

Company-by-company rundown -- 27th March to 2nd April

BMW

- Said that in finalising any Brexit deal the UK government should “take the concerns of international business” into account including free trade, cross-border employment and consistent regulatory standards.
- Said that its India plant had localisation levels of more than 50%
- Released its latest sustainability report
- Workers in the UK voted to go on strike in a dispute over their pensions -- BMW wants to close the final salary scheme for existing employees. The action involves 3,500 workers.

Daimler

- Announced the creation of a new company, Mercedes-Benz Connectivity Services GmbH, owned by Daimler Financial Services, to offer connectivity services to fleet and business customers.
- Expects record sales of Mercedes-Benz cars in Q1 2017
- Brought forward its timescale for new electric vehicles -- now 10 by 2022 (old target 10 by 2025)
- Trumpeted a contract for 1,500 all-electric Vitos to delivery firm Hermes (to be in place by 2020, pilot in 2018)
- Said it will recall nearly 400,000 vehicles in China due to a risk of over-heating at start-up

FCA

- Increased its revolving credit line to €6.25bn (was €5 bn previously) and extended it to March 2022
- Recalled 1,159 Jeep vehicles in Russia
- Germany’s transport minister says that a new “defeat device” has been found in emissions tests. The ministry declined to give details but said it would be sending the results to the European commission. Media speculation was that the 500X is the affected vehicle.

Ford

- Seeking to limit the growth of long term car loans in Canada. Ford said that 41% of sales in Canada have a loan term of six years or more or a lease term of five years or more.
- Announced new investment in its Essex (Windsor, Canada) engine plant, fulfilling a commitment made as part of agreeing a new labour contract in 2016.
- Announced a new R&D centre in Ottawa to work on connected vehicles, employing 400 workers taken on from Blackberry (note: none of the employees were from QNX).
- Announced a recall of 570k vehicles in North America and Europe that will cost an estimated \$295m (360k vehicles recalled due to potential engine fires, 211k for potential faulty door latches). There were two additional minor recall actions of less than 1,000 vehicles.
- Announced a recall of 53k F-250 trucks because they can roll away even when parked. The cost was not disclosed.
- Said that any Brexit deal must include tariff-free trade with the Customs Union as well as the EU and allow access to the “best” talent
- Announced a collective \$1.2bn of investment in 3 Michigan (USA) plants - Flat Rock, Romeo and Wayne
- Announced that it will roll-out the Vignale premium range to all UK dealers this year

Geely (includes Volvo)

- Reported a fire in a battery laboratory in Gothenburg, resulting in the evacuation of 150 employees - production was not affected.
- The new London Taxi Company plant in Coventry (capacity 20k units, 1,000 employees) was inaugurated

General Motors (includes Opel / Vauxhall)

- Rejected a proposal from activist investor Greenlight Capital to create a dual share structure involving dividend-only stock. The proposal will still likely be submitted by Greenlight at the 2017 AGM

- Reached a deal to import cars into Argentina from South Korea through the port at Rosario and said its intention is to export vehicles from its Argentinian plant.
- Vauxhall will end its sponsorship of the four UK national football teams after the World Cup in 2018.
- Opel's Works Council reportedly has threatened strike action unless they receive written (as opposed to verbal) assurances about protecting Opel's workforce post-takeover.

Honda

- Announced investment of \$85m in its Lincoln Alabama (USA) plant to increase plant flexibility. The plant makes vehicles and engines and employs around 4,500 people with a total capacity of about 340,000 vehicles per year.
- Honda is researching in-road charging. Their claimed potential performance -- a 180kw charging rate at speeds of almost 100mph -- is substantially beyond prior schemes.

Hyundai / Kia

- Said it will unveil a FCV SUV next year with 800km range on a single tank
- Will give workers at its Czech factory a 12% pay rise this year
- Suspended production at its plant in Hebei province for a week. Hyundai said it was to check and modify production line technology, media speculated it was due to sales problems stemming from a deterioration in the Chinese-South Korean relationship as a result of the planned deployment in South Korea of a missile interceptor battery (THAAD) by the USA.

Mazda

- Reported global production of 130,655 vehicles in February, up 0.6% YoY

Nissan

- Canadian sales up 5.5% YoY
- Said it would make efforts to improve its relationship with the UK dealer network after receiving a 4.0/10 score in the NFDA survey

PSA (excludes Opel/Vauxhall)

- 160 employees of GM&S, a supplier in receivership, blockaded the PSA plant in Poissy because they accuse PSA and Renault of withdrawing business from the company, forcing it into a potential liquidation (283 employees total).
- A French TV broadcast compared the Douvrin (engine) plant in France with the Trnava plant in Slovakia (makes cars, engine plant to open in 2019) and expressed concern over production losses in France, in part because of lower wage rates, put at €664 / week in Trnava versus €1,176 / week in France.
- Renewed its partnership with fuel company Total, PSA will continue to recommend Total's products for the next five years and Total will sponsor some of PSA's racing efforts.
- The French government announced one of its arms - investment agency APE - had sold its stake in PSA to another arm - sovereign wealth fund Bpifrance - allowing EPA to book a gain of €1.1 bn on the sale
- Ran a two day scheme (28th and 29th March) to allow members of the public living in or near Paris to travel in its autonomous test vehicles
- Drb-Hicom confirmed that all the parties that had made bids for Proton are "still in the running"
- Faurecia and Parrot announced a collaboration on connected cars. As part of the deal, Faurecia takes a 20% stake in Parrot and will expect its stake to rise to 50.01% in 2019 with a possible put option for a Faurecia takeover by 2022

