with the most rides and massive advertising. It is not uncommon for business to enter a market employing pricing strategies such as low prices, providing incentives to customers or agents in order to increase market share. Submissions from the Respondent revealed that they employed these various mechanisms that were intended to penetrate the market and gain customers with their partners. They employed a low-cost strategy and massive advertising in order to gain market share.

41. In addition to the low-cost entry and massive advertising strategies, the Respondent engaged other methods through the Yango Partners that resulted in the exit of a vigorous competitor in the market. At the time of employment of the strategies, the first Complainant was a vigorous competitor in the relevant market. However, the strategy of issuing bonuses that were employed by the Respondent and the Yango Partners resulted in most drivers ignoring ride requests on the first Complainant's Platform in order to fill a quota of rides for a bonus to be given. The lock-in mechanism employed by the Yango app effectively compels drivers to prioritize its platform, severely hindering

[4] Submissions made by Corpus Legal Practitioners in a letter dated 27th January 2023, responding to a request for further Information in response to the Notice of Investigation.
[5] https://yango.com/legal/ride_saas_zambia/

their ability to engage with competitors. This coercion stems from a system of algorithmic penalties, where rejecting rides leads to point deductions and a reduced frequency of future ride assignments, directly impacting a driver's income and "priority" status. Coupled with quota-based bonuses, this creates a powerful economic disincentive for drivers to decline Yango rides or work for rival services, ensuring their near-exclusive dedication to Yango by making it financially unsustainable to do otherwise.

42. The Respondent's entry strategies, characterized by low-cost offers and extensive advertising, initially covered a more insidious plan to eliminate competition. While bonuses were presented as incentives, their structure, coupled with punitive lock-in mechanisms, ultimately forced a vigorous competitor out of the market. Specifically, the bonus system incentivized drivers to prioritize the Respondent's platform to meet ride quotas, leading to the neglect of the competitor's requests. In addition, a coercive lock-in mechanism was implemented where drivers faced point deductions and reduced future ride assignments by the app's algorithm for rejecting any ride. This effectively compelled driver to accept all assignments from the Respondent, regardless of their preference or the competitor's offers, ultimately strangling the competitor's driver supply and causing their exit from the market.

43. While the objective of an agreement may be neutral or even beneficial, if its **effect** is restrictive, distorts or prevents competition, it is going to be considered illegal under Act. This is because the focus is on the **actual** impact of the agreement on the market, rather than the intentions of the parties involved. Therefore, although the party's intention was to penetrate the market by employing various strategies, their strategies agreed upon by Yango and their Partners and effected through the partners and the Respondent's app restricted and prevented competition in the relevant market. Therefore, the agreement between Yango and their partners had the effect of preventing competition in the relevant market.

Whether prevention, distortion or restriction of competition is to an appreciable extent in the relevant market."

It was submitted by the TC that:

44. The Respondent's entry into the market and aggressive strategy enabled them to rapidly gain considerable market to the extent that by December 2022, The Respondent had offered about 16 000 000 rides representing about 90% of the market share in rides surpassing the players that were currently in the market and leading to the exit of Ulendo another player in the market.

Therefore, it could be said that the conduct by the Respondent was to an appreciable extent.[6]

45. **Considerations under Section 10 (1) of the Act**

Whether the Vertical Agreement involved Resale Price Maintenance

It was submitted by the TC that:

46. In the submissions through their lawyers, it was submitted that the Respondent did not set the prices of rides which were paid by the consumers but that the Respondent only set maximum applicable tariffs. Specifically, It was submitted that the Respondent (MLU Africa B. V.) did not set prices for transportation services which were provided by Yango Partners and their drivers. It was submitted that in order to provide a predictable experience to users of the platform, MLU Africa B.V. in partnership with Yango Partners agreed on maximum tariffs for rides that were taken on their platform and that drivers were allowed to charge whatever fee they deemed appropriate for the particular trip.

