

stuff**Is it a battery? Is it a scooter? No, it's an app**

GoGoRo in Taiwan expects to make money not on its electric scooters but the method it powers them with.

TYRONE SJUREUTERS

OPINION: GoGoRo is a Taiwanese electric motor scooter company that sees no serious money in making electric motor scooters.

Launched in 2015, its super-modern offices in the heart of Taipei's ritziest downtown district has attracted US\$425 million (NZ\$620.5 million) of start-up funding from some big global names in both technology and institutional investment.

Among them: Panasonic, Singapore government investment vehicle Temasek, Al Gore's Generation Investment Management, and Japan's Sumitomo Corp.

So far, it has around 36,000 of its nifty, primary-coloured scooters on the road in Taiwan, a drop in the bucket against the national fleet of around 14 million scooters and the 750,000 new petrol scooters sold there every year.

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Rated at the equivalent of 125cc, with a 110 kilometre range and a top speed of 90km per hour, a GoGoRo learns your driving habits and adjusts battery use accordingly, updating your model to the latest features via a phone app every time you turn it on.

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Batteries for GoGoRo's electric scooters are exchanged rather than recharged.

And, if you ignore the coal-fired power stations that provide more than half of Taiwan's electricity, a GoGoRo pumps out precisely no carbon emissions into the atmosphere.

But the real magic sits under the seat, where two battery packs sit, ready to power the machine.

When one runs out, you don't recharge it. Instead, you grab a new one – LPG Grab-a-Bottle style at one of the 473-plus battery stations now dotted at distances of less than one kilometre apart down the west coast of Taiwan.

Instead of petrol stations, the batteries are most often located at convenience stores. Some 23,816 batteries are being swapped every day, the company says, and it's still in its start-up phase.

But here's the odd bit: GoGoRo's executives will quietly tell you they don't regard it as a scooter business at all.

"Scooters are a low margin proposition," one told me on a recent visit.

SUPPLIED

Patrick Smellie: According to experts, "we will save on buying our second most expensive and barely used asset and call up self-driving, ubiquitous vehicles instead."

It's those banks of batteries scattered around the world's mega-cities plus a subscription model that allows owners to grab a new battery whenever they want without handing over cash at the time, that fuel the business.

Why are those battery banks valuable? Because if GoGoRo is right, theirs will be part of what US-based technology futurist Tony Seba this week described in Wellington as neither an energy nor a transport revolution, but a technology revolution in the provision of both energy and transport.

Seba paints a world in which batteries replace petrol in cars within 10 to 15 years – at most – and in which no one owns a car.

Instead, we will save on buying our second most expensive and barely used asset and call up self-driving, ubiquitous vehicles instead.

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Among the casualties will be car showrooms, petrol stations, mechanics, and since every cloud has a silver lining, Wilson Parking.

Such a model would also threaten at least some of the vast investment now occurring in both roads and public transport, whether buses or rail.

"Transport-as-a-Service (TaaS) will be public transport," said Seba, when asked how this disruptive future could affect investments being made today to try to decongest cities where far fewer cars will be used far more efficiently – assuming this magical future arrives.

Don't discount it. Who foresaw smartphones, Google Maps, and fast internet connection anywhere and everywhere even 15 years ago? Yet it is precisely this massive expansion of digital connectivity – the Internet of Things – that makes all this possible.

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So, back to GoGoRo. Harnessed to the IoT, its battery banks can dramatically cut the cost of providing reliable electricity to big cities and, as that energy becomes tradeable, make money for GoGoRo too.

It's transport, and it's energy, but not as we've known it. And it's going to happen sooner than most of us think possible.

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