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Uber's New Problems in Europe Cast Cloud Over Win in Asia

Denmark and Italy set to force ride-hailing firm off the road, while service will resume in Taiwan



Uber has struck an agreement to resume operations in Taiwan, while shutdown looms in Denmark and Italy. PHOTO: ASSOCIATED PRESS

By *Kathy Chu, Sam Schechner and Pietro Lombardi*

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Uber Technologies Inc. is battling fresh regulatory problems in Europe, overshadowing its success in restoring service in Taiwan after a two-month suspension stemming from a dispute with authorities there.

After a [two-month hiatus in Taiwan](#), Uber has struck an agreement with its government to resume ride-hailing operations there through partnerships with car-rental companies.

The San Francisco-based company's alliance with car-rental companies will allow it to legally offer transportation services starting Thursday in Taipei, by using licensed commercial drivers rather than private drivers, Uber said. Car-rental companies are licensed transportation providers in Taiwan because they offer car-rental services and also offer drivers.

In Europe, meanwhile, Uber's regulatory conflicts are mounting. The company faces a court-imposed deadline to suspend the firm's only remaining ride-hailing service in Italy by Monday, after taxi drivers won a lawsuit alleging that Uber violated competition laws. In Denmark, Uber says it will close its services on Tuesday because of new taxi regulations that the company says are too onerous.

The company says it is appealing the Italian ruling but will have to halt operation there if nothing changes before the deadline. In Denmark, Uber says that the country needs to change its proposed rules for the company to reopen ride hailing.

"We are shocked," said Carlo Tursi, the company's general manager for Italy. "With its huge growth potential and untapped opportunities, Italy is a strategic market for Uber."

The Taiwan development is "very important," said Likai Gu, general manager of Uber Taiwan, adding that Uber hopes to strike partnerships with more car-rental companies and taxi drivers to expand to other cities in Taiwan. "We are able to demonstrate that a global technology company can partner with the government to figure out how new technologies



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can better fit into regulations.”

Uber, valued by investors at nearly \$70 billion, has seen rapid growth over the past few years. But with that growth has come challenges. The company is investigating [allegations it tolerates sexual harassment](#) and is dealing with a lawsuit from rival [Alphabet Inc.](#) alleging that [Uber stole proprietary self-driving car technology](#). In April, Uber’s communications chief, Rachel Whetstone, who came from Alphabet’s Google, [said she was leaving the company](#).

Regulators and taxi companies in many countries argue that Uber is a scofflaw that steamrolls into markets while crushing local competition and ignoring rules aimed at protecting passengers and drivers. Uber counters that many countries have outdated taxi rules aimed at protecting incumbent firms, at the expense of riders.

In Europe, a series of court decisions have already led Uber to retreat in several countries—including Italy in 2015—from its low-cost service called Uberpop, which used nonprofessional drivers. Last year, [a French criminal court fined Uber](#) and two executives for running that service illegally.

Uber has fought back, appealing against national taxi regulations in a pair of cases being heard by the European Union’s Court of Justice, the bloc’s highest court. In one case, for which a nonbinding opinion is due next month, the company argues that as a technology service it [shouldn’t be subject to traditional taxi rules](#).

It is unclear what the shutdowns in Europe will cost Uber, but the firm says it has some 300,000 customers in Denmark. Its UberBlack in Italy, which was available only in Milan and Rome, counted about 83,000 unique users, more than half of them foreigners.

“Italy is one of the toughest countries we operate in,” Mr. Tursi said.

Uber’s model of partnering with private-car owners in most parts of the world has sparked the ire of a growing number of jurisdictions. Its latest policy in Taiwan suggests a model for the technology giant to operate in other highly contested markets.

Uber and other ride-hailing companies face crackdowns on unlicensed transportation services [in Thailand and Hong Kong](#), and [more regulation in Indonesia](#).

Last year, [Uber swapped its local operations in mainland China for a minority stake in Chinese rival Didi Chuxing Technology Co.](#), ending Uber’s efforts to establish an independent foothold in the mainland.

Taiwan marks the latest market in which Uber has struck a compromise with the government to offer its services. In Japan, where Uber is blocked from operating its core ride-hailing services, it links customers up with licensed taxi drivers.

Since entering Taiwan in 2013, Uber has faced protests from taxi drivers and its drivers have faced fines from the government. Taiwan’s government has said that Uber was offering transportation services without a license, while Uber has maintained it merely provides the technology to connect riders and drivers. When Uber halted its services in Taiwan in February, more than 1 million people had downloaded the Uber ride-hailing app and 15 million trips had been taken, the company said.

Uber’s stiffest challenge overseas may be in India, its largest battleground in Asia and its largest market outside the U.S. Uber is [trying to mobilize the drivers it needs](#) to rapidly grow in India where less than 5% of households own cars and it faces stiff competition from rival, ANI Technologies Pvt.’s Ola.

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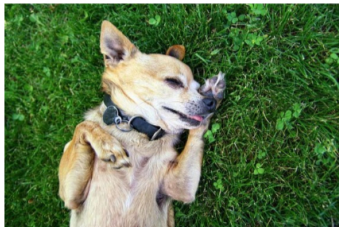
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