

China's Midea tries to calm fears on bid for Germany's Kuka

June 16 2016, by Kelvin Chan



In this Dec. 2, 2015 file photo, Germany's Kuka Robotics Co.'s robot LBR iiwa demonstrates a flower arrangement at the International Robot exhibition in Tokyo. Chinese appliance maker Midea has promised that German industrial robot maker Kuka will remain independent, as it seeks to allay fears about its takeover bid for the company. Midea's chairman said Thursday, June 16, 2016 that it doesn't intend to "dominate Kuka or delist the business" as it released more details about the share offer announced last month. (AP Photo/Shizuo Kambayashi, File)

Chinese appliance maker Midea promised Thursday that German industrial robot maker Kuka will remain independent, seeking to allay fears about its takeover bid for the company.

In a document outlining the share offer announced last month, Midea said it "fully supports" Kuka's operational independence and current strategy.

The Chinese [company](#) already owns 13.5 percent of Kuka shares and is offering to buy the rest, as required under German law. It wants to raise its stake to at least 30 percent, making it the largest shareholder, and is offering 115 euros for each share, valuing Kuka at 4.6 billion euros (\$5.2 billion).

The company last traded at 109 euros a share.

"We want to support Kuka's growth and plan to jointly realize the vast growth potential in China," Chairman Paul Fang said in a statement. "We do not aim to dominate Kuka or delist the business."

Midea said it wouldn't force Kuka to make changes to its brand, move its headquarters from Augsburg, Germany or share its intellectual property or sensitive customer data. It also promised preserve Kuka's staff of 12,300.

The offer is part of a wave of Chinese investments overseas but it also raised doubts in Germany about Chinese purchases of local companies.

Midea, based in the southern province of Guangdong, has 93,200 employees. It's one of China's biggest air conditioner makers and also produces fridges, washing machines and other consumer appliances.

By working with Kuka, Midea said it hopes to expand distribution of

industrial robots to other Chinese industrial firms, which are increasing factory automation as China's workforce shrinks and wages soar.

The Chinese company said its bigger stake in Kuka could also help it develop new smart home devices and service robots, product lines expected to grow quickly on rising demand from China's swelling middle class.

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