



AD PUNCTUM

News Review -- 22nd May to 28th May

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

Our latest research

We've published a post based on our research into the on-demand mobility business. It gives an overview of the various parts of the puzzle and sorts them into fact, forecast and fiction.

- [Read the blog post here \(4,000 words\)](#)

Company-by-company rundown

BMW

- There was renewed talk of a merger between car sharing companies DriveNow (BMW) and Car2Go (Daimler). The latest stories have a merger taking place in Q3 2017 and a new brand being established. Rumours of a tie up have circulated since December 2016. BMW's partner in DriveNow, Sixt, has been openly opposed to the move but BMW reportedly now believes that it can convince Sixt to cooperate. ([More...](#))
- Issued a press release trumpeting its place as the third most popular employer, and most popular carmaker, for young German IT professionals. ([More...](#))
- Will recall over 45,000 2005 to 2008 year 7-series vehicles in the USA to fix faults with door latches. ([More...](#))

Daimler

- Announced it will be making €1 billion investment in battery production. €500 million of this is a new factory at Kamenz, Germany which will add about 500 jobs. ([More...](#))
- Daimler's offices were raided by German prosecutors investigating possible misconduct in reporting diesel emissions. The raid was part of a previously announced investigation. ([More...](#))
- There was renewed talk of a merger between car sharing companies DriveNow (BMW) and Car2Go (Daimler). The latest stories have a merger taking place in Q3 2017 and a new brand being established. Rumours of a tie up have circulated since December 2016. BMW's partner in DriveNow, Sixt, has been openly opposed to the move but BMW reportedly now believes that it can convince Sixt to cooperate. ([More...](#))
- Took a 15% stake in Hong Kong based dealer group LSH Auto International which operates about 200 locations in Asia and Australia. The financial terms were kept confidential. ([More...](#))

FCA

- Saw the US Department of Justice file a suit against it detailing various aspects of emissions control technologies that the EPA says that FCA failed to declare during certification for models dating back to 2014. The issues raised by the EPA are around the use of Exhaust Gas Recirculation (EGR) - a technology to help engines burn fuel more effectively and reach optimal operating conditions more quickly and Selective Catalytic Reduction (SCR) - a technology that uses a chemical (DEF / Urea / Ammonia) to treat NOx in exhaust emissions. The specific complaint is that the way in which FCA has configured the software to run over the conditions experienced in the test cycle is not representative of wider operating conditions and that FCA did not properly declare this during the certification process. ([More...](#))

Ford

- CEO Mark Fields retired and was replaced by former Steelcase CEO Jim Hackett, who has served as a Ford board member from 2013 to 2016 and been chairman of subsidiary Ford Smart Mobility LLC since 2016. At the same time as the appointment, Ford added a layer to its executive management team by announcing three newly created positions: Joe Hinrichs will become EVP, Operations; Jim Farley is EVP, Markets; Marcy Klevorn is EVP, Mobility. ([More...](#))
- Following on from the new CEO appointment and the creation of the new layer of executive management, Ford made a series of subsequent executive announcements. There will be new regional CEOs in North America, Europe, Middle East and Africa and Asia Pacific (only South America remains unchanged). The purchasing function will now become a part of product development and a new position of vice president for autonomous vehicles has been created. ([More...](#))
- Issued two safety compliance recalls in North America. In total about 3,000 F-series and Explorer vehicles are affected. ([More...](#))

Geely (includes Volvo)

- Zhejiang Geely (major shareholder in Geely Automotive, but not the HK listed company itself) reached a final agreement with Malaysian company DRB-Hicom on the sale of Proton stock. Under the deal, Zhejiang Geely will take a 49.9% stake in Proton and become the exclusive foreign strategic partner for the brand. It also obtains majority control of UK brand Lotus, with a 51% stake. ([More...](#))
- London Taxi Company announced a partnership with Chargemaster to provide at-home charging units for buyers of LTC's new plug-in hybrid taxi. ([More...](#))

General Motors (includes Opel / Vauxhall)

- A class action lawsuit was filed in the US alleging GM had installed “defeat devices” in Duramax branded diesel vehicles since 2011. There is currently no suggestion from the EPA that GM did use defeat devices. ([More...](#)). GM said that the claims were baseless and the company would “vigorously defend” itself. ([More...](#))
- GM's manager of vehicle and advanced technology policy said that companies that did not pursue collaborative solutions to on-demand mobility would have a “rude awakening”. ([More...](#))

Nissan

- Will reportedly sell its 51% stake in its Lithium Ion battery JV with NEC to Chinese private equity firm GSR capital for about \$1 billion. ([More...](#))

PSA (excludes Opel/Vauxhall)

- Lost out in the bidding for Malaysia's Proton and UK's Lotus to Geely. ([More...](#))
- The sale of Peugeot Automobile Nigeria, with its 90,000 unit capacity plant, reached another milestone with the CEO of AMCON (the seller) saying that only central bank approval was needed to complete the sale to Aliko Dangote. ([More...](#))

