

Uber Resumes Talks To Buy Middle East Rival Careem - Reports

San Francisco-headquartered ride sharing firm Uber Technologies Inc is reported to be in advanced talks to buy its Middle Eastern rival Careem, sources say.

According to a report by *Bloomberg News*, which quoted unnamed sources, both the companies might announce a cash-and-shares transaction that could value the Dubai-based Careem at \$3 billion. However, no final decision has been made and the talks are still ongoing, the report indicated.

Uber allegedly first started talks to buy Careem last year, but the discussions were reported to have stalled. Both companies are backed by strong regional investors – Uber counts Saudi Arabia’s wealth fund PIF while Careem’s investors include the billionaire businessman Prince Alwaleed Bin Talal and Japanese e-commerce giant Rakuten Inc - giving them a steady hand in the market.

While the Middle East has been a fast-growing market for ride sharing firms, margins tend to be thin due to the intense competition. Uber’s acquisition of Careem could final end this expensive rivalry, giving the former a solid foothold in the market.

Uber has so far pursued an investment strategy of offloading its operations in markets that are unprofitable. Last year, the company divested its business in Southeast Asia by selling it to competitor Grab and taking a share in the company. Prior to that, it has exited markets such as China and Russia when an intense competition with local rivals diluted margins.

But in the Middle East, Uber has promised to increase investment in reworking the structure for its drivers and to strengthen its market position, ahead of its much awaited IPO this year.

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