47. The Agreement entered into by the Respondent and Yango Partners fixes the price at which drivers will charge for. In their arguments, it was asserted that while the Respondent claimed only to set 'maximum' tariffs, this was a method to control the pricing of rides. It was argued that by establishing an 'agreed upon' maximum tariff with Yango Partners, The Respondent effectively created a price ceiling that drivers would be strongly incentivized, if not pressured, to adhere to given the conditions the drivers were subjected to such as ensuring that the driver accepts every ride that is assigned to them without adequate information and not knowing the price of the ride at acceptance of the ride and becoming aware of the price after arriving at the destination.

48. The submission suggested that while drivers were *theoretically* allowed to charge less, the 'partnership' and the platform's design created an environment where deviating significantly below the maximum would be commercially unviable or actively discouraged. This, it was argued, functioned as a de facto price floor, preventing genuine price competition and ensuring that rides rarely, if ever, fell significantly below the established maximum. Furthermore, it was implied that this 'maximum' tariff wasn't truly a flexible upper limit, but rather a target price point around which the market would naturally gravitate due to the platform's algorithms, promotional strategies, and the inherent power dynamic between the platform and the individual drivers. The Respondent has therefore engaged in resale price maintenance.

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[6] Government of the Republic of Zambia: Government Gazette dated 16th February 2024

Whether this control directly or indirectly fixes the resale price, limiting the dealer's independent pricing decisions.

It was submitted by the TC that:

49. The operational model imposed by the Respondent, despite the claim of setting only maximum tariffs, functions as an indirect mechanism that effectively fixes the resale price of transportation services, significantly limiting the Yango Partners and their drivers' ability to make independent pricing decisions

50. One The key element in proving the existence of RPM is that the agreement removes or significantly restricts the dealer's or retailers ability to independently determine their own selling prices based on their own business strategies, costs, and market conditions. The Korean Supreme Court in *Namyang Dairy Products Co. v. KFTC,* observed that, if a manufacturer unilaterally determines a resale price of its products and instructs that retailers should sell the products at the notified resale price, it should not be illegal as long as the resale price is offered merely as a reference or proposed price. It then held that, if the offer is accompanied by any means of forcing the instruction into practice, i.e., any binding force, the offer should constitute RPM and therefore be illegal.[7]

51. The process where drivers are presented with a final fare determined by the app *only upon reaching the destination* demonstrably removes their capacity to independently determine the initial selling price. This lack of upfront price visibility and negotiation eliminates the drivers' ability to factor in their individual business strategies, operational costs (such as fuel, vehicle wear and tear, and time), and real-time market conditions before accepting a ride.

52. Consequently, the "maximum tariff" becomes more than just a ceiling; it acts as a focal point and a de facto fixed price. Given that drivers are presented with a pre-determined fare they must either accept or reject *after* the service is hailed, the platform, in essence, dictates the transaction price. This eliminates the possibility of drivers proactively competing on price by offering lower fares based on their own assessments of a particular trip's value or their need to secure business. This arrangement effectively prevents the emergence of a competitive pricing landscape among drivers on the Respondent's platform. The inability to set prices independently, coupled with the post-service price revelation, binds drivers to the platform's pricing mechanism, mirroring the restrictive effects of direct resale price maintenance. The claimed "maximum tariff" thus serves as the effective price point, severely

[7] Namyang Dairy Products Co. v. KFTC, Seoul High Court, 99u13, Oct. 7, 1999; Supreme Court 99Du11141, Dec. 24, 2001.

curtailing the Yango Partners' and their drivers' ability to independently determine their selling prices and respond to market dynamics.

Considerations under Section 15 (a) of the Act

Whether there is an enterprise

It was submitted by the TC that:

53. The Act defines an enterprise as, "a firm, partnership, joint-venture, corporation, company, association and other juridical persons, which engage in commercial activities, and includes their branches, subsidiaries, affiliates or other entities, directly or indirectly, controlled by them." It was established that the Respondent was involved in commercial activities. In addition, the Respondent was registered with PACRA. Given the above the Commission established that the Respondent was an enterprise.

