

Swvl still confident of Kenyan market even after Little Shuttle withdraws service over regulation

Little Shuttle has halted its bus booking and hailing service in Kenya, following a directive from National Transport and Safety Authority (NTSA) claiming its partner drivers are not fully licensed. However, its competitor, SWVL is still confident of gaining the regulator's approval in time.

In a statement to its subscribers, Kamal Budhabhatti, Chief Executive, at Little, announced that the "authorities" have ordered the company to shut down since the driver partners do not have the requisite licenses. He added that the service will not be available starting October 1st 2019.

"Few days [ago] we got a communication from the authorities that we are not allowed to Hail a shuttle on Little. The Shuttles we hail are from our partners who are properly licensed, but we were told that it is not the right kind of license," Budhabhatti said.

He added that, "We run point to point shuttle services on our Little App. We have thousands of Shuttle riders who ride on our platform every single day, many of them several times a day."

The news comes weeks after its rival Egyptian based SWVL announced that it would be pumping US\$ 15m in the Kenyan operations hoping to add more partner drivers and routes in the city and beyond.

According to Shivachi Muleji, General Manager, SWVL Kenya, the company is still confident of the Kenyan market even after the suspension.

"We have been engaging with the government and are still in the process. There have been a few milestones and we are happy with the progress. Well remain committed to ensuring that we build a business that's fully compliant," he told WeeTracker.

Budhabhatti regretted the move by the authorities, although he did not mention which government authority had halted their service.

"We have been running this services for last three quarters, and we have proved that public transport can be operated in efficient and profitable manner. A manner that can bring sanity in the chaotic public transport in our city," he added.

Just the way mobile money was licensed and allowed to integrate with the payment industry in Kenya, the CEO said technology companies in Kenya should be allowed to flourish.

"At Little, we have big dreams. We want to be pan African mobility provider, and it would happen with time," the CEO concluded.