

For as long as anyone growing up in the Noughties can remember, Dhaka has had a traffic problem.

In fact, an entire generation did much of their growing up stuck inside various forms of transport on Dhaka's gridlocked roads, waiting, sweating and cursing. The government took steps—building flyovers, introducing stricter policing and enforcement on the roads, uprooting streetside businesses to make space—but to no avail. With a growing economy and expanding purchasing power, more people bought cars and found more reason to go places.

But according to a recently published report by the Policy Research Institute, the average car owner incurs costs of about Tk 900 per trip—monthly, that amounts to nearly Tk 70,000, which takes the capital cost of the car, maintenance cost, chauffeur's salary, insurance and road tax, and averages it over a typical ownership period of five to eight years. According to Syed Mahfuz

# RIDE SHARING IS A RELIEF BUT NOT YET A PERMANENT SOLUTION

SHAER REAZ

Kamal and Noor A Ahsan, authors of the PRI report, a privately owned car in Dhaka makes an average of 80 trips a month.

All of that puts Dhaka's budding ride sharing economy into startling perspective—a person using a ride sharing service like Uber or Pathao can cut costs by half when compared to actually owning a car—Tk 300 per trip—and the costs are even lower when it's a motorbike, at Tk 150 per trip. For a CNG, that cost goes up to nearly Tk 250 per trip, which goes a long way in explaining why the CNG autorickshaw is the least popular form of transport in Dhaka city.

On the flipside, the Uber and Pathao drivers/riders are getting their fair share of the benefits—a ride share car owner is expected to earn nearly Tk 60,000 per month, compared to the Tk 45,000 a month that a CNG autorickshaw driver is expected to earn. Compared to the estimated monthly average salary of Tk 30,000 that a Dhaka resident earns, the ride sharing industry seems to pay quite well. In fact, the ride sharing industry in Bangladesh is worth an estimated Tk 2,200 crore, yearly. Even then, it makes up only 23 percent of the transport sector in the country, and has barely made a dent in the larger picture of the larger overall transport industry.

Despite all the upsides, ride-sharing is still in its

infancy. Syed Mahfuz Kamal and Noor A Ahsan also talk about the role that government policy plays in nurturing what they call a “tech oriented transformative venture”. This is especially vital in motorbike focused ride-sharing—with a 44 percent uptake in the sale of motorbikes, the local ride-sharing industry is turning out to be decidedly two-wheeled in nature. The popularity of Pathao, which recently raised 10 million dollars in pre-series B funding, is rising—but with it comes questions regarding consumer safety, rider verification and increasing two-wheeled traffic in meeting demand.

There's also the question of how to design a regulatory policy that is both friendly to ride-sharing apps and somehow protects jobs in the informal sector, namely rickshaw and autorickshaw drivers.

While Bangladesh's ride sharing sector is to be lauded as an initial success in terms of how it managed to provide domestic earnings while partially solving traffic woes, at least to those using two wheels instead of four, it still hasn't provided a solution that works in a sustainable way—Uber and Pathao and other ride sharing apps are middle-class urban solutions to a problem that affects the masses, and until their business models somehow find access to the masses under a smart policy framework, it won't be a sustainable enough solution.



PHOTO: PRABIR DAS

## মাদার নতুন নাম

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