Whether the Respondent is dominant in the provision of online ride hailing services

It was submitted by the TC that:

54. The Commission found that the Respondent was registered under the Patents and Company Registration Agency and as such, the Respondent was an enterprise. In defining **market dominance**, one must see to what extent a product, brand, or firm controls a product category in a given geographic area. There are several ways of **measuring market dominance**. The most direct is **market** share. This is the percentage of the total **market** served by a firm or brand. In this case, the Commission requested for the number of rides that were undertaken from January to December 2022 by each of the online ride hailing service providers. The Commission requested for the information from the Respondent and their Competitors namely: ZamCab 24/7 Services, My Ride, Twenshe Taxi, UyoTech Services Limited, Twende, Ubuntu VIP Rides and the First Complainant. The Commission requested for the market information so as to calculate the market shares of the individual players. The Commission did not receive feedback from Ulendo regarding the request for information. My Ride, Twenshe and Twende submitted that their mobile applications were not functional as they had closed their businesses. See Table 1 below:

Table 1 : Number of Rides \undertaken between January- December 2022[8]

No.	Name of Company	Number of rides	Percentage
1	Yango Zam Limited	16,341,000	99.978%
2	My Ride Zambia	-	
3	Twenshe Taxi	-	
4	Uyo Ride Zambia	267	0.002%
5	Twende Ride Zambia	-	
6	ZamCab 24/7 Services	3,500	0.02%
7	Ulendo Taxi Limited	-	

55. With regards to Ulendo, the Commission sent request for information on 21st March 2023 and on 28th June 2023, however, the Commission did not receive response from Ulendo. Further, the Commission visited the premises of Ulendo and established that they were only operating the delivery business as the ride hailing app had closed[9].

56. The Commission further noted that the 99.978% market share attributed to the Respondent as elaborated in *Table 1* above may not show a true demonstration of the market shares controlled by the Respondent. This is because Commission noted that in the earlier months of 2022, Ulendo was operational as a competitor of the Respondent and as such controlled a portion of the total market shares. However, the Commission noted that since the coming of the Respondent on the market, Ulendo experienced a massive loss of business. The Commission conducted a random survey on 48 individuals to establish the customer preferences regarding online ride hailing service providers. It was found that of the 93.8% of the respondents to the questionnaire preferred the Respondent for the provision of online ride hailing services. It was found that 60% of the respondents preferred Yango due to the affordability of their prices and the availability of drivers on the application. ***(See Annexure 2)*** Given the above, it was established that the Respondent was dominant in the provision of online ride hailing services in Zambia.

Whether there is conduct to impose directly or indirectly an unfair selling price or other trading conditions

It was submitted by the TC that:

57. It was alleged that once a driver accepted a ride on the Yango platform, they were unable to see the price or the destination of the ride. It was alleged that drivers could only see the destination of the ride once the ride began. It was

[8] Submissions from Various cab hailing companies submitted to the Commission
[9] Further attempts to contact Ulendo failed.

further alleged that when a driver requested the customer to cancel a ride upon knowing the price and destination of the ride, if the customer indicated, on the platform, that the driver requested them to cancel the ride, the driver's rating would be reduced on the Yango platform, this resulted in less allocation of rides to the driver.

58. The Commission found that when a driver accepted a ride, they were unable to see the price and destination of the ride. It was noted that in some instances some drivers asked customers about the details of trips (this is after the driver has already accepted the trip). Further, it was noted that when a driver requested a customer to cancel a trip, the customer could indicate on the platform that the driver requested to cancel the trip and that this resulted in the reduction of the driver's ratings on the platform. It was found that ratings affected the number of trips allocated to the driver as drivers with higher ratings received more rides.

59. The Commission reviewed all other ride hailing platforms withing the country such as Bolt, Ulendo and Mycab and found that unlike Yango, all the other platforms allowed drivers to see the price of the ride and the destination before accepting the ride.

