



AD PUNCTUM

Autos & Mobility Industry Briefing -- 26th February to 4th March 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)

- Invested in May Mobility, a maker of autonomous buses, alongside Toyota. ([Toyota](#))
- Will launch digital key technology in July that allows an owner to share a vehicle with five others using a smartphone app rather than having to share the physical key. ([Europa Press](#))

Daimler (history)

- Invested in data analytics company Anagog. ([Anagog](#))
- Announced a new factory in Beijing, China with existing JV partner BAIC. ([Daimler](#))
- Announced a full takeover of Car2Go, buying Europcar's 20% stake -- and echoing BMW's recent move to buy out Sixt from its car sharing service. ([Daimler](#))
 - Implication: If rental companies are the future of fleet management for shared vehicles (witness the hysteria around Avis's involvement with Waymo) then why are Daimler and BMW pushing out their partners? And why are the rental companies throwing in the towel?
- Demonstrated an internally-created cryptocurrency called Mobicoin. In Daimler's concept, the coins were earned through eco-friendly driving -- a loyalty card fit for the 21st century? ([Journal Auto](#))
- Unveiled the new CLS, featuring a V6 engine with 48V replacing a V8 engine in the prior model. Mercedes say that the change has reduced CO₂ by around 23% whilst preserving power. ([Daimler](#))
- Daimler's Financial Services division is working on a chatbot with a computer-generated image of a person to act as a concierge for future car purchases and other services. At present, a fair bit of development is still required (as Daimler's demonstration video attests). ([Daimler](#))

FCA (history)

- Announced it will review a separation of the Magneti Marelli electronics business in Q2 2018. ([FCA](#))

Ford (history)

- Will create a test fleet of vehicles in Miami aimed primarily at delivery in partnership with Domino's (a pizza chain) and Postmates (parcel delivery). ([Miami](#))
- Told unions and local politicians that it will not manufacture a new 8 speed automatic transmission (dubbed 8F mid) in the Bordeaux, France factory, leaving the plant's future in doubt. ([Les Echos](#))
- Recalling around 2,100 Taurus cars to correct problems with the ignition key releasing too early. ([Ford](#))

Geely (includes Volvo)

- Reportedly held talks with FCA about an investment before deciding on Daimler, a rumour which first emerged in August 2017 but was denied by the parties at the time. ([Bloomberg](#))

- Raised money to pay for its Volvo Group stake through a 12 month and five year loan. ([Reuters](#))
- A Reuters report explained how the Daimler stake was purchased without having to disclose the size of the holding until it was complete. ([Reuters](#))
- Volvo became the latest OEM to launch an investment fund. The California-based team will be headed by existing personnel and Volvo did not disclose the budget. ([Volvo](#))
- Volvo Cars's CEO has not been proposed for re-election to the board of truckmaker Volvo Group because the other directors were annoyed about Geely's stake in Daimler. ([SCMP](#))

General Motors (history)

- Has reportedly received around 2,500 applicants for its redundancy package in South Korea and is looking to eventually cut 5,000 posts. The figure is significant because it is greater than the number of employees at the plant GM has already said it will close (about half of the staff there have applied -- the rest could transfer). ([Reuters](#))
- Researchers released a video of a Chevrolet Bolt battery pack teardown -- they say the battery capacity is 57 kWh, not the 60 kWh stated by GM. ([Green Car Reports](#))

Honda (history)C

- Announced the new CR-V, which will feature a hybrid engine rather than offer a diesel version. ([Honda](#))

Hyundai / Kia

- Unveiled the Kona BEV, a small SUV. The car has a 64 kWh battery offering 470 km of range, a smaller 39.4 kWh is also available. ([Hyundai](#))

Mazda

- Announced organisational changes which abolished the electrical and electronics department and created groups specialising in electrical vehicles and infotainment instead. ([Mazda](#))

Nissan (includes Mitsubishi)

- Announced new initiatives for the Renault-Nissan-Mitsubishi alliance, including a deeper involvement for Mitsubishi. By 2022, the group expects to sell 9 million units from 4 common platforms (about 65% of sales) and for 75% of vehicles to use common powertrain. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Reported 2017 financial results. Revenue of €65 billion included Opel/Vauxhall for the first time, stripping this out gave a 9.9% increase in the automotive division. Automotive operating income was just under €2.8 billion, with Opel/Vauxhall registering a loss of €(179) million for the period of PSA ownership. ([PSA](#))
- In the earnings call, CEO Tavares said that Opel's wage cost as a % of turnover (PSA's favoured measure) was 15.3%; and that the company would have a new strategic plan in 2020. ([Seeking Alpha](#))
- Announced it will take an ownership stake in the vehicle plant owned by Malaysian group Naza Corporation and vehicles on the EMP2 platform will be built there for sales within ASEAN. ([PSA](#))

