

China's Ninebot buys US scooter firm Segway (Update)

April 15 2015



In this March 8, 2006 file photo, a Chinese man rolls on a Segway during his practice at a parking lot of a club where he sells the personal transporter in Beijing. Segway, the iconic but struggling U.S. maker of personal electric scooters, has been bought by a Chinese company. Beijing-based Ninebot Inc., which makes a range of short-distance motorized transport devices, said Wednesday, April 15, 2015 that it bought Segway for an undisclosed amount. Ninebot's purchase of New Hampshire-based Segway is the latest example of a Chinese company acquiring foreign brands or technology. (AP Photo/Ng Han Guan, File)

A Chinese manufacturer of self-balancing two-wheeled scooters has bought Segway, only months after its US rival filed a complaint alleging it had copied its designs.

In a joint statement, Beijing-headquartered Ninebot and Segway announced they had "completed a strategic combination," with Segway becoming a wholly-owned subsidiary of the private Chinese company.

Both Ninebot and Segway will continue to operate under their own brand names, they said.

The statement did not include any financial terms of the deal.

"This strategic combination is a milestone for both Ninebot and Segway. It creates a development opportunity for the short-distance transportation industry, which the combined company will lead by widely applying a series of technologies, such as electric driving, mobile Internet and human-computer interaction, on future products," said Lufeng Gao, Ninebot's founder and chief executive, in the statement.

"We believe this acquisition is very meaningful for a new generation of Chinese innovation to spread out to the world, and for China to move from manufacturing to invention," Ninebot said on China's Twitter-like Sina Weibo.

Last year, Segway, founded by the inventor of the quirky vehicles, sought US government action against Ninebot and several other Chinese manufacturers, alleging violation of its patents. In November, the US International Trade Commission opened an investigation into Segway's allegations.

"Our combination with Ninebot will enable us to provide more intelligent and valuable products to our customers. We are confident in

our future," Rod Keller, president of New Hampshire-based Segway, said in the statement.

The Segway was introduced in 2002 amid great fanfare as way to revolutionise urban transport. The self-balancing scooters use gyroscopes, computers and electric motors to cruise at up to 19 kilometres (12 miles) per hour.

Such machines failed to become a mainstream method of transport but have achieved niche success in China where riders can be spotted in upscale neighbourhoods—as well as police using them to patrol on Tiananmen Square.

Segway has a chequered history—on December 25, 2009 it was sold to a group led by British millionaire Jimi Heselden, who died months later after driving his Segway off a cliff. The company was acquired in 2013 by Summit Strategic Investments.

Ninebot, registered in the Cayman Islands, also announced Wednesday that it had received an \$80 million investment from Chinese smartphone manufacturer Xiaomi.

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