



AD PUNCTUM

News Review -- 28th August to 3rd September

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

Something to look at in less than 5 minutes

I used Google Trends data to take a look at how deeply the diesel crisis (and associated diesel bans) has captured the imagination of the general public in Germany.

- [Read the short deck \(mainly charts\) here](#)

Company-by-company rundown

BMW

- Issued a press release detailing some of the ways in which new technology has been incorporated into the company's production process. Although some of the techniques described, such as a feedback loop between blanks and press tools, news that BMW conducts analysis of bolt rundown measurements and installs vibration sensors on machinery won't be troubling competitor analysis teams at other OEMs. ([BMW](#))
- Showed the design of the Mini E electric car ahead of the full unveiling at Frankfurt. ([BBC](#))

Daimler

- Showed a new concept vehicle called Smart Vision EQ fortwo. The vehicle shows how Smart's cars could evolve into driverless pods in future and is similar in many details to the Mini concept unveiled in 2016 (except that the Mini was a mixed-mode manually-driven and autonomous concept). ([Daimler](#))
- Announced the creation of a division called Lab1886 that will operate four sites globally. The company will invite employees to pitch their ideas to an internal VC-like board that will then select projects for internal incubation. The organisation will also provide support to external companies, such as (flying car start-up) Volocopter. ([Daimler](#))

FCA

- Reinforcing off-the-record comments from FCA executives in the prior week, CEO Marchionne said that the company was working on its business plan rather than a big deal to sell the group. He forecast that by the time of his intended departure (April 2019), the company would "ideally" have spun off its components division (including Magneti Marelli) but that Alfa-Romeo and Maserati would likely be "too immature" to be a standalone company. ([Bloomberg](#))
- Saw S&P raise the outlook on its long term debt to positive from stable. The current rating is BB. ([FCA](#))
- Suffered production stoppages on the Pacifica and Grand Caravan assembly lines due to flooding. ([Auto Guide](#))

Ford

- Reported US sales for August of 209,897 units, down (2.1)% on a year-over-year basis. The decline was more than explained by drops in SUVs and Cars. ([Ford](#)). Ford's sales in India were also down considerably YoY, a drop of (40)%. ([Economic Times of India](#))
- Said it will recall approximately 1.2 million vehicles in North America for two separate issues -- airbags and steering problems. ([Ford](#))
- Ford's VP of manufacturing in Asia gave an interview in which he said that energy costs for production are currently higher than personnel costs in the region and then gave some examples of how Ford is trying to reduce energy usage. ([AMS](#))

General Motors

- Said that Super Cruise (GM's L2/L3 highway driving solution) would be a \$5,000 option on base models of the Cadillac CT6, although it will come as standard on higher end vehicles ([Automotive News](#)).
 - Implication: This pricing is a considerable change from the earlier forecast \$2,500 level ([Detroit News](#)). It seems that GM have chosen the new positioning to drive customers to the higher trim models rather than encourage take-up. The degree to which this will affect how many buyers purchase the system is unclear and also shows that GM either doesn't value or doesn't understand, the additional knowledge gained through higher fleet mileage (in stark contrast to Tesla, who won't stop going on about it).

Honda

- Announced July production results. Global production of 397,138 units was up 6.6% on a year-over-year basis. ([Honda](#))
- Said that at the Frankfurt motor show it will release details on the next steps of its plan to produce more electrified vehicles (for Honda, this includes Hybrids) for Europe. ([Honda](#))

Hyundai / Kia

- Lost a legal case with South Korean trade unions that means overtime pay in future will be higher. ([Reuters](#))
- Suffered production disruption in China due to a payment dispute with a fuel tank supplier. ([Bloomberg](#))

Mazda

- Announced July production results. Global production of 132,920 units was up 0.2% on a year-over-year basis. ([Mazda](#))

Nissan (includes Mitsubishi)

- Announced that the Renault-Nissan Alliance would create a new joint venture with Dongfeng, to be called eGT New Energy Automotive, to produce electric vehicles in China. Ownership will be 25% Nissan, 25% Renault and 50% Dongfeng. The initial product will be an A-sized SUV with a sales target of 120,000 units per year, to be launched in 2019. ([Nissan](#))
- Announced July sales and production results. Global sales of 448,906 units was up 4% on a year-over-year basis. ([Nissan](#))

PSA (includes Opel/Vauxhall)

- Completed the move from its central Paris Grand Armée headquarters. ([Les Echos](#))
- Is recruiting more workers in Mulhouse to satisfy demand for Peugeot 2008 vehicles. Sources reported that up to 800 new temporary positions were being created. ([France Info](#))
- The head of Faurecia said that the company was ready to make a major acquisition to give it a fourth "leg" beyond seats, interiors and exhaust treatment. He told French media that he is preparing options ahead of an October board meeting but currently no contact has been made with potential targets. ([Les Echos](#))

