

# Grab raises \$750 million to take on uber in southeast asia

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Grab, the biggest rival to ride-sharing service Uber Technologies Inc. in Southeast Asia, has raised \$750 million in a funding round, turning up the heat on the U. S. firm now seeking to expand in the region after exiting China.

The successful cash-injection just a month after Indonesian peer Go-Jek raised \$550 million highlights the intensifying competition in the region, as Uber shifts its focus following a deal to sell its China operations into Didi Chuxing.

Four-year-old Grab said it planned to expand its services in Southeast Asia through the funding round, which was led by Japan's SoftBank Group with new and existing investors.

The region has become a key battleground for ride-hailing firms thanks to a burgeoning middle class as well as a youthful, internet-savvy demographic.

Since leaving China in August, Uber is even more focused on Southeast Asia, doubling down on resources, staffing and technology deployed there, a source familiar with Uber's plans has said.

Specifically, the company is refocusing more than 150 engineers to work on its Southeast Asian operations and hiring more engineers in India, the source said. It was also working on making sure its maps fit the region.

The latest funding values Grab at over \$3 billion, a source familiar with the matter said.

It increases its total capital position to over \$1 billion, the company said without naming other investors in the round. A Grab representative told *Reuters* institutional investors from the United States and China took part.

Uber had no comment on Grab's fund-raising.

## **Buffering**

Grab says it has 95 percent market share in third-party taxi-hailing services, while its private-car business has more than half of the Southeast Asian market.

In addition to expanded ride-hailing services, Grab said it planned to invest in mobile payments capabilities in a region with low banking and credit card penetration and limited cashless payment options.

" Grab is using this funding to try to diversify because the ride-hailing industry, in terms of profitability, is still a big question. Grab need to hedge risks and diversify," said Rushabh Doshi, an analyst with researcher Canalys.

" The additional funding and diversification will give Grab buffer to fend off Uber's attack," he said.

Since its launch in 2012, the company has expanded into motorbike hailing, carpooling and delivery. It also recently teamed up with Indonesian conglomerate Lippo Group to roll out a mobile payment platform in its biggest market, Indonesia.

" We are particularly excited about the growth opportunity in Indonesia, where we see an almost \$15 billion market for ride-hailing services alone, as well as the potential to extend GrabPay's platform regionally," CEO and co-founder Anthony Tan said in the statement.

Grab said it will also invest in datascienceand machine learning capabilities to enable services like predictive demand and driver and user targeting.

The company operates in Singapore, Indonesia, the Philippines, Malaysia, Thailand and Vietnam.

(Reporting by Aradhana Aravindan; Editing by Edwina Gibbs and Stephen Coates)