



AD PUNCTUM

News Review -- 27th November to 3rd December

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

News about the major automakers

BMW

- Launched an upgraded powerpack for the i8 whilst unveiling the roadster derivative. Battery capacity increases from 7.1 kWh to 11.7 kWh and the power of the electric motor now has an output of 141hp. ([Green Car Reports](#))
- Launched car sharing in China under the ReachNow brand (same as US) in partnership with Chinese car sharing operator EVCARD. The starting location is Chengdu and will only use all-electric vehicles. ([BMW](#))
- Halted production of i3 and issued a recall in the US due to concerns around seat belts. ([Green Car Reports](#))
- Open to sharing electrification technology on small cars with other manufacturers. ([Times of India](#))
- Said the price of an autonomous car (based on the iNext concept) could be below \$100,000 in 2020. ([Times of India](#))

Daimler

- Reportedly rebuffed an offer by Geely to buy a stake of between 3% and 5% through a discounted offering of new stock. Daimler's issue was supposedly the additional shares and it said it would be comfortable with a purchase of existing shares. ([NASDAQ](#))
- Presented with a large bill by Sixt after tearing down and testing a leased Tesla Model X in violation of the rental agreement. Daimler technicians thought they had done a good job of screwing the car back together but came unstuck when the vehicle's geographic data showed it pounding the miles at Daimler test sites. Oops. ([Handelsblatt](#))

FCA

- In talks with Hyundai on component sharing with transmissions and fuel cells as areas of particular focus. ([Economic Times of India](#))
- CEO Marchionne said that the company "hadn't made up [its] mind" on a spin-off of Magneti Marelli and Comau, but that should such an event take place, the two companies would be listed separately. ([Economic Times of India](#))
- Alfa Romeo will become the title sponsor of the Sauber F1 team, using Ferrari hardware, in an attempt to increase the brand's image. ([Economic Times of India](#))
- Maserati has appointed Accenture Interactive as their marketing agency. Accenture have promised to dramatically improve the data and digital management capabilities of the sales and marketing arm, in addition to the more traditional work of content production and advertising placement. ([Europa Press](#))

Ford

- Unveiled the replacement for the Lincoln MKX and changed its name to the Nautilus. As part of a plan to deliver a more upscale user experience, Lincoln owners will get a paid subscription to a service that enables them to queue jump airport security lines. ([Detroit News](#))
- Announced four recalls covering over 200,000 vehicles. The main issue is loose front power seats. ([Ford](#))

- Enraged millions of wrestling fans by suing John Cena after the sports entertainment superstar sold his Ford GT before the end of the exclusivity period defined in the sales contract. ([Economic Times of India](#))

Geely (includes Volvo)

- Reportedly saw an offer to buy a shareholding of between 3% and 5% of Daimler through a discounted offering of new stock rebuffed. Daimler's issue was supposedly the additional shares and it said it would be comfortable with a purchase of existing shares. ([NASDAQ](#))
- Lynk&Co began selling its first model and said that during a pre-launch sales event on 17th November it had sold the 6,000 allotted cars in under three minutes. ([The Verge](#))
- Investigating whether to manufacture Lynk&Co vehicles at Volvo plants in Belgium and the USA. ([CNBC](#))
- Rumoured to be considering a new product line-up for Lotus, including an SUV built off Volvo's CMA platform (it isn't quite clear how this will fit in with Lotus's lightweight philosophy). Geely executives expressed a desire for the brand to be "ranked alongside Ferrari and Porsche". ([Autocar](#))

General Motors

- Held its much-vaunted presentation and test drive of autonomous vehicle technology developed by Cruise. GM intends to have "thousands" of autonomous vehicles on the road in 2019. During the presentation, executives said the annual run rate of revenue would be measured in billions "pretty quickly" (webcast 1:25:00) and that the business would operate with a 20% - 30% margin. The company's financial projections are based on "north of 50%" utilisation. Executives also said GM believes that "price is the dominant factor" in customers choosing different transport solutions. (1:34:00). Reaction to the event was mixed. Few rides earned rave reviews (see a selection below) and GM seemed at pains to compare itself favourably to Waymo's efforts. At the same time, executives demurred whenever they were asked about objective benchmarks of performance, implying that they hand them at their fingertips but didn't want to share. ([GM](#))
 - Implication: GM's view on the importance of price elasticity matches Ad Punctum's analysis (please get in contact if you would like to discuss the bid/ask model that was built as part of the Mobility from first principles white paper earlier in the year).
 - [Futurism](#) -- several failed attempts to summon the car, no disengagements during the drive although the vehicle stopped for a time in the opposite lane, "ride, while safe, was anything but smooth"
 - [Reuters](#) -- human driver had to disengage automatic mode when the car stopped behind a stationary truck
 - [TechCrunch](#) -- ride was uneventful "makes me optimistic seeing about self-driving become a transformative experience"
 - [Recode](#) -- the car loitered awkwardly for a dog going to the toilet, overall the ride was "relatively smooth"