60. The Commission is of the view that the conduct by Yango to deny drivers access to the details of rides before accepting the ride was an unfair trading condition. The Commission was of the view that it was unfair for Yango to also reduce the ratings of drivers if they refused to accept a ride. The tenets of competition and consumer protection are that parties to a transaction ought to be aware of the details of a transaction before committing themselves to one. As such, parties to a transaction have the right to information regarding, safety, quantity and the right to choose. The Commission is of the view that the inability of drivers to check the price and destination of rides was unfair to drivers as it caused an imbalance to the detriment of drivers.

61. To ensure fairness, both customers and drivers entering into a transaction must be fully aware of the terms and conditions before any agreement. Transparency ensures that both customers and drivers understand their obligations, rights, the benefits to be accrued and the potential consequences beforehand. This ensures both customers and drivers make a decision while being aware of all the terms and conditions of the agreement. As such, the Commission is of the conclusion that the Respondent violated Section 16 1 (a) of the Act.

Whether there was conduct, to sell goods below their marginal or variable cost

It was submitted by the TC that:

62. With regards to the Respondent, the Commission noted that most of the costs incurred by the provider of online ride hailing services were fixed costs such as the cost of setting up the platform, the registration of the platform on a web application store and the subscription fees paid on the web stores such as the Google App Store. Further, platform providers acquired hardware such as servers or alternatively host their applications with other host services providers. The Commission noted that all the costs above could not be considered as marginal costs as they did not increase with an increase of an additional unit of service provision. The setup costs of the platform were incurred once, while entry into the market was characterised by aggressive advertising. Moreover, the Commission noted that in this case the applicable marginal costs were those incurred in the provision of the service to the final customer by the driver. This is because the price set by the platform provider (the 15% commission) is paid by the drivers and not the consumers. Therefore, because the subject of contention as regards to predation is the prices charged to final customers, the Commission considered the marginal costs incurred by the drivers. Because marginal cost is the increase in cost resulting from the production or provision of an additional unit, the Commission considered rides as the units of production. As such, the Commission considered the costs which increase simultaneously with the number of rides undertaken by a driver. The formula for marginal cost is:

$$\text{Marginal cost} = \frac{\text{Change in Total Cost}}{\text{Change in Quantity Produced}}$$

63. The Commission considered the cost incurred per trip. The Commission identified the following as the marginal costs incurred by drivers:

Table 2: Costs Associated with the Drivers

No.	Cost
a.	Airtime
b.	Internet bundles
c.	Car Service
d.	Fuel Expense when following the customer
e.	Fuel expense during the ride
f.	Commission to the Respondent and agent (15%)

*Note

a. Airtime: drivers communicated with customers before commencing a ride. The Commission considered that such costs are subjective as drivers could reduce the cost by taking advantage packages offered by Telecommunication providers.
b. Internet Bundles: Drivers required internet access to access the ride hailing platform. Similar to airtime, drivers could buy packages offered by Telecommunication providers to reduce their costs.
c. Car Service: The Commission considered a 5,000 Kilometres (km) mileage between car service intervals.[10] The Commission collected quotations of car service costs within Lusaka.
d. Fuel expenses: The Commission considered an average distance of 2km between the driver and a customer when the driver begins to go to the customer's location.
e. Fuel expenses: The Commission considered vehicles with 1,500-cylinder capacity engines and fuel consumption of 11km per litre of Petrol[11].
f. The Commission considered the total marginal costs that would be incurred to provide an extra ride on the Yango Application under two scenarios which were the short trips of 3km and 7km trips. The Commission picked 3km as the Respondent set a minimum price of K20.00 for rides below a 3km distance. Further, the Commission received submissions from drivers regarding the distances and prices set by the Respondent for various trips.