Renault

- Renault has collaborated with charging company Connected Energy to integrate used electric car batteries into high power chargers. The idea is that the battery can be charged from the local grid and then discharge at a high rate to a waiting electric vehicle. This allows higher charging rates than many local grids can provide (without an expensive infrastructure upgrade). ([Inside EVs](#))
- Announced that the Renault-Nissan Alliance would create a new joint venture with Dongfeng, to be called eGT New Energy Automotive, to produce electric vehicles in China. Ownership will be 25% Nissan, 25% Renault and 50% Dongfeng. The initial product will be an A-sized SUV with a sales target of 120,000 units per year, to be launched in 2019. ([Nissan](#))

Suzuki

- Announced July production results. Global production of 282,603 units was up 8% on a year-over-year basis. ([Suzuki](#))

Tata (includes JLR)

- Tata's chairman was forced to defend JLR chief Ralf Speth's pay, saying that his circa £7 million annual remuneration was "not high at all" and "slightly on the low side". ([Economic Times of India](#))

Tesla

- Saw some instance of high discounts and generous financing terms being offered on Model S and X models in the USA (up to \$30,000 per vehicle & 0.99% APR) to improve sales figures ahead of the Q3 close. The deals appeared to only relate to vehicles in inventory (which Tesla famously tries to keep to a minimum). ([Inside EVs](#))
- Said that mass production of solar roof tiles at its Buffalo plant had now begun. ([Economic Times of India](#))
- Following a growing number of grievances aired by employees in the media, the NLRB (US labour relations board) said it had filed an official complaint against the company. Tesla accused unions of agitation. ([Business Insider](#))
- CEO Elon Musk said that the company was preparing a software update that would allow owners to use download images and video from their Autopilot system without having to use a dashcam from a 3rd party. ([Electrek](#))

Toyota

- Announced five companies it had decided to work with on solving future mobility and ownership challenges: Caulis (risk assessment and security); giftee (e-gifts); Sharenori (car sharing); Nightley (customer data collection) and Ateam (services for used car owners). ([Toyota](#))
- Participated in ride hailing service Grab's latest fund-raising round and announced a collaboration to install Toyota-developed data recording devices in Grab vehicles. ([Toyota](#))
- Announced July production results. Global production of 824,943 units was down (0.2)% on a year-over-year basis. ([Toyota](#))
- Said it was creating a new group called Connected Technologies to develop in-car user experiences. The team will be made up of around 100 people and combine existing IT and product development employees. ([Toyota](#))

VW Group

- Unveiled the new Polo -- the sixth generation of the B-size vehicle to go on sale. The MQB-based car will feature safety technologies such as adaptive cruise control (as an option). Petrol engines now feature cylinder deactivation and diesel engines will be fitted with urea exhaust treatment. ([VW](#))
- Porsche said that it would begin equipping cars with InnoDrive, a system that uses mapping and weather data to adjust vehicle settings such as suspension and engine mapping in order to optimise it for local road conditions in real time. ([USA Today](#))
- Will recall over 280,000 Passat and CC vehicles in the USA due to problems with the fuel pump. ([CCFA](#))
- As widely predicted in the German press, Audi announced a raft of new appointments to its managing board to make changes to "finance, IT and integrity, marketing and sales, human resources and production and logistics" (i.e. everything operational except product development and the CEO). ([Audi](#))

Other

- **Aston Martin** said that all its vehicles will be powered by either hybrid or fully electric drivetrain by the mid 2020s. ([TechCrunch](#))
 - Implication: This is in line with market expectation. High power engines are already featuring extensive use of electric motors to provide an overboost facility (e.g. McLaren P1) and Ferrari has already made a similar announcement. Since Aston Martin's V8 engines are supplied by Daimler, it is likely only the V12 engine would need to be developed independently for electric drive -- which could leverage many of the same components as the V8 anyway.
- **Qoros** unveiled the Model Young SUV and gave some details of its platform sharing strategy with Chery models. The vehicle will come with 5G connectivity supplied through a collaboration with China Mobile. ([Qoros](#))
- As an influx of latecomers to the **UK scrappage** incentive trough arrived, observers couldn't help but remark on the "commercial" nature of the discounting. ([The Guardian](#))
- **Subaru** announced July production results. Global production of 73,361 units was down (5)% on a year-over-year basis. ([Subaru](#))

And now for the other news...

Economic / Political News

- **US** light vehicle SAAR for August was reported as 16.03 million units. ([Wards](#))
- **Italian** sales for August of 84,104 vehicles were up 15.7% on a year-over-year basis. ([UNRAE](#))
- **Spanish** sales for August of 72,470 vehicles represented a 13.1% year-over-year improvement. ([Faconauto](#))

