



AD PUNCTUM

Autos & Mobility Industry Briefing -- 8th January to 14th January 2018

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 ([history](#))

- Said 2017 full year sales for BMW, Mini and Rolls-Royce totalled 2,463,526 cars, up 4.1% on 2016. ([BMW](#))
- Following on from other raw materials, BMW and Codelco will create a transparent copper supply chain. ([BMW](#))
- BMW's Alphabet leasing subsidiary has created a contract hire offering in partnership with Deutsche Post's StreetScooter to provides financing and maintenance packages for 3rd party customers. ([Golem](#))

Daimler ([history](#))

- Sold 2,424,369 Mercedes and Smart cars in 2017, an increase of 8.8% on 2016. ([Daimler](#))
- Took a stake of "around ten percent" in what3words, a mapping/location start-up that uses unique three word addresses to cover all locations on earth. The company's address system will be integrated in Mercedes cars. ([Daimler](#))
- Car2Go's 2.97 million users (up 30% on year-end 2016), took 24 million trips in 2017. ([Daimler](#))
- The proposed separation of the company is reportedly causing tension among top executives. ([Manager Magazin](#))

FCA ([history](#))

- Announced a \$1 billion investment to relocate Ram pick-up truck production from Mexico to its Warren, Michigan plant by 2020, creating 2,500 new jobs. ([FCA](#))
- Will make a bonus payment of \$2,000 to US employees , partly funded by the recent US tax reforms. ([FCA](#))
- CEO Marchionne said the company can double profits by 2022, with Jeep being a major contributor -- with potential market share of 20%. ([Bloomberg](#))
 - Implication: Whilst journalists salivated at the thought of 5 million Jeeps rolling off the production line each year, this unit volume would make the brand more ubiquitous than Kia or Hyundai. A more likely outcome is this level of share in particular market and segment niches -- still potentially lucrative, just ask Land Rover.
- Partnering with fuel company Eni and the Italian government to improve alternative fuel technologies, including biofuels. ([FCA](#))
- Is recalling about 154,000 Pacifica minivans to correct problems with the engine management software. ([FCA](#))

Ford ([history](#))

- Has set a new electric vehicle investment target of \$11 billion by 2022, funding 40 electrified vehicles, of which 16 will be BEVs. ([Reuters](#))
- Unveiled the US market Ranger, a facelifted version of the vehicle available in international markets for the past few years. ([Ford](#))
- Previewed the Mach 1, seemingly an all-electric performance SUV concept, at the Detroit show. ([The Verge](#))
- Recalling 3,000 Ranger vehicles to repair faulty airbags, advising customers to immediately stop driving them. ([Ford](#))
- Ford's Russia JV will hire 600 permanent and temporary personnel and move to a six day week. ([Ford](#))

- Partnering with Postmates to experiment with on-demand delivery of goods (like the Domino's tie-up). ([Ford](#))
- Has partnered with Qualcomm to develop standardised communications technologies for vehicles to share information with other connected devices (the internet of things). ([Ford](#))
- Is building a Transportation Mobility Cloud with software company Autonomic so that vehicles can be tracked and managed by companies and regional authorities. ([Ford](#))
 - Implication: Although Ford makes it sound revolutionary, many companies are already offering white label solutions for managing fleets and Uber is already sharing (time-delayed) data with authorities and 3rd parties. The danger for Ford is that it becomes distracted with building infrastructure alternatives and neglects the product and service portfolio that would benefit from its skill set.

General Motors (history)

- Unveiled a Bolt without a steering wheel, and requested permission to use the vehicle on public roads in the US. Following Waymo's example, the company released a "safety report" that explains the workings of an autonomous vehicle without providing any technical substance beyond widely-agreed and long-standing principles. ([GM](#))

Hyundai / Kia

- Hyundai invested in Grab; the two companies will partner on electric ride-hailing fleets. ([Hyundai](#))
- Kia will launch the WiBLE car sharing service in Europe during 2018. ([Kia](#))
- Following the announcement that Hyundai and Kia collectively would launch 38 "green cars" by 2025 covering hybrids, BEVs and fuel cells, Kia said it was planning 16 electrified vehicles -- 10 x hybrid/FHEV; 5 x BEV and 1 Fuel cell -- leaving 22 for Hyundai. ([Kia](#))