Honda

- Demonstrated the use of augmented reality to show new features of a vehicle and even allow the occupants to simulate driving in it. ([Honda](#))

Hyundai / Kia

- Suffered labour disruption in South Korea as unions told employees not to support the launch of Kona SUV production due to wider disputes over pay, working conditions and outsourcing. ([Reuters](#))
- Teaming up with Smartcar to enable new services in connected vehicles. Amongst other things, 3rd party service operators will be able to locate and access the vehicle (with the owner's permission). It will also be possible to use the vehicle in peer-to-peer carsharing. ([Hyundai](#))
- In talks with FCA on component sharing with transmissions and fuel cells as areas of particular focus. ([Economic Times of India](#))

PSA (includes Opel/Vauxhall)

- Said that Russian production of 1T CVs would commence in Q1 2018 and that the vehicles would have 50% local content -- an improvement on the c. 35% local sourcing of C4 and 408. ([PSA](#))

- Reportedly considering trying to reclaim some of the purchase cost of Opel / Vauxhall from GM because of the poor state of the brands' 2020 emissions compliance plan. A figure of €600 million - €800 million has been mentioned. GM publicly said no claim had yet been made formally and extensive due diligence had taken place. The central issue appears to be GM's assumptions for mix-forcing into diesel and all-electric vehicles. ([Reuters](#))
- Warned Opel unions in Spain that the Zaragoza plant may not build the electric version of the Corsa, due sometime after the launch of the next conventionally powered model in 2019, without a competitive agreement. The offer from PSA/Opel is reportedly a (6)% decrease in wages for 2018 and wage freeze in 2019/20, in addition to reductions in break times and shift allowances. ([Europa Press](#))
- Reportedly having to increase gasoline engine production in China even further due to falling diesel sales in Europe, importing an additional 100,000 engines versus prior estimates of 50,000 units. PSA is apparently routing the imports through the engine plant at Douvrin rather than direct to assembly plants, creating logistical complexity. ([Les Echos](#))
- Completed the sale of all land at the former Aulnay site. ([Journal Auto](#))
- Citroën dealers in Germany are reportedly outraged at the company's proposal to change their incentives from 2018 onwards. The key issue is the company's desire to link more of the margin to dealer satisfaction surveys. ([Autohaus](#))

Tesla

- Activated a 100 MW stationary storage battery in Australia than Tesla had promised to build in 100 days or provide for free. The facility was switched on after 60 days and is situated next to a wind farm. ([BBC](#))

Toyota

- Announced a series of executive moves, including a new CFO and a change to the structure that will decrease the power of central functions and create greater regional control and accountability. ([Toyota](#))
- Announced that it will build a facility that can generate hydrogen from agricultural waste and then convert it to electricity using fuel cells. The power plant will be online in 2020 and have an output of 2.35 MW. ([Toyota](#))
- Created a \$4 million fund to provide money for mobility solutions aimed at users with lower-limb paralysis. ([Toyota](#))

VW Group

- Reportedly in discussions to purchase a stake in Russian manufacturer GAZ. ([Economic Times of India](#))
- In talks with Chinese manufacturer JAC to deepen an existing relationship developing electric cars. The two companies are interested in making commercial vehicles together. ([Automotive Manufacturing Solutions](#))
- Audi has agreed a new employment guarantee that lasts until 2025 with unions. ([Handelsblatt](#))
- Audi launched a new facility for dealerships that allows a customer to quickly drop off vehicles for servicing without having to wait around for a receptionist. ([Audi](#))
- Seat is rolling out a new online ordering system where a buyer can specify a vehicle and then choose a dealership to collect from within 3 weeks. It says that so far the technology has been trialled in Austria with 300 units sold. ([Europa Press](#))
- Seat told employees that in the event of Catalanian independence it would probably close the Martorell factory because the region would be outside the EU. ([Faconauto](#))