Renault

- Announced a project for 200 Zoés, accompanied by 400 charging stations (supplied by Enel) in Sicily.
- 160 employees of GM&S, a supplier in receivership, blockaded the PSA plant in Poissy because they accuse PSA and Renault of withdrawing business from the company, forcing it into a potential liquidation (283 employees total).
- Announced the commissioning of a new moulding line costing €48m at its Brittany foundry (500 employees), increasing production by over 50% -- media reports that the plant is still loss-making on an internally accounted basis.

Tata (includes JLR)

- Tata said that the Indian Supreme Court ruling banning the sale of higher emitting vehicles will have a material impact on the entire automotive industry as it believes it will be difficult liquidate all inventory before the ban comes into effect on 1st April.

Tesla

- Announced that Chinese internet company Tencent had purchased a 5% stake in Tesla.
- Elon Musk reportedly said that the Model Y and new Roadster will not arrive “for a few years yet”
- Software release 8.1 enabled further capabilities in Autopilot, which is reportedly now using 2 of the 8 cameras in latest-specification vehicles in active mode. New features include: Summon (car moves in and out of parking spot without the driver), Higher speed auto steering (80mph vs 55mph), Auto Lane Changing (only when auto steer is active).
- Announced that Tesla models receive a sketchpad app in the v8.1 software release by publishing a picture of a farting unicorn (sounds like a bad April fool’s joke)
- Tesla’s VP of Autopilot Vision, David Nistér, has left to join Nvidia.
- Reported Q1 2017 vehicle sales of “just over 25,000” vehicles (of which ~13,450 Model S, 11,550 Model X). This was a record performance although not far above Q3 2016. Sales trend since late 2015 indicates that Model S sales rate may have peaked. Production was reported as 25,418 units - some way below Tesla’s claimed capacity of about 3k units per week (35k units for the same period).

Toyota

- Recalling 2.9 million vehicles in Japan, China, Europe and other regions due to potentially faulty airbags.
- Announced several research projects including high-precision strawberry picking, agricultural modelling and the use of AI in discovering new materials (in particular for batteries)
- February 2017 worldwide production including Daihatsu and Hino of 1.714m units (up 9.4%)
- Announced a collaboration with NTT (Nippon Telegraph and Telephone Corporation) to pool their skills in the development of connected cars, they plan a field trial in 2018

VW Group

- Audi will buy 100% of Silvercar Inc (it already owned a minority stake)
- Media reports that some of the VW diesel fixes in Europe had rendered cars “undrivable” with intermittent stalls and difficult restart being cited as issues.
- Said that the US Environmental Protection Agency (EPA) had given approval for it to sale 67,000 diesel vehicles that had been withheld from sale since late 2015 due to the diesel scandal
- The CEO of German supplier ZF said that the Volkswagen diesel scandal had cut the German automotive industry’s political clout and this would damage its ability to influence the Brexit negotiation outcome.
- Filed a complaint with a Munich court to try and prevent material seized from its law firm (Jones Day) being used by German prosecutors. Jones Day were commissioned to lead an investigation into the diesel scandal, the full version of which has not been made public by VW.
- Porsche SE extended the contract of CEO Hans Dieter Pötsch to 24th November 2022
- Audi’s unions have reportedly demanded that more electric vehicles be sourced in Germany. Although Audi has promised BEV production to the Neckarsulm plant, employees want products sourced to Ingolstadt too.
- Recommended that shareholders discharge top management and the supervisory board from liability for actions taken last year, saying this didn’t imply waiving possible compensation claims against the management team
- Prosecutors from the state of Lower Saxony (Germany) said that they hope to conclude the first diesel scandal related lawsuits this year.
- Announced a \$157m settlement with 10 US states (including New York, Connecticut, Massachusetts, Pennsylvania and Washington) over the diesel scandal. In addition to the financial settlement, VW must offer three new electric vehicles in those states by 2020, including two SUVs.
- Said it will recall 572,000 Audis in China for potentially defective roofs

- Gave a vote of confidence to Audi CEO Rupert Stadler
- Audi had to stop production of A4 and A5 in Ingolstadt due to supplier shortages - about 8,500 employees were affected
- Said it would make efforts to improve its relationship with the UK dealer network after receiving a 3.9/10 score in the NFDA survey - VW had hoped for 4.5/10

Other

- Fuji Heavy Industries (the owner of Subaru) announced that it will change its name to Subaru Corp effective 1st April
- Subaru will recall 180k cars in Japan to replace Takata airbag equipment
- Mahindra and Mahindra said that the Indian Supreme Court ruling banning the sale of higher emitting vehicles will have a one time material impact as it believes it will fail to liquidate all its inventory before the ban comes into effect on 1st April.
- Ashok Leyland said that the Indian Supreme Court ruling banning the sale of higher emitting vehicles will have a minimal impact.
- Chinese OEM Sanyang Motor will repurchase 4.6% of its stock
- BYD announced a 2016 FY dividend of 1.78 yuan per 10 shares
- Drb-Hicom confirmed that all the parties that had made bids for Proton are “still in the running”
- Aston Martin agreed a £550m bond due in 2022 to support new product development

And now for the other news...