64. With regards to 3Km trips, the following were the total marginal costs:

Table 3: Total Marginal Costs

Cost	Average Cost	Average Cost Per Trip
Airtime	It was noted that drivers purchased bundles of airtime which significantly reduced their cost on airtime. As such, the Commission assessed that drivers spent approximately K1.00 on communication per trip.	K1.00
Internet Access	Similarly to Airtime, it was noted that drivers purchased internet bundles which significantly reduced their cost on internet. As such, the Commission assessed that drivers spent approximately K1.00 for internet per trip.	K1.00

[10] This was the car service interval recommended by suppliers of vehicles in Zambia.
[11] This was the estimated movable distance for a 1,500-cc engine per Litre as estimated by vehicle manufacturers.

Car Service	Based market surveillance the Commission considered that the cost servicing a vehicle was around K2,000.00. This included activities such as changing Castrol oil, Oil filters, Air filters, coolant, brakes and labour costs. Assuming that car servicing was done every 5000km the commission considered how much of the cost could be attributed to a 3km trip which was calculated as K1.20.	K1.20
Fuel Expense: Going to pick a customer	The Commission used the average cost of Petro per litre for 2022 which was K23.58. Considering that one litre of Petrol could cover 11km the Commission deduced that for a distance of 2km drivers incurred K4.30 on fuel.	K4.30
Fuel Expense: During the trip	The Commission used the average cost of Petrol per litre for 2022 which was K23.58. Assuming that one litre of Petrol could cover 11km the Commission deduced that for a trip of 3km drivers incurred K6.40 on fuel.	K6.40
Commission to the Respondent and agent (15%)	The Commission noted that for trips that were less than 3km, Yango charged a minimum price of K20.00. Which translated to a commission of K3.00	K3.00
	Total Marginal Cost	**K16.60**
	Price set by the Respondent	**K20.00**

65. With regards to 7km trips the Commission calculated the total marginal cost as follows:

Table 4: Commissions Calculation of Marginal Costs

Cost		**Average Cost**	**Average Cost Per Trip**
Airtime		Cost would be the same as under a 3km trip. Hence, K1.00 would be spent on communication per trip.	K1.00
Internet Access		Cost would be the same as under a 3km trip. Hence, K1.00 would be spent on internet per trip,	K1.00

Car Service		Based market surveillance the Commission considered that cost servicing a vehicle was around K2,000.00. This included activities such as changing engine oil, Oil filters, Air filters, coolant, brakes and labour costs. Given that car servicing is done every 5000km the commission considered how much of the cost could be attributed to a 7km trip which was calculated as K2.80.	K2.80
Fuel Expense: Going to pick a customer		The Commission used the average cost of Petrol per litre for 2022 which was K23.58. Considering that one litre of Petrol could cover 11km the Commission deduced that for a distance of 2km drivers incurred K4.30 on fuel.	K4.30
Fuel Expense: During the trip		The Commission used the average cost of Petrol per litre for 2022 which was K23.58. If one litre of Petrol could cover 11km the Commission deduced that for a trip of 7km drivers incurred K15.00 on fuel.	K15.00
Commission to the Respondent and agent (15%)		The Commission received details of trips from drivers which indicated prices and distances. For a 7km trip, the minimum price found by the Commission was K49.00. This translated to a Commission of K7.35. The Commission noted the this was the minimum price applicable as the price could even be higher in instances of excessive traffic congestion, or rainfall.	K7.35

		Total Marginal Cost	**K31.45**
		Price set by the Respondent	**K49.00**

66. The Commission noted that in both scenarios, the prices set by the Respondent for online ride hailing services were above total marginal costs. The Commission noted that the prices considered were base prices as online ride hailing services prices could increase depending on demand and supply dynamics, congestion, weather conditions. As such, the Commission concluded that the Respondent did not violate Section 16 2(g) of the Act. The Commission found that the Respondent did not set prices below the marginal cost when providing online ride hailing services. Further, it should be noted that some of the factors considered such as fuel prices are highly volatile as they are adjusted monthly.

