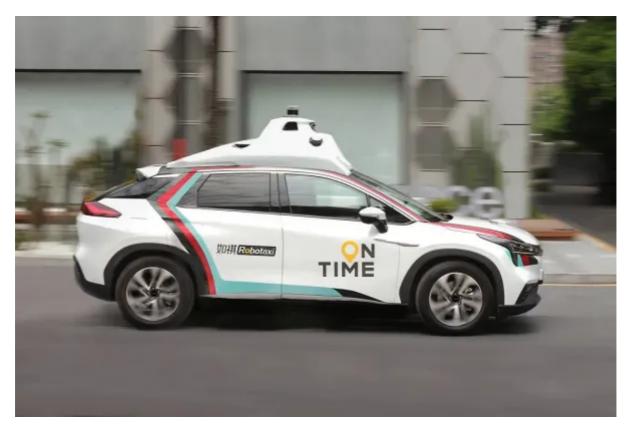
Robotaxi rivals Pony and WeRide join Chinese ridehailing service OnTime's \$153M round

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Rita Liao



This is an interesting day when we see two of China's major robotaxi foes come together, offering a clue to how the industry is evolving in the country.

WeRide.ai and Pony.ai, which both operate out of China's southern metropolis Guangzhou and California, have participated in OnTime's one billion yuan (\$153 million) Series A funding round, according to an announcement from ride-hailing company OnTime on Tuesday.

As autonomous driving technology and regulations advance rapidly in China, ride-hailing platforms start looking for solutions to cut labor costs. On the other hand, robotaxi startups also want help from car-hailing services to reach the masses.

Financing from the round came from a mix of private and public funds in China and overseas. State-backed Guangzhou Automobile Group (GAC), the parent company of OnTime and one of the largest automakers in China, led the round. Investors other than WeRide and Pony include Japan's SPARX, Singapore's Pilgrim Partners Asia, as well as government-affiliated funds Guangzhou Industrial Investment and Capital Operation, Lingnan Commerce and Trade Tourism, and Guangzhou Industrial Control.

OnTime is the ride-hailing service introduced by GAC in 2019 as one of the newcomers competing with incumbent Didi, many of which are either operated by auto OEMs or are close to one.

WeRide has been known to be an ally of GAC, which infused it with an undisclosed amount of strategic investment <u>last December</u>. The duo has been working to build a fleet of tens of thousands of robotaxis, with GAC supplying vehicles compatible with WeRide's driving solutions. WeRide and OnTime have already integrated their systems and together <u>offered a trial ride</u> to the public at Guangzhou Auto Show last year.

The seemingly close ties between WeRide and GAC make Pony's involvement in OnTime's new funding round all the more intriguing. For GAC, it's probably a good idea to have more than one autonomous solution provider to encourage competition. Indeed, GAC has other major corporate allies, including Tencent, which helped kick off OnTime, as well as Huawei and Didi, which said last year would be helping GAC develop autonomous driving tech among other smart auto capabilities.

For Pony, piggy-backing off a major carmaker can potentially bring a steady stream of business and push for the adoption of its tech. <u>Toyota, an investor in Pony</u>, is considered Pony's close partner, but the Japanese auto giant probably doesn't enjoy the same breadth of resources as GAC in China, where public transportation is largely owned by the government.

Jiang Hua, CEO of OnTime, has this to say about China's robotaxi space in a statement: "In the last stage, the industry was focused on improving computing algorithms and hardware capabilities. As technology develops, the focus has turned to the operation of autonomous driving. Robotaxis have to operate through ride-hailing platforms if they want to become a real service, which is why two of the world's leading autonomous driving companies chose to back OnTime."

With the proceeds, OnTime says it will be monetizing robotaxis at a faster pace and creating a vehicle-as-a-service platform for the industry in a bid to become a "global leader in autonomous driving operations."