

## China taxi booking app raises \$600 mn for expansion

January 15 2015

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Taxi drivers say their business has been hurt by competition from booking apps used for private cars and vehicles from auto rental companies

The operator of one of China's leading taxi booking apps, Kuaidi Dache, has raised \$600 million for expansion, a statement said Thursday, even as the government tightens control over such services.

Heavyweight investors in the latest round of financing for Travice Inc.

included Japan's SoftBank, Chinese e-commerce giant Alibaba and investment firm Tiger Global Management, the joint statement said.

Investment in taxi and car-booking apps has become a proxy war among China's Internet giants. Tencent, operator of the popular messaging app WeChat and a rival of Alibaba, has invested in another Chinese company, Didi Dache.

Search engine Baidu last month bought a stake in Uber, as the US firm seeks to expand in China.

Kuaidi Dache, based in the eastern city of Hangzhou, claims 200 million users in more than 300 Chinese cities and calls on a fleet of over one million vehicles, according to the statement.

Consultancy Analysys International estimated in November that it has a 54.4 percent market share in China.

The Chinese government has allowed these types of booking apps, but recently banned their use for summoning private vehicles, state media have reported.

Many cities are even regulating their use for taxis, including barring such apps during peak traffic periods or banning drivers from using them while operating vehicles out of safety concerns.

Booking apps have also contributed to a wave of taxi strikes across the country in recent days, including the northeastern city of Shenyang as well as Jinan and Nanjing in eastern China, the official Xinhua news agency reported.

Taxi drivers say their business has been hurt by competition from booking apps used for private cars and vehicles from auto rental

companies.

The Ministry of Transport said last week that it would monitor the situation.

"Various kinds of 'specialised car' software companies should respect the rules of the transport market, (and) take responsibility to prohibit private cars from entering and operating on the platform," said a media report posted on the ministry's website.

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