Board Deliberations

Consideration of Relevant Markets

67. The Commission determined that the relevant market was ***the provision of online ride hailing services in Lusaka, Kitwe and Ndola.***

Consideration of Section 8 of the Act

68. The Board deliberated that the identified the involved entities as enterprises providing ride-hailing and transportation services, concluding that their agreement had the illegal effect of preventing and restricting competition in violation of the Act. Through a combination of aggressive low-cost strategies and coercive driver lock-in mechanisms—including bonus systems that penalized ride rejections—the Respondent effectively monopolized the driver supply, leading to the market exit of a vigorous competitor. This impact was determined to be appreciable and substantial, as evidenced by the Respondent's rapid acquisition of a 90% market share, which demonstrated that the agreement's actual effect was the significant distortion of the relevant market.

Considerations of Section 10 of the Act

142. The Board deliberated that while the Respondent claims to only set maximum tariffs, their operational model, where drivers are presented with a non-negotiable final fare determined by the app *after* a ride is hailed and completed, effectively removes the drivers' ability to independently determine their selling prices upfront. The Board deliberated that this lack of pricing autonomy, driven by the platform's control over fare calculation and presentation, functions as an indirect form of Resale Price Maintenance. The Board is of the consideration that by dictating the price drivers must accept

(or forgo the ride), the platform eliminates price competition among drivers and renders the "maximum tariff" the de facto fixed price, thus restricting the dealers' independent pricing decisions.

Consideration of Section 15 of the Act

69. The Board deliberated that the Respondent with a market share of above 90% was dominant in the provision of online ride hailing services in Lusaka, Kitwe and Ndola.

Consideration of Section 16 (2) (a) of the Act

70. The Board deliberated that the Respondent's platform practices constitute an abuse of dominance by firstly, by concealing the price and destination of rides until after drivers accept them, Yango creates an information asymmetry that disadvantages drivers. The Board deliberated that this lack of transparency, as evidenced by the Michelin case, can lead to unfair trading conditions, forcing drivers into unfavourable situations without full knowledge of the terms. Secondly, the Board deliberated that by penalizing drivers for refusing rides based on the hidden information further exacerbates this imbalance. This practice creates a coercive environment where drivers may feel pressured to accept rides regardless of their profitability or safety concerns, effectively limiting their ability to make informed business decisions. These practices, absent in competing platforms like Bolt and Ulendo, suggest that Yango may be exploiting its market position to impose unfair terms on its drivers, constituting an abuse of dominance.

Consideration of Section 16 (2) (g) of the Act

71. The Board deliberated that the prices set by the Respondent for online ride hailing services were above total marginal costs. The Board noted that the prices considered were base prices as online ride hailing services prices could increase depending on demand and supply dynamics, congestion, weather conditions. The Commission found that the Respondent did not set prices below the marginal cost when providing online ride hailing services The Board therefore deliberated that the Respondent did not violate Section 16 2(g) of the Act.

Board Determination

72. Following their deliberations, the Board determined that Yango ZAM Limited as Respondents violated Sections 8, 10 and 16 (2) (a) of the Act. The Board determined that Yango ZAM Limited did not contravene Section (2) (g) of the Act.

Board Directives

73. In view of the deliberations and determination given above, the Board of Commissioners directed that:

a. Yango be fined 2 % of their total annual turnover for the violation of Section 8 of the Act;

b. Yango be fined 7% of their total annual turnover for the violation of Section 10 of the Act

c. Yango be fined 3% of their total Annual Turnover for the violation of Section 16 of the Act.

d. Yango submits its audited book of accounts for the year 2023 for the determination of the fine.

e. Yango opens a physical interaction platform with the drivers where drivers can air their grievances and concerns and suggestions

f. Yango should ensure that their platform shows the price and destination of a trip before a driver accepts a ride; and,

g. The Complainants be informed of the Commission's findings;

Note: any party aggrieved with this order or direction may, within thirty (30) days of receiving this order or direction, appeal to the Competition and Consumer Protection Tribunal.

Dated this 19th Day of December 2025

Alatuncla.
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Chairperson
Competition and Consumer Protection Commission