

Uber-Grab deal hits speed bump in Singapore

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Grab agreed to buy Uber's food- and ride-hailing operations in Southeast Asia, giving the US firm a 27.5 percent stake in return

Singapore on Friday imposed restrictions on ride-hailing firm Grab's

acquisition of Uber's Southeast Asian business until it concludes a probe into whether the sale may have infringed competition rules.

Grab, which is headquartered in Singapore, last month agreed to buy Uber's food- and ride-hailing operations in the region, ending a battle between the companies and marking the US firm's latest retreat from [international markets](#).

But Singapore's [competition watchdog](#) has raised concerns about the deal and Friday issued interim measures while it continues an investigation.

There is growing regulatory scrutiny of the deal across the region, with the Philippines and Malaysia also saying they are looking into whether it hinders [competition](#).

Under the rules issued in Singapore, which take effect immediately, Grab and Uber will not be allowed to integrate operations in the city-state until the probe is concluded.

They will have to maintain separate pricing and cannot obtain confidential information from each other like costing or customer and driver details.

Both companies would also have to maintain pricing from before the deal, with drivers allowed to drive for either company without penalty, the Competition and Consumer Commission of Singapore said.

The Uber app will continue working until May 7 to facilitate a smoother transition for drivers and customers, it said.

Grab, which operates in eight Southeast Asian countries, said it would work with the government.

But head of Grab Singapore Lim Kell Jay added: "The interim measures should not have the unintended effect of hampering competition and restricting businesses that have already been investing in the country over the years."

In return for selling its Southeast Asian ride-hailing and food operations, California-headquartered Uber is set to receive a 27.5 percent stake in Grab.

The sale is Uber's latest withdrawal from a market where it had faced tough competition, as new chief executive Dara Khosrowshahi seeks to stem huge losses and move past a series of scandals.

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