Mazda

- Selected Huntsville, Alabama for the site of the new 300,000 capacity plant it will build with partner Toyota -- close to existing Toyota factories. The plant will cost \$1.6 billion; reportedly supported by \$700 million of incentives. ([Mazda](#))
- Was named as a technology partner in the Toyota e-Palette mobility vehicle program. Mazda executives suggested that the vehicle could have range-extended PHEV variants that use Mazda rotary engines. ([Green Car Reports](#))

Nissan (includes Mitsubishi)

- Nissan, Renault and Mitsubishi announced their venture capital fund. The rumoured €200 million investment turned out to be only the first year amount with the partners prepared to commit up to \$1 billion over five years. ([Nissan](#))
- Will end production of the Pulsar and a passenger derivative of the NV200 at its Barcelona plant, with increased production from new pick-ups for Mercedes and Renault compensating for the lost workload. ([Europa Press](#))
- Has sold 75,000 vehicles equipped with its latest L1/L2 ADAS suite, almost all of them were in Japan. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Announced targets for 2018 labour redundancies and hiring; PSA wants to shed 1,300 experienced employees and has committed to hire 1,300 new (presumably cheaper) permanent employees. Overall the company will take on 2,000 young people but many will be on temporary contracts. ([PSA](#))
- Cutting 250 jobs at the Ellesmere Port, UK, plant on top of the 400 redundancies previously announced. Following the changes, the plant will operate on a single shift. ([Sky News](#))

Renault (history)

- Nissan, Renault and Mitsubishi announced their venture capital fund. The rumoured €200 million investment turned out to be only the first year amount with the partners prepared to commit up to \$1 billion over five years. ([Nissan](#))

Tata (includes JLR)

- JLR sales for 2017 totalled 621,109 units, an increase of 7% on 2016; Jaguar sales were up 20%. ([JLR](#))
- Invested in US ride-hailing start-up Voyage -- a company that previously said it believed [fares could be paid for by advertising](#). ([JLR](#))

Toyota (history)

- Showed the e-Palette concept vehicle at CES; a scalable electrified and autonomous vehicle. Toyota announced partnerships with Didi, Uber, Amazon and Pizza Hut to develop applications for the vehicle and said it was sharing technology development with Mazda, Uber and Didi. ([Toyota](#))
 - Implication: Toyota seems to have decided that it is overkill to have a platform where mission-specific top hats can be quickly exchanged (an approach favoured by Ad Punctum) -- perhaps they are right. Choosing Uber, Didi and Amazon as partners sends a strong message: Toyota wants to work with the companies it thinks are most switched-on, and it isn't afraid of the consequences.
- Forecasting 2018 US light vehicle industry of 16.8 million units, according to executives. ([Reuters](#))
- Selected Huntsville, Alabama for the site of the new 300,000 capacity plant it will build with Mazda -- close to existing Toyota factories. The plant will cost \$1.6 billion; reportedly supported by \$700 million of incentives. ([Mazda](#))

VW Group (history)

- Settled a class action lawsuit (covering 20,000 owners) in Canada over diesel vehicles. ([Reuters](#))
- The VW brand is creating a e-mobility division, headed by a board-level executive, in order to reflect the importance of electrification. ([VW](#))

Other

- **Genovation** showed the all-electric GXE at CES. In a departure from conventional BEV engineering, the vehicle will be offered with a conventional manual 7-speed gearbox as an option. ([Genovation](#))

News about other companies and trends ...

