

China's Didi Chuxing takes aim at Japan's taxi market

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The majority of taxis are hailed from cab ranks in Japan

Chinese ride-hailing giant Didi Chuxing announced a deal with Japanese telecom firm SoftBank on Friday to develop a taxi app in Japan, where services like Uber have struggled to make inroads.

SoftBank and Didi Chuxing announced a "partnership to provide platform services for the taxi industry" with trial runs expected to be launched in major Japanese cities "within the year".

The two firms are also in discussion about creating a joint venture, a SoftBank spokesman told AFP, without offering more details.

Taxi-hailing apps have found it challenging to crack the Japanese market, where risk-averse passengers prefer to stick to their high-quality traditional taxi [service](#).

Hailing a taxi rarely takes more than a few seconds in major Japanese cities and there has been a relatively sluggish uptake of services like Uber, where consumers order an unlicensed car via smartphone.

Another barrier has been that the vast majority of taxis are hailed or hired from a cab rank, with a relatively small percentage of taxis connected to a smartphone.

Didi Chuxing said it would use its "advanced AI technologies... to enhance efficiency for both taxi operators and drivers."

The deal represents another step for the Chinese firm in its attempts to rival Uber. It bought a Brazilian app in January and has previously made acquisitions in India and the United States.

SoftBank is also heavily present in the taxi market and recently took a 15-percent stake in Uber.

The deal comes a day after carmaker Toyota announced an investment of 7.5 billion yen (\$69 million) in the JapanTaxi app, which says it is the biggest [taxi](#)-hailing app in Japan.

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