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## Careem: MENA Ride-hailing Leader Strategizes Future Growth as an Uber Subsidiary

Careem's employees had reason to celebrate. It was early January 2020, and the Dubai-based ride-hailing service's \$3.1 billion acquisition by Uber was official.<sup>1</sup> Careem, which operated throughout the Middle East and North African (MENA) region, would be a wholly-owned subsidiary of Uber but continue doing business under its own brand. The company would have more stability and access to resources, and its founders would enjoy a considerable payday.

But for Mudassir Sheikhha, Careem's co-founder and chief executive officer, the acquisition made things complicated. Careem and Uber still needed approval from Morocco, Pakistan, and Qatar to complete the transition, and obtaining regulatory approval to operate in Egypt, Jordan, and Saudi Arabia had proven time consuming. Sheikhha also had to consider the acquisition's aftermath. How would the two company cultures mesh? Would Careem maintain autonomy and true brand independence? Would Sheikhha clash with Uber CEO Dara Khosrowshahi? And how would his Captains, the title Careem gave its drivers, react to working for an American company?

Careem and Uber would also have to navigate the MENA region's religious and cultural conventions. Would the Uber acquisition make it difficult to schedule Careem drivers around the daily call to prayer and Ramadan, the month-long Muslim period of prayer, fasting, and reflection? Inter- and intra-MENA gender norms, such as whether women could drive, work, and be in the presence of men, also were concerns. Finally, Sheikhha had to address geographic expansion. Should Careem saturate the market in its current MENA locations or enter new countries through expansion or acquisition?

Sheikhha and Careem had ambitions beyond ridesharing. The goals included horizontal expansion into scooters and bicycles, as well as adding food delivery. Careem's most ambitious plan was to capitalize on the MENA region's unique monetary and banking systems, situate itself as a payment portal, and transform into a superapp serving many consumer needs.

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