

China travel firms in share-swap deal: Bloomberg

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Internet giant Baidu, which controls the online travel site Qunar, will own 25 percent of rival Ctrip

Two of China's largest online travel firms have agreed to a share swap and partnership deal to create the country's biggest Internet travel service, Bloomberg News reported Monday.

Internet giant Baidu, which controls the online travel site Qunar, will

own 25 percent of rival Ctrip, Bloomberg cited a company statement as saying.

As part of the deal Ctrip will have a 45 percent stake in Qunar, it added. Qunar overall is valued at \$7 billion.

An expanding middle class is fuelling fierce competition for online bookings in China, a major source of outbound tourists.

Qunar is China's leading seller of airline tickets, while Ctrip dominates hotel bookings.

"If you look at the [travel](#) market, it's such an obvious way to drive synergy through consolidation," Bloomberg quoted Chi Tsang, an HSBC Holdings analyst, as saying.

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