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Bike-sharing platforms offer commuters a green and efficient way to travel around Asia's congested cities

A worker checks frames of bike-sharing firm ofo at a bicycle factory in Handan, North China's Hebei province, on April 13. Ofo hopes to be present in at least 20 countries by the end of this year. AFP

Pedaling back to the future

By **KARL WILSON** in Sydney
karlwilson@chinadailyapac.com

In what is perhaps an ironic twist to China's social and economic development, the humble bicycle is making a comeback and is doing so in a big way.

Over the past two years, bike sharing has exploded across China — through entrepreneurs such as Dai Wei who turned $20,000 into a multibillion-dollar business, ofo.

His firm takes its name from the notion that the word looks like a bicycle — and today more than three million of the bright yellow ofo machines can be found in cities around China, Singapore and London.

Ofo hopes to have its bikes on the streets of at least 20 countries by the end of this year.

Just 20 years ago, bicycles still dominated the streets of China. But with its new affluence and rising middle class, the bike gave way to cars and all the problems such as gridlock and pollution that came with them.

Now, many Chinese are going back to the future: They are renting bikes to go to work or just to do the daily shopping.

The concept has taken off in Singapore, too, and is slowly starting to make its presence felt in Australia.

All you need is a smartphone, to download an app, open an account and start pedaling.

Some companies provide docking stations where the rider can leave the bike after using it. Dockless programs use GPS so customers can locate nearby bikes. However, many people, on reaching their destination, tend to simply dump the bikes, without regard for pedestrians using the footpaths or for people in wheelchairs. As a result, local governments have started impounding the dumped bikes.

There has been a major shift back to bicycles for transport in a number of Asian countries, not only China, said Marcus John, who runs Sports Capital Advisors, a Singapore-based private equity advisory business focused on sports and entertainment investment.

He said that while the sharing model is basically a good idea, too many operators in one place can create a problem of "where to park the bikes".

"Bike sharing is still a relatively new concept in Asia. Even so, there is a lot of equity going into these companies," John said.

In Singapore, there are three bike-sharing companies — oBike, ofo and Mobike.

A spokesperson for Mobike in Singapore said the company does not have specific locations for its bikes, and added: "Customers simply check the bike icon on their phones to find a bike and leave it at their destination."

The spokesperson declined to comment on the company's expansion plans.

In July, ofo raised over $700 million in funding led by Alibaba Group, Hony Capital and CITIC Private Equity, according to Singapore newspaper *The Business Times*.

"This is said to be the largest sum raised in the bike-sharing industry to date, fueling an already costly war," the report said.

Ofo has said that by the end of this year it plans to have more than 20 million of its distinctive yellow bikes in 200 cities in over 20 countries around the world.

Apart from China, the company now serves four overseas markets — Singapore, the United States, the United Kingdom and Kazakhstan — and announced on July 31 that it was adding Thailand.

On Aug 1 the company put more than 6,000 bikes in Bangkok following a successful trial.

"Thailand has a population of nearly 70 million and traffic jams have become a big headache in cities like Bangkok and Chiang Mai," said Cao Xiao, head of ofo's Asia-Pacific department, in a report from Xinhua News Agency.

"By offering Thailand users a customized service, we hope the transport system in major Thailand cities can be improved with our shared bikes in the near future."

China-based Mobike plans to expand into Italy, its fourth overseas market following Singapore, the UK and Japan.

Since 2015, Mobike has raised $925 million in venture capital and counts Singapore state-owned investment company Temasek and China Internet services giant Tencent among its investors.

According to global company Research and Markets, the sharing economy, including bicycle sharing, has flourished in China along with the spread of smartphones and a surge in mobile users.

"As an important part of (the) urban slow/shared transport system, the bicycle-sharing industry, characterized by being green, convenient and efficient, economical and environment-friendly, has boomed," the research company said in its *China Bicycle Sharing Industry Report, 2017-2021*.

The report said that last year saw 20.3 million users of bike-sharing services in China, with an "operation market" across the country of 1.15 billion yuan ($176 million).

The company expects the number of users this year to exceed 61 million and the operation market to reach 8.86 billion yuan.

"The figures will hit 198 million and RMB 29.05 billion (respectively) in 2021," the report predicted.

"A booming market brings fierce competition. No less than 30 operators have plunged into the industry since the second half of 2016, according to incomplete statistics."

In the Australian state of Victoria, Singapore-based oBike has begun a pilot bike-sharing program in the city of Melbourne.

Launched in April this year, oBike already operates in Malaysia and Taiwan, and has plans to expand across Southeast Asia.

A spokesperson for the company said it was not concerned about the competition in Singapore's booming bike-sharing market, saying oBike had the advantage of being a local company with local knowledge. The spokesperson would not comment on the company's future plans.

Chris Robb, an independent analyst, said bike sharing is an interesting concept.

"I was in Singapore a couple of weeks ago and was amazed by how many bikes were literally dumped all over the place. People getting off bikes outside of office buildings and just leaving them," he said.

"I think there has to be some sort of reality check."

Perhaps, not surprisingly, not everyone in Singapore is happy about bike sharing. Already the Land Transport Authority (LTA) has begun to crack down on dumped bikes, impounding over 600 since the start of the operation in July.

In parliament, on July 3, Senior Minister of State for Health and Transport Lam Pin Min said bike-sharing firms will have to moderate the growth of their fleets, according to a report in *The Straits Times*.

According to the LTA, Singapore's three bike-sharing operators have 30,000 bikes between them.

The government, with the cooperation of the bike-sharing companies, is busy setting up bike zones where people can leave the bikes when finished with them.

The dumping problem has not been restricted to footpaths and open spaces. Singapore media have reported bikes ending up in canals, and in June a teenager was arrested for allegedly throwing one from an apartment block.

The bike-sharing companies are also examining their operations.

"These companies have good business models and employ very few staff," said one analyst, who asked not to be named. "Their business model is driven by social media.

"Already cities like London have many bike-share companies. It provides an easy way to get around the city rather than being caught up in a traffic jam," the analyst said.

"There is a question mark over the health aspect of riding a bike in cities full of cars and road-level air pollution — but that doesn't seem to bother the users."