Suppliers

- The CEO of **Samsung**-owned **Harman** said that the business aims to triple revenues by 2025. The company intends to grow its non-automotive products considerably through smart-speaker products, which will likely have widespread automotive application too. ([Reuters](#))
- **Siemens** will buy self-driving simulation company **Tass**. ([Economic Times of India](#))
- **Magna** showed off its MAX4 self-driving system and said that it expected vehicles to be present in geo-fenced areas "quite soon". Magna's forecast for overall sales of autonomous vehicles is that in 2025, 4% of sales will be Level 4 vehicles. ([Bloomberg](#))
- **ZF** announced that it would be selling its body control systems business to Chinese firm **Luxshare**. ([ZF](#)) Separately, ZF announced a strategic relationship with the **University of California, Berkley** to work on automotive applications of machine vision and deep learning. ([ZF](#))
- **Autoliv** said that it had won a contract to supply high resolution radar for use in autonomous vehicles from a "global automaker". Although the OEM in question wasn't specified, Autoliv have recently been collaborating with Volvo... ([Autoliv](#))
- **Continental**, not wanting to be outdone by rival Bosch, unveiled a keyless entry solution using a smartphone that the company says will work even when the battery is flat. ([Continental](#))
- The head of **Faurecia** said that the company was ready to make a major acquisition to give it a fourth "leg" beyond seats, interiors and exhaust treatment. He told French media that he is preparing options ahead of an October board meeting but currently no contact has been made with potential targets. ([Les Echos](#))

Dealers

- Spain's automotive trade body showed concern about the impact of electric vehicles on dealers -- specifically the level of additional training needed to safely work on and around high voltage systems. ([Faconauto](#))

Ride-Hailing, Car Sharing & Rental

- **Lyft** announced that it had now achieved full coverage in 40 of the 50 US states. ([Lyft](#))
- **Uber's** new CEO said that the company would likely have its IPO in the next 18 to 36 months. ([TechCrunch](#)). The company also published highlights of his opening comments to staff. ([Uber](#))
- **Uber's** Movement trip data website went on general release, providing trip data for some of the cities that the company operates in. ([TechCrunch](#))
- **Toyota** participated in ride hailing service **Grab's** latest fund-raising round and announced a collaboration to install Toyota-developed data recording devices in Grab vehicles. ([Toyota](#))
- Ride hailing firm **Zūm**, who organise rides for children with specially trained drivers, raised \$5.5 million in a Series A round. ([TechCrunch](#))
 - Implication: Although it remains to be seen whether this particular company will go the distance, the primary groups underserved by private car ownership today are the very old and very young. Although robo taxis will solve part of the problem by providing lower cost travel, providing in-transit care for these passengers is likely something that a robot alone will not be capable of.
- White label car sharing platform provider **Vulog** announced a €17.5 million fund raising. ([Journal Auto](#))
 - Lookahead: In our forthcoming report on the mobility industry, one of the things we will be explaining in more detail is just how much of the backend of car sharing and ride hailing schemes are being run by Vulog and its competitors (such as Ridecell).

Driverless / Autonomy

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- **Siemens** will buy self-driving simulation company **Tass**. ([Economic Times of India](#))
- **Magna** showed off its MAX4 self-driving system and said that it expected vehicles to be present in geo-fenced areas "quite soon". Magna's forecast for overall sales of autonomous vehicles is that in 2025, 4% of sales will be Level 4 vehicles. ([Bloomberg](#))
 - Implication: Magna are generally on the more pessimistic end of technology growth (they are also bearish on electric vehicle sales), however 4% of the market in 2025 could actually be quite a respectable sales level if the vehicles are in robo-taxi fleets since, on a miles travelled basis, they would be much more heavily utilised than most other vehicles sold.
- Semi-conductor company **NXP** and self-driving company **Torc Robotics** have established a consortium to develop radars for self-driving cars ([TechCrunch](#))
- **ZF** announced a strategic relationship with the **University of California, Berkley** to work on automotive applications of machine vision and deep learning. ([ZF](#))
- **Daimler** showed a new concept vehicle called Smart Vision EQ fortwo. The vehicle shows how Smart's cars could evolve into driverless pods in future and is similar in many details to the Mini concept unveiled in 2016 (except that the Mini was a mixed-mode manually-driven and autonomous concept). ([Daimler](#))

Electrification

- The **Renault-Nissan** Alliance is creating a new joint venture with **Dongfeng**, to be called eGT New Energy Automotive, to produce electric vehicles in China. Ownership will be 25% Nissan, 25% Renault and 50% Dongfeng. The initial product will be an A-sized SUV with a sales target of 120,000 units per year, to be launched in 2019. ([Nissan](#))
- Truck engine manufacturer **Cummins** unveiled an all-electric concept truck called the Aeos, intended to display its battery pack design prowess. ([Cummins](#))
 - Implication: The heavy truck business is markedly different from light vehicles insofar as there are often separate chassis and engine manufacturers (more closely matching the aeroplane market). It remains to be seen whether this relationship will continue with all-electric vehicles or whether companies like Cummins will find that powertrain becomes commoditised.
- South Korean researchers say that they have successfully developed a new electrode technology that will allow **energy densities** to increase six fold from today's levels. However, since the new electrode is part of a lithium-sulphur battery chemistry design, don't expect any changes overnight. ([Electronic Times](#))
- **Renault** has collaborated with charging company **Connected Energy** to integrate used electric car batteries into high power chargers. The idea is that the battery can be charged from the local grid and then discharge at a high rate to a waiting electric vehicle. This allows higher charging rates than many local grids can provide (without an expensive infrastructure upgrade). ([Inside EVs](#))
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Other

- A consortium called **3iprint** that includes a subsidiary of Airbus used 3D printing and proprietary metal materials to create the front end (non Class A) structure of a classic car rebuild. ([3iprint](#))