Economic / Political News

- Analysts at Cox’s Automotive Autotrader predicted a drop in US used car prices due to a “glut” of off-lease vehicles
- Fitch said that heavy duty truck sales in China could be on course for a record after the first two months of 2017 saw higher sales than the same period in 2011 when a stimulus action was underway.
- The CEO of German supplier ZF said that the Volkswagen diesel scandal had cut the German automotive industry’s political clout and this would damage its ability to influence the Brexit negotiation outcome.
- The CEO of the UK car making and selling trade body, the SMMT, said that “no deal was not an option” for Brexit talks
- Santander agreed to pay nearly \$25 million to US states Massachusetts and Delaware to settle an investigation into predatory subprime lending.
- The mayors of Paris and London unveiled a joint initiative to undertake a publish real-world fuel emissions with the aim of influencing customer choice and to “incentivise” manufacturers to build cleaner vehicles
- French sales reported that petrol overtook diesel for the first time in recent history with diesel share at 47% (was as high as 73% in 2012).

Suppliers

- Magna published its 2016 Annual Report
- The CEO of German supplier ZF said that the Volkswagen diesel scandal had cut the German automotive industry’s political clout and this would damage its ability to influence the Brexit negotiation outcome.
- Bruss Sealing Systems (2,500 employees) has reportedly been put up for sale by its family owners with an asking price of around €600m.
- Motherson Sumi Systems completed its buyout of Finland’s PKC Group for €571m
- Xingmin Intelligent Transportation Systems announced it had won a tyre supply contract with Beiqi Foton Motor Co
- Grammer (employs about 12,000) announced a record dividend at the same time as it is reportedly trying to resist a takeover from the owner’s of Prevent (the company that caused stoppages for VW last year)
- Faurecia and Parrot announced a collaboration on connected cars. As part of the deal, Faurecia takes a 20% stake in Parrot and will expect its stake to rise to 50.01% in 2019 with a possible put option for a Faurecia takeover by 2022

Dealers

- French media reports focused on potential further rises in the price of tyres due to the increased cost of raw materials.
- UK dealer survey by NFDA was published showing poor scores for Citroen, Nissan and VW

Ride-Hailing

- Further details of the collision between an Uber AV and private vehicle last week emerged, with the suggestion that Uber's vehicle may have gone through an amber signal and surprised the other vehicle, which was turning across the road.
- Google and Uber continue to argue over where to hear the case surrounding Anthony Levandowski, the ex-Google employee and Otto founder. Uber said that Google had previously been trying arbitration and the current case should be treated as such. Uber legal activity is directed at keeping proceedings private.
- Uber said it will end its service in Denmark, due to new taxi regulations
- Uber released its first report on employee diversity (not counting drivers) -- media were divided on whether to single Uber out for not employing many women (which it doesn't) or whether it was an issue across the technology sector
- Didi was said to be contemplating a \$6 bn investment round backed by Japanese firm SoftBank.
- RydenGo was featured in the media for its different approach to ride hailing. Drivers will pay a \$20 per month fee to be on the platform and then will bid for rides according to rates that they set for themselves.

Driverless / Autonomy

- US insurance company AAA released a survey saying three-quarters of drivers are afraid to ride in an autonomous car. A separate survey from Canadian software firm Klashwerks said 18% of drivers were "terrified" of self-driving cars and just under 25% would never ride in one. The "why are they afraid?" section of the report didn't mention the fact that without autonomous vehicles in use, no one is actually talking from experience.
- Google and Uber continue to argue over where to hear the case surrounding Anthony Levandowski, the ex-Google employee and Otto founder. Uber said that Google had previously been trying arbitration and the current case should be treated as such. Uber legal activity is directed at keeping proceedings private.
- Media profiled Austin Russell, a 22 year-old who has started a company called Luminar Technologies Inc that builds Lidar.

Electrification

- Austrian state energy companies and Hubeject announced the creation of a unified charging network comprising 1,300 points throughout the country with the intention of reaching 2,000 by the end of 2017.
- Latest data showed that Germany had 7,407 public charging points by the end of 2016, a 27% YoY increase. There are now charging points in 1,142 different cities and towns.

Other

- Car shopping site CarGurus has reportedly hired banks to help it prepare for a late 2017 IPO valued at \$1bn