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Russian Tech Giant Yandex Merges Taxi Service With Uber

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Vyacheslav Prokofyev / TASS

Russian tech company Yandex announced on Thursday it is merging its taxi service Yandex Taxi with Uber.

The new company, called NewCo, will take control of both companies' services in Russia, Kazakhstan, Armenia, Azerbaijan and Georgia.

Yandex shares at the Moscow Stock Exchange skyrocketed almost 20 percent after the merger was announced. NewCo will keep both brands operational, but unveiled plans to introduce a common technological platform to drivers.

Together, Yandex and Uber will account for roughly 35 million trips per month with a monthly revenue of 7,9 billion rubles ($131 million) in all six countries.

“This combination greatly enhances Yandex’s ability to offer better quality service to our riders and drivers, to quickly expand our services to new regions, and to build a sustainable

business," Tigran Khudaverdian, head of Yandex.Taxi and director of the joint venture, said.

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"Since founding Yandex.Taxi in 2011, we have connected tens of millions of riders and drivers to become the largest and most trusted ridesharing business in Russia and neighboring countries. We are excited to expand on this foundation in collaboration with Uber."

In April this year, Fasten and RuTaxi, both umbrella companies for multiple Russian taxi brands, announced a merger that will, by some estimates, account for up to 1.1 million monthly trips. Together, Uber and Yandex.Taxi may challenge that figure.

In April, the Kommersant newspaper reported Yandex was looking for a company to invest $150-200 million dollars in its Yandex.Taxi branch.

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