

# Uber invests big in China in face of fierce rival

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The head of Uber on Tuesday said the ride-sharing firm has spent a billion dollars to gain traction in China, where the local champ may not be playing fair.

Uber's share of the Chinese market has climbed from one percent at the start of the year to about 30 percent. But the company remains a distant second to Didi Kuaidi, Uber co-founder and chief executive Travis Kalanick said during an on-stage chat at a WSJDLive technology conference on the Southern California coast.

The controversial, mobile Internet based ride sharing service was hitting points of profitability in some cities in North America and Europe, but remains a money-losing "underdog" in China, according to Kalanick.

While stopping short of saying that dirty tricks were coming into play in the battle for the China ride-sharing market, he knows of some data that might back his case.

Didi backer TenCent owns messaging service WeChat, which has shut down Uber accounts, suppressed positive stories about Uber and promoted negative news, Kalanick said.

He contended that there was even a time when WeChat messages containing the word "Uber" would vanish into the ether, appearing to senders as though they had been delivered.

California-based Uber remains devoted to what Kalanick described as an exciting and fast-growing China market for ride-sharing service in the mobile Internet age.

"We are investing a fair amount of money there," Kalanick said.

"We are definitely spending a billion dollars a year on that effort but we feel great about it. For an entrepreneur, this is where the action is."

Uber last month confirmed that it had raised an additional \$1.2 billion in a funding round led by Chinese online search colossus Baidu.

The news came about the same time as word of arch-rival Didi adding \$3 billion to its wallet in a funding round of its own.

## **Explosive China growth**

Uber now claims to do nearly as many rides in China as it does in the United States, and use in cities there is reported to be soaring.

"Apple is seeing explosive growth in China, and we are seeing that as well," Kalanick said.

"Huge cities that really need transportation alternatives; it is a real sweet spot for us."

Kalanick downplayed opposition Uber has faced from the taxi industry and government regulators in various parts of the world.

"Getting back up when you are knocked down is definitely part of our culture," he said.

"We don't look at it as fighting cities, we look at it as fighting for cities."

Sometimes we give them a little nudge and sometimes they nudge us back."

With a valuation of \$51 billion based on stakes taken by investors, Uber has become the most precious Internet industry "unicorn," a reference to startups that remain private despite being valued at more than a billion dollars.

Uber has no plans to go public on Wall Street any time soon, according to Kalanick.

"We are like eighth graders and someone is telling us we need to go to the prom," he said of his resistance to going public.

"It is a little early. When the time is right, it will happen. Let's get to high school before we start talking about these things."

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