

Uber sells meal delivery service in India to competitor

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UberEats has struggled in India to keep up with competitor Zomato, one of the largest online food-delivery players

Ride-share giant Uber has sold its meal delivery business in India to Zomato, one of its local competitors, as it steps up efforts to achieve profitability.

India is one of Uber's biggest markets for rides, but its UberEats meal delivery service has struggled to keep up with the two largest online food-delivery players Zomato and Swiggy.

In exchange for the network of restaurants, [delivery](#) drivers and customers that UberEats has developed in India since 2017, Uber will receive 9.99 percent of Zomato's capital, according to a press release issued Monday evening.

The statement did not specify the value of the Indian start-up.

UberEats users will be redirected to Zomato starting Tuesday.

"India remains an exceptionally important market to Uber and we will continue to invest in growing our local Rides business, which is already the clear category leader," said Uber CEO Dara Khosrowshahi in the press release.

Uber, whose [share price](#) has tumbled since its public offering in May, is due to release its annual results on February 6.

The group, which promised investors profitability by the end of 2021, has already cut expenses and shed more than 1,000 employees in 2019.

Its Uber Eats service is growing fast but faces intense competition in many countries.

Zomato's CEO Deepinder Goyal said in the statement that "this acquisition significantly strengthens our position in this category."

The app, which offers restaurant reviews and trial offers in addition to meal deliveries, boasts more than 70 million users per month.

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