Didi Chuxing, a Chinese Rival to Uber, Raises $4 Billion

China’s answer to Uber is catching up with its American rival in a key metric: money.

Didi Chuxing received $4 billion in new funding from investors that include SoftBank of Japan and Mubadala, an Abu Dhabi state fund, according to a person familiar with the investment.

With the latest investment, Didi Chuxing’s valuation has been increased to $56 billion, according to the person, who was not authorized to discuss the details publicly and spoke on condition of anonymity. That is up significantly from April,
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when it was valued at about $50 billion (https://www.nytimes.com/2017/04/28/business/dealbook/china-didi-chuxing-uber.html) after a $5.5 billion fund-raising round that also included SoftBank.

By contrast, Uber was valued at $70 billion after its last round of fund-raising.

Neither Didi Chuxing nor Uber are publicly traded companies. Their minimal financial disclosures make it difficult to determine whether the valuation figures would be supported by the broader market. SoftBank has been angling to make an investment in Uber that would value that company at far less (https://www.nytimes.com/2017/11/27/technology/softbank-uber-shares.html), for example.

Still, the latest funding round for Didi Chuxing shows how capital continues to rush into the global ride-hailing market, where deep-pocketed investors are jockeying to place bets on companies that they believe will continue to transform the way people get around.

Didi Chuxing, which bought Uber's business in China last year (https://www.nytimes.com/2016/08/02/business/dealbook/china-uber-didi-chuxing.html) after years of fierce competition, said in a statement on Thursday that the funding would help it invest further in artificial intelligence and other advanced technologies. The new funds will also assist in overseas expansion efforts, the company said. Didi Chuxing recently said it was looking to bring its services to Taiwan, with the help of a local partner.

SoftBank's investment in Didi Chuxing (https://www.nytimes.com/2017/03/28/business/dealbook/didi-chuxing-softbank-investment.html) marks its latest bet on ride-hailing. Masayoshi Son, SoftBank's leader, has been making significant investments (https://www.nytimes.com/2017/10/10/technology/masayoshi-son-softbank-vision-fund.html?_r=0) in companies that collect enormous quantities of data and that are therefore likely to underpin future, technology-led transformations in everything from food to finance. Apart from Didi Chuxing, SoftBank has also invested in a number of Uber's direct competitors around the world, including Grab in Southeast Asia and Ola in India.
Ever since it edged Uber out of the Chinese market, Didi Chuxing — which already counts technology heavyweights like Apple and China’s two biggest internet companies, the Alibaba Group and Tencent Holdings, as backers — has set its sights on developing next-generation technologies and pushing into new markets. This year, the company opened a lab in Silicon Valley that focuses on artificial-intelligence-based security and driverless-car technologies.

**Correction: December 21, 2017**

An earlier version of this article misstated the nature of the Japanese conglomerate SoftBank's interest in the ride-hailing company Lyft. SoftBank has said it would consider investing in Lyft, but has not yet done so.

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