

Saudi Arabia Invests \$400M In This Billionaire's Startup

Uber co-founder, [Travis Kalanick](#), raised \$400 million for his restaurant business from Saudi Arabia's Public Investment Fund (PIF) in a quiet deal in January, as reported by [the Wall Street Journal](#).

The serial entrepreneur founded ride-hailing firm Uber in 2009 but stepped out as CEO in 2017. Kalanick owns about 4% of the company today and has voting control over another 1% owned by other stockholders. Now Kalanick serves as the CEO of City Storage Systems. He bought a controlling stake in the firm for \$150 million in March 2018. The holding company focuses on redeveloping distressed real estate and converting it into kitchen infrastructure buildings where [CloudKitchens operates](#).

Los Angeles-based CloudKitchens is built upon a breakthrough delivery-only business model, powered by low upfront costs and a speedy expansion process. The restaurants do not provide dine-in facilities nor do they service walk-in customers, they function solely as a food production unit. Food orders are placed online and prepared in the unit. In the US, the company currently counts Joe's Pizza and The Halal Guys among some of its national partners for deliveries.

The billionaire is now buying up cheap properties across the UK, US, and China, aiming for densely populated areas. The 43-year-old's new venture is a result of his burgeoning interest in food delivery and previous experience in helping establish Uber Eats.

Also known as "ghost" or "dark" kitchens, this novel concept originated in China, started by a Beijing-based startup named [Panda Selected](#). These shared food preparation services are part of the sharing economy that has blossomed in China. Sharing has extended from taxi rides to bikes to even shared umbrellas and battery chargers.

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