

Chinese taxi app raising \$1.5 billion to battle Uber: report

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China's top taxi hailing app backed by tech giants Alibaba and Tencent will raise at least \$1.5 billion, Bloomberg News reported on Monday, as the company gears up to take on Uber in the country's expanding transportation market.

The amount values Xiaoju Kuaizhi, which runs the combined Didi and Kuaidi apps, at \$12 billion to \$15 billion and the money will come from new and old investors, Bloomberg said, without elaborating.

The popularity of private-car booking enterprises such as Uber and China's dominant taxi-hailing apps Kuaidi and Didi has soared in the country, where traditional taxis are criticised for poor service with rude drivers who routinely ignore customers on the street.

Uber takers in China were making almost one million trips per day with business doubling in the last month, according to a leaked company e-mail reported last week by the Financial Times.

Uber plans to invest seven billion yuan (\$1.1 billion) in China during 2015, according to the e-mail.

Many cities in China are regulating the apps used for booking taxis, including barring them 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.

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 a statement released in January.

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