Renault

- Agreed a deal to take over some of Intel's French research and development activities. Intel has five R&D sites in France and announced in mid-2016 that it would sell or close all of them. Renault will take on two sites: Toulouse and Sophia Antipolis, with about 400 employees. ([More...](#))

Tata (includes JLR)

- Reported Q1 2017 financial results for the total Tata Automotive business. Revenue was down year-over-year, due to lower sales of Tata branded vehicles and weaker GBP impact on JLR sales (even though JLR's GBP revenues were up). Profit was also down, reflecting higher sales but also higher costs at JLR (along with weaker sterling) and lower sales of Tata commercial vehicles, partially offset by passenger car growth. ([More...](#))

- JLR reported full year results (its financial year runs to the end of March). Wholesales of 604,009 units were a new record, up 16% year-over-year. Full year revenue of £24.3 billion was up 9% YoY, pre-tax profits of £1.6 billion were up 3% YoY. ([More...](#))
- The European Commission announced that it will look at whether state aid rules were breached in agreeing a €125 million support package for JLR's Slovakia plant. JLR denies that there is any violation of the rules. ([More...](#))

Tesla

- Following Tesla's recent press release of the steps it takes to manage worker safety, a report by Worksafe (a California not-for-profit) said that the company's accident rate and lost time due to accidents was higher than industry average. Tesla have argued that their safety record is improving. ([More...](#))
- CEO Elon Musk tweeted his excitement about the next Autopilot software release. He said that the new control algorithm feels "as smooth as silk". ([More...](#))
- Saw Consumer Reports reinstate some of the points it docked Tesla after Autopilot 2.0's emergency braking system proved less capable than earlier versions. Tesla still needs to get the system operational at highway speeds to see its Consumer Reports rating returned to the same level it had before Autopilot 2.0 was released. ([More...](#))

Toyota

- Said that it was exploring the use of blockchain technology to securely store autonomous vehicle driving data from multiple sources. The system Toyota is developing is aimed at improvements in three areas: holding test data, usage based insurance and transacting feeds for car or ride hailing. ([More...](#))

VW Group

- Said that it had increased its goal for environmental impact reduction. Instead of the prior target of a 25% drop in key measures of pollution from 2010 levels, VW will now aim for 45% by 2025. ([More...](#))
- CEO Mueller said that changing the company's culture was proving tougher than expected. ([More...](#))
- French media reported that in a worst-case scenario, the French judicial investigation in aggravated deception by VW in relation to the diesel scandal could result in fine of almost €20 billion. The same report concluded that the fine should be proportionate to the benefit of the fraud. ([More...](#))
- VW has received formal approval for a joint venture with Anhui Jianghuai Automobile Group (JAC Motor) specialising in electric vehicles. This paves the way for a joint venture contract between the two. ([More...](#))

Other

- **Aston Martin** reported its Q1 2017 Financial results. Revenue of £188 million was more than double the prior year's level. Wholesales of 1,200 units were up 75%. The company reported a profit before tax of £5.9 million for the quarter, ending a run of losses. The full year EBITDA forecast of \$170 million indicates that AML expect the performance to continue through the rest of the year. ([More...](#))
- **Maruti Suzuki** will partner with Dena Bank to offer retail financing for new vehicle sales in India. ([More...](#))
- **Mahindra and Mahindra** said that it was looking to launch a new electric vehicle in the second half of 2019 and may look to raise funds. ([More...](#))
- **Subaru's** CEO gave an interview where he commented that the company was still not sure whether to have a dedicated EV, or simply make it a powertrain option in existing vehicles. The company has committed to bring an all-electric vehicle to market by 2021 (PHEV in 2018). ([More...](#))
- Chinese carmaker **Great Wall** will develop self-driving and electric vehicle technology with Japanese chipmaker **Renesas Electronics**. ([More...](#))

[And now for the other news...](#)

[Economic / Political News](#)

- **German** chancellor Angela Merkel said that the country must invest in order to keep up in electric cars and that it was important that electric mobility was ready as quickly as possible. She made her comments at the announcement of Daimler's new battery factory, ([More...](#))
- **EU** commercial vehicle registrations were down 7.2% year-over-year in April, blamed on Easter. On a year to date basis, CV registrations are up 3.8% although performance is mixed across markets. ([More...](#))
- **UK** trade body the SMMT reported April 2017 production. Car output was down 18.2% year-over-year. CV output fell 28.3% YTD. Fewer working days due to Easter was blamed for the fall. Car production YTD is up 1% ([More...](#)) and CV production is down 8.1% YTD. ([More...](#))
- **Spanish** vehicle production has fallen 3.9% on a January to April basis. Fewer workdays due to Easter was cited as a major cause. ([More...](#))

[Suppliers](#)

