Uber Has Acquired Careem to Expand in the Middle East

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On March 26, 2019, Uber announced its agreement to acquire its Middle East competitor Careem Networks for $3.1 billion. Careem is a technology platform extending from "Morocco to Pakistan, Turkey to Sudan." The app is popular among countries that prefer to use cash over credit. Careem's success comes from its in-depth local knowledge and expertise, which caters to young tech-savvy populations.

Mapping is a vital aspect to ride-sharing apps because it allows drivers to know where to pick up and drop off customers. While Uber uses various mapping resources, the company relies on Google Maps the most. Google Maps falls short in its mapping efforts throughout the Middle East, which pushed Careem to take over. Google Maps falls short because it lacks the precision needed for a ride-sharing app. Meanwhile, Careem had already mapped over 45,000 miles for its taxi service.

Mapping requires a significant investment because it is primarily a manual process where each block in each neighborhood is documented. Uber's acquisition of Careem will benefit both companies while still allowing them to operate separately. Careem will continue as an independent brand, which will enable both companies to build new products and try new ideas. As the companies progressively integrate, they hope to operate more efficiently. Uber hopes the integration will produce lower wait times, stimulate innovation in the region, and allow for an expansion of new products like high-capacity vehicles and payments.

The Middle East is growingly becoming an essential market for technology innovation and investment. Last year, $3 billion in technology investments were raised in the region. Ala' Alsallal, the founder and CEO of Jamalon, a bookselling and buying platform, stated, "My mission is to … get connected, and [close] the gap between what we have access to and what the West has access to." For several reasons, like war, widespread corruption, and conservative ideals, the Middle East is a difficult place to live and start a business. Technology platforms play an important role in providing access to services.

The Middle East is not the only region in the world where people fall behind in access to services that folks in "the West" have an abundance of. If successful in increasing technology innovation, I believe the region will be an influential example to other areas in the world, like Latin American. Increased technological innovation and access in the Middle East means more connectivity with the region and the rest of the world. I hope this increased access to services and connectivity will lead to an increase in positive narratives of the Middle East and its people.