Other

- **Aston Martin** have started work on a Formula 1 engine in the expectation of entering the sport in 2021. The company is already a sponsor of the Red Bull team. ([BBC](#))
- **ATS** showed off their €1.15 million 2500GT supercar, saying that only 12 would be built. ([Auto Moto](#))
- **Aria** launched the FXE hybrid supercar at the LA show. The \$1 million vehicle features extensive use of additive manufacturing and should be available for delivery in 2019. The lifetime sales target is 400 units. ([Motor Trend](#))
- **BYTON** announced the opening of a North American headquarters, saying it would have 320 employees there soon. The company is continuing to work on its three model line-up of an SUV, MPV and sedan and will show the SUV at CES in January 2018. ([BYTON](#))

News about other companies and trends ...

Economic / Political News

- **US** light vehicle sales in November totalled 1.38 million units, SAAR of 17.35 million units. ([Wards](#))
- Sales of cars in **Spain** for November reached 104,470 units, an increase of 12.4% on a year-over-year basis ([Xinhua](#))
- **French** passenger car sales were 180,012 units in November, an increase of 10.3% on a year earlier. ([Xinhua](#))
- The **UK** government expects to boost local sourcing of automotive parts from around 44% of average vehicle content to 50% by 2022. ([Autocar](#))

Suppliers

- **Denso** and **NEC** announced a JV to develop information and communications equipment for connected vehicles. ([Press Release](#))
- Japanese supplier **Toray Hybrid Cord**, who make textile products used in tyres and other products, said that it had uncovered incorrect quality testing from 2008 to 2016 at its plants. ([Les Echos](#))
- **Brose** is expanding in North America, adding 300 HQ jobs and building a new factory. ([Detroit News](#))
- **ZF's** chairman resigned and the future for the CEO looks bleak after they fell out with labour representatives and major shareholders. ([Handelsblatt](#))
- **ZF** will purchase IEE's sensing division (around 20 people) to improve its autonomous vehicle offering. ([Autonomes Fahren](#))
- French supplier **Maife Automotive** is struggling to find a buyer. Court appointed administrators have sent emails to competitors offering the firm and hope to have bids ahead of a 10th January deadline. ([Les Echos](#))
- **Navyd**, a start-up offering aftermarket heads-up displays, appears to be going out of business. ([TechCrunch](#))

Ride-Hailing, Car Sharing & Rental

- **Didi Chuxing** ended its pilot scheme in the **USA** and instead is directing users to download **Lyft**. ([Technode](#))
- **Uber's** Q3 financials showed net losses of \$1.46 billion on \$9.71 billion of gross bookings and \$2.01 billion of net revenue. ([Business Insider](#))
- **Softbank's** offer for existing Uber shares apparently values the company almost a third lower than its last major funding round. ([TechCrunch](#))
- According to leaked documents, **Lyft** lost \$(206) million on \$483 million of revenue in the first half of 2017. ([Business Insider](#))
- **Ola** has launched a bicycle sharing service called Ola Pedal. ([TechCrunch](#))
- **BMW** launched car sharing in China under the ReachNow brand (same as US) in partnership with Chinese car sharing operator **EVCARD**. The starting location is Chengdu and will only use all-electric vehicles. ([BMW](#))

Driverless / Autonomy

- **Fisker** said it would build an autonomous shuttle called Orbit with backing from Chinese company Hakim Group. Deliveries are targeted to start by the end of 2018. ([Boss Magazine](#))
- **Zoox** gave a rare test ride to a reporter -- they were impressed with the vehicle, saying it "trumped [all the other AVs they had experienced] in terms of the complexity of situations it could handle". ([Bloomberg](#))
- **KPMG** released a whitepaper saying that new vehicle sales could decrease by half in 2030 in a world of proficient autonomous vehicles. ([KPMG](#))
- **Waymo** said that its test fleet has now driven 4 million real-world miles. In the last six months the vehicles covered 1 million miles and the company says that this is accelerating. In the past year Waymo has completed 2.5 billion simulated miles. ([Waymo](#))
- **Continental** said its fifth-generation radar would be in production by 2019/ The company claims a range of up to 300m for small objects. Note that Continental view "small" as things like spare wheels, not bricks. ([Continental](#))
- **Optimus Ride** will operate autonomous buses in a large US housing development. Testing has already begun, and passenger rides should start in 2018. ([Boston Globe](#))
- **Intel** formed a partnership with **Warner Bros.** to develop immersive experiences in autonomous vehicle cabins, possibly through the use of augmented reality. The companies aim to create a concept vehicle together. ([Intel](#))