- Saw media report on the attempt by plaintiffs in the GM class action lawsuit to link the various carmaker diesel scandals to **Bosch**. ([More...](#))
- **Plastic Omnium** said that its Automotive Strategic Advisory Committee, formed in 2011, would now add external members to help speed up the company's innovation efforts. ([More...](#))
- Bavaria's minister of economic affairs criticised the shareholder battle at **Grammer**. ([More...](#))

[Rental, Ride-Hailing & Car Sharing](#)

- **Uber** wrote a blog post announcing some changes to the algorithm of its POOL service in New York. Amongst the changes, passengers will now be picked up and dropped off at what Uber determines is the most efficient point, rather than exactly where they asked. ([More...](#))
- Brazilian ride sharing app **99** (aka 99taxi) said that it had \$100 million from **SoftBank**, taking its latest funding round to \$200 million. Most of the remainder came from **Didi**. ([More...](#))
- There was renewed talk of a merger between car sharing companies **DriveNow** (BMW) and **Car2Go** (Daimler). The latest stories have a merger taking place in Q3 2017 and a new brand being established. Rumours of a tie up have circulated since December 2016. BMW's partner in DriveNow, Sixt, has been openly opposed to the move but BMW reportedly now believes that it can convince Sixt to cooperate. ([More...](#))
- **Avis** Car Rental is increasing the number of connected cars it has in the fleet -- to more than 50,000 by early 2018. ([More...](#))
- A ban on **Uber's** services in Italy (suspended pending appeal) was overturned by a higher court. ([More...](#))
- **Uber** said that it had over-charged drivers in New York by failing to calculate commissions properly. ([More...](#))
- Media profiled Los Angeles ride sharing start-up **RideYayYo**. The company provides drivers with cars free of charge. ([More...](#))
- Paris public transport operator **RATP** is investing in the Paris operations of car sharing company **Communauto**. ([More...](#))
- **Europcar** Group has agreed a deal to acquire German rental company **Bunchbinder**. Bunchbinder currently has 152 sites and around 20,000 vehicles. ([More...](#))

[Driverless / Autonomy](#)

- A **UK** survey of consumer opinions on driverless cars found that OEMs were perceived as more trustworthy than tech firms -- an earlier US study had indicated the opposite. Over half of those surveyed believe that autonomous vehicles will be widely available within the next 10 years. ([More...](#))
- Researchers at the **University of Michigan** (under the banner M City) published a white paper saying that they believed they had a method to dramatically reduce the time it would take to certify the safety of autonomous vehicles. Their method uses real world data and a computer model to build a random but comprehensive test cycle for the vehicle to accomplish. ([More...](#))

- Chinese carmaker **Great Wall** will develop self-driving and electric vehicle technology with Japanese chipmaker **Renesas Electronics**. ([More...](#))
- **Toyota** said that it was exploring the use of blockchain technology to securely store autonomous vehicle driving data from multiple sources. The system Toyota is developing is aimed at improvements in three areas: holding test data, usage based insurance and transacting feeds for car or ride hailing. ([More...](#))
- **Innoviz** announced that it will release an aftermarket LIDAR product that can be used for self-driving vehicle development. The product called InnovizPro will be able to collect and analyse data that should be representative of later mass produced products such as the InnovizOne (set for release in 2019). ([More...](#))

Electrification

- The creator of the **Streetscooter** electric delivery van intends to put an electric city car into production in 2018. The vehicle will be called “**e.GO Life**” and will be produced in the Aachen factory alongside Streetscooters. ([More...](#))
- **Subaru’s** CEO gave an interview where he commented that the company was still not sure whether to have a dedicated EV, or simply make it a powertrain option in existing vehicles. ([More...](#))
- Chinese conglomerate **LeEco** announced that the CEO would step down and it would have to make layoffs in the US as it attempted to save money. ([More...](#))
- Employees at **Faraday Future** were told that the problems at LeEco would not affect them (LeEco is a major backer). ([More...](#)) Separate reports said that the company needed \$1 billion in new investment to continue ([More...](#))
- A **Bloomberg New Energy Finance** report said that electric vehicles would reach cost parity with gasoline engine cars by 2026. ([More...](#))
- Analysis by UBS said that by 2025 14% of global sales and one third of European sales would be BEV or PHEV. ([More...](#))

Other

- **UK used car values** (3 years / 60,000 miles) declined by 1.5% in May. Industry experts attributed this to both a surplus of stock and seasonal factors, pointing to a similar dip in May 2016. ([More...](#))
- A profile of start-up **Blippar** claimed that the company’s technology can recognise (with 97.7% accuracy) any make, model and year of US made car from 2000 onwards as long as the vehicle is travelling below 15 mph. ([More...](#))
- **Nexar** and the **Nevada Center for Advanced Mobility** have formed a partnership that will launch a vehicle-to-vehicle network covering Nevada. The partnership hopes to be collected 250 million miles worth of data each week by 2020. ([More...](#))