

China's Baidu to invest in taxi app Uber

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Chinese search engine Baidu, the country's equivalent of Google, will make a strategic investment of up to \$600 million in the popular but controversial US taxi app Uber, state media said Friday.

Baidu has sent out an invitation to an event titled "Uber Press Conference" at its Beijing headquarters on December 17, state-owned broadcaster China National Radio (CNR) reported.

The company will announce the signing of an important cross-border investment and strategic cooperation deal at the press conference, according to the invitation.

Baidu founder Robin Li and a "mysterious guest"—whom unnamed sources said would be Uber chief executive Travis Kalanick—will attend the press conference, CNR said.

Uber has been available in China's commercial hub Shanghai since August 2013, and has since expanded into other cities including Beijing, its neighbour Tianjin, and southern Shenzhen and Guangzhou.

But its presence is dwarfed by China's two dominant taxi-hailing apps—Kuaidi Dache, in which e-commerce behemoth Alibaba has a stake, and Didi Dache, backed by technology giant Tencent.

Kuaidi secured a 54.4 percent share in China as of the third quarter, while Didi held 44.9 percent market share, research firm Analysys International said.

The alliance between Baidu and Uber would turn their already ferocious competition into a three-way battle between the "killers of the three kingdoms", CNR reported.

Uber's most recent fundraising valued the company at \$40 billion, it said last week.

The CNR report said Baidu's investment in the app would be up to \$600 million.

Founded in 2009, Uber services to connect riders and local drivers and has expanded quickly to establish its presence in over 200 cities globally, according to its website.

The app uses GPS to put an user in contact with the nearest driver and Uber charges a commission for each ride.

But it is embroiled in several controversies, and this week complied with an order to stop operating in New Delhi after an Indian woman said she was raped by one of its drivers.

Uber has drawn protests from established taxi operators in many cities and been ruled illegal in some jurisdictions, while the company has seen its image tarnished by executives' gaffes and concerns on privacy.

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