

Uber partners with major Chinese auto maker

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Uber on Tuesday announced a partnership with a major Chinese auto maker as the controversial ride-sharing service revved its efforts in the country.

Uber and Guangzhou Automobile Group will work together in areas

including investment, sales, marketing, and promoting new energy vehicles such as hybrid or electric cars, the San Francisco-based company said in a release.

Terms of the strategic partnership included Uber China promoting GAC automobiles and the group's used-car trading platform to ride-sharing service drivers and partners.

"I believe we can unlock new opportunities to evolve how China moves, and open up even more transportation possibilities for riders across China," Uber China head of strategy Zhen Liu said of the alliance.

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The firm established a Chinese business entity, Uber China, in a Shanghai Free Trade Zone late this year.

The head of Uber in October said the ride-sharing firm has spent a billion dollars to gain traction in China.

Uber's share of the Chinese market had climbed from one percent at the start of the year to about 30 percent, but it remains a distant second to the Chinese ride-hailing app Didi Kuaidi, Uber co-founder and chief executive Travis Kalanick told a Wall Street Journal technology conference in California.

While the mobile-based service was hitting profitability in some cities in North America and Europe, it remains a money-losing "underdog" in China, Kalanick said.

But he said Uber would continue to plough resources into the fast-growing Chinese ride-sharing market.

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

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