Economic / Political News

- Draft documents shared between **German** political parties during coalition talks appeared to target refits for diesel engines. ([Economic Times of India](#))

Suppliers

- **Continental** said that it was analysing its structure in response to media reports of a re-organisation. The company gave no specifics by said it was being supported by external advisors. ([Continental](#))
- **Bosch** completed the sale of its starter motor division, now rebranded **SEG Automotive**. ([Bosch](#))
- **GKN** was the subject of an unsolicited bid by **Melrose**. ([Bloomberg](#))
- **Panasonic** has developed a scalable electric vehicle platform suitable for bikes and small EVs. ([Panasonic](#))
- **Intel/MobilEye** added **SAIC** to the list of partner OEMs that will help it crowdsource mapping data. The company will work with **Ferrari** to add racetrack analysis to vehicle capability. ([Intel](#))

Dealers

- **Ford's** wholly owned dealer group, sold four UK dealerships to current Ford dealer **Gates Group**. ([Motor Trader](#))
- 56% of executives by **KPMG** polled predicted 30%-50% of dealerships could disappear by 2025. ([KPMG](#))

Ride-Hailing, Car Sharing & Rental (history)

- Singaporean fund **BM Mobility** is set to buy Malaysian electric car sharing firm **UNiRide**. ([Deal Street Asia](#))
- **Hyundai** invested in **Grab**; the two companies will partner on electric ride-hailing fleets. ([Hyundai](#))
- **Kia** will launch the WiBLE car sharing service in Europe during 2018. ([Kia](#))
- **JLR** invested in US ride-hailing start-up **Voyage** -- a company that previously said it believed [fares could be paid for by advertising](#). ([JLR](#))

Driverless / Autonomy (history)

- **US** transport officials said that new rules for self-driving cars would be released in the summer. ([Reuters](#))
- **Navya** and **VIA** announced the integration of the Navya AV features into VIA's app so that customers can summon and then control certain aspects of the Navya vehicle. ([VIA](#))
- **Gett**, in partnership with **MobilEye**, will install mapping equipment on 500 London black cabs in order to map streets ahead of autonomous vehicle deployment. ([Auto Express](#))
- **Baidu** announced a JV with Singaporean group **Asia Mobility Industries**, in addition to a joint investment fund with \$200 million to spend on advanced mobility projects. ([Press Release](#))
- **GM** unveiled a Bolt without a steering wheel, and requested permission to use the vehicle on public roads in the US. Following Waymo's example, the company released a "safety report" that explains the workings of an autonomous vehicle without providing any technical substance beyond widely-agreed and long-standing principles. ([GM](#))
- **Toyota** debuted the e-Palette concept vehicle at CES; a scalable electrified and autonomous vehicle. Toyota announced partnerships with **Didi**, **Uber**, **Amazon** and **Pizza Hut** to develop applications for the vehicle and said it was sharing technology development with **Mazda**, Uber and Didi. ([Toyota](#))

Electrification (history)

- **Valeo** said that a BEV with a 48V system could achieve a retail price of \$7,500 for a city car. ([Valeo](#))
- Henrik **Fisker** said in an interview that his company's research into solid state batteries indicates units costs of around \$65 per kWh are realistic when the technology matures. ([CNET](#))
- **Ford** has set a new electric vehicle investment target of \$11 billion by 2022, funding 40 electrified vehicles, of which 16 will be BEVs. ([Reuters](#))
- **Kia** said it was planning 16 electrified vehicles -- 10 x hybrid/FHEV; 5 x BEV and 1 Fuel cell -- leaving 22 for **Hyundai** (based on prior announcements). ([Kia](#))
- **Panasonic** has developed a scalable electric vehicle platform suitable for bikes and small EVs. ([Panasonic](#))

Connectivity

- **Ford** partnered with **Qualcomm** to develop standardised communications technologies for vehicles to share information with other connected devices (the internet of things). ([Ford](#))
- **Baidu's** COO said that in time the company believed that HD maps for self-driving cars could become a bigger business than search. ([Technology Review](#))
 - Implication: Absent a complete monopoly, its hard to see how this assessment can be correct. Maps are already largely commoditised and the value of HERE indicates that even global coverage is only worth a few billion dollars in enterprise value. In addition, mapping companies will need feedback from the vehicles to improve the mapping service, weakening pricing power... unless they owned the vehicles themselves.
- **TomTom** launched a service that streams HD maps for AVs (rather than the vehicle carrying an out of date map in its memory), signing up **Baidu** and **Zenuity** as launch customers. ([TomTom](#))

Other

- **LimeBike** said it will introduce e-bikes ([LimeBike](#)), as will the **Ford**-sponsored San Francisco scheme. ([TechCrunch](#))