Electrification

- Former BMW designer Chris Bangle unveiled the **REDS** all-electric city car. The vehicle uses an aluminium spaceframe and incorporates a solar panel to augment battery charging. Chinese truckmaker **CHTC** will produce the vehicle. The launch date isn't yet specified, but will be soon. ([Autocar](#))
- Swedish start-up **Uniti** will unveil their prototype all-electric city car on 7th December. The company says that the vehicle can be produced with a fully automated process. The company aims for deliveries to begin in 2017. ([Autocar](#))
- **Lucid** announced that it had moved into snazzy new headquarters in California. ([Lucid](#))
- The **German** government has proposed to subsidise up to 80% of the additional cost of electric buses to encourage uptake. Critics said that the proposed funding was only sufficient for around 400 vehicles. ([Golem](#))
- The **US Department of Energy** published a study of electrical charging infrastructure now and in the future. In addition to creating some studies for future growth it includes some detailed statistics on current operators. ([DoE](#))
- **China** will rollout green licence plates nationally, following a trial in three states. The plates are intended to help cities differentiate between electrically and conventionally powered vehicles more easily and owners of vehicles already on the road can apply to swap their plates for the new version. ([EV Obsession](#))
- According to leaked internal emails, **Faraday Future** is close to obtaining investment but employees haven't been turning up for work. ([The Verge](#))
- **Ionity**, the charging network JV between **BMW, Daimler, Ford** and **VW**, said it had partners for about half the 400 sites it is planning in Europe. **Shell** will be the partner for 80 stations in 10 countries. ([Inside EVs](#))

Connectivity

- **Denso** and **NEC** announced a JV to develop information and communications equipment for connected vehicles. ([Press Release](#))
- **HERE** said it was buying over the air technology developer **ATS** to improve its capability. ([TechCrunch](#))
- **TomTom** has created the Open-LR association with two other partners to create a royalty-free location reference standard. ([Telematics News](#))
- **Hyundai** is teaming up with **Smartcar** to enable new services in connected vehicles. Amongst other things, 3rd party service operators will be able to locate and access the vehicle (with the owner's permission). It will also be possible to use the vehicle in peer-to-peer carsharing. ([Hyundai](#))
- White label connected vehicle platform company **Mojo** said it had raised \$23 million in new funding. ([Geek Wire](#))

Other

- Mapping company **Mapbox** acquired **Fitness AR**, in part to use the company's augmented reality technology for super-imposing various kinds of information onto maps. ([TechCrunch](#))
- **3D Laser Mapping** said it would give free access to selected lidar mapping data collected by vehicles. ([3D Laser Mapping](#))
- **Elf** showed off their covered e-tricycle. It can be pedalled or, on battery power alone, it has a 45 mile range and a top speed of 30mph. Given the \$7,000 list price, it isn't clear that this is a convincing alternative to a car. ([Futurism](#))
- **Airbus, Rolls-Royce** and **Siemens** announced a project to test electric engines on a passenger aircraft. The current design still uses a jet-fuel powered generator to create the electricity. ([Futurism](#))
- **Amazon** have patented a drone that tries to blow itself to smithereens in the event of a technical failure, rather than crashing into the ground as one big lump. ([The Verge](#))
- Chinese on-demand logistics providers **Yumanman** and **Houochbang** are merging, but will retain separate brand identities. ([China Money Network](#))
- **Zagster** showed off their new PACE bike which has an integrated lock that can be used with conventional bike stands rather than bespoke docking stations. The company says this helps cities create bike sharing schemes without having to install expensive infrastructure or suffer dockless bikes strewn about the pavement. ([Curbed](#))