Renault (history)

- CEO Carlos Ghosn said that a merger between Renault, Nissan and Mitsubishi was not an "objective... but something that should happen in a natural way". ([Journal Auto](#))
- Hiring 205 employees at Le Mans ([Usine Nouvelle](#)); 200 at Cléon ([Usine Nouvelle](#)) and 350 at Flins. ([Usine Nouvelle](#))
- Announced new initiatives for the Renault-Nissan-Mitsubishi alliance, including a deeper involvement for Mitsubishi. By 2022, the group expects to sell 9 million units from 4 common platforms (about 65% of sales) and for 75% of vehicles to use common powertrain. ([Nissan](#))

Tata (includes JLR)

- Jaguar unveiled the I-Pace with a Top Gear / Grand Tour style video and a drag race with a Tesla Model X (the Jag won but, given the stated 4.8 second 0-60 time, one wonders whether Ludicrous Mode was turned on). ([Jaguar](#))

Tesla (history)

- Opening a research centre in Greece that is expected to house around 50 staff. ([The Guardian](#))

Toyota (history)

- Will build the next generation Auris in its Burnaston, UK, plant. Toyota's press release stressed the importance of zero tariffs and "frictionless" trade post-Brexit. ([Toyota](#))
- Confirmed that it will no longer offer diesel powertrains in European passenger cars after the end of 2018 (mix fell below 10% in 2017), commercial vehicles will still have diesels. ([Toyota](#))
- Invested in May Mobility, a maker of autonomous buses, alongside BMW iVentures. ([Toyota](#))
- Said it was restructuring its autonomous driving efforts and spending an additional 300 billion yen (about \$2.8 billion). The effort will be led by US-based Toyota Research Institute, Toyota affiliates Aisin and Denso will also have small stakes in the organisation (90% Toyota / 5% Denso / 5% Aisin). ([Toyota](#))
- Launched a new 2.0 litre hybrid engine with accompanying CVT that Toyota says will reduce emissions by more than 18% and will be the mainstay of its portfolio, representing 80% of vehicles sold in major markets by 2023. ([Toyota](#))

VW Group (history)

- Bentley "would like" their next car after the GT to have Level 4 autonomous capability. ([Wired](#))
- Audi said that the new A6 will feature 48V hybridisation on all vehicles. The ICE-assistance will save fuel by allowing extended engine-off operation (while the vehicle is in motion rather than traditional stop/start). Audi claims a fuel economy benefit of around 10% for the technology (note: Magna says that on systems with greater capabilities than the Audi one, 18% is possible). ([Audi](#))
- Porsche executives hinted at a flying car program. ([Reuters](#))
- Will offer a digital key for VW customers, starting with the VW Passat in late 2018. The owner will be able to authorise up to 15 other people who can share the vehicle using a smartphone app -- they can also decide whether to grant the ability to drive the vehicle or only to unlock the doors. ([VW](#))
- Porsche wants all US dealerships to have 800V / 350 kW chargers. ([Ars Technica](#))
 - Implication: If Porsche go through with the plan, this might lead to increased visits to the dealer site and an improved customer relationship. A welcome side effect of the cost involved and a potential offset to the lower maintenance revenues expected to accompany fully electric cars.

Other

- **Aston Martin** reported financial results for 2017. Revenue of £876 million was up 48% on 2016, pre-tax profit of £87 million reversed a prior year loss of £(163) million. ([Aston Martin](#))
- **Lister** released images of their planned Storm II supercar. ([Motor 1](#))
- **NIO** is said to be working on an IPO that would raise around \$2 billion. ([Economic Times of India](#))
- **Subaru** announced the appointment of a COO. ([Subaru](#))
- The company working on an homage to the **Lancia Stratos** said that, this time, it's totally going ahead. ([Auto Blog](#))

News about other companies and trends ...

Economic / Political News

- **Germany's** Federal Court ruled that, if certain conditions were met and "proportionality" was applied, it was legal for cities to ban diesel vehicles. Environmentalists rejoiced, the government promised a response. ([The Guardian](#))
- The **US** imposed tariffs on imports of steel and aluminium. As the EU considered its response, President Trump said he would approve counter-retaliatory duties on EU-built cars if they dared to do anything. ([Autocar](#))

- **US Industry** in February was 17.0 million units, a drop of about (3)% on a year-over-year basis. ([Wards](#))
- **German** passenger car registrations in February of 261,749 units were up 7.4% on the prior year. ([KBA](#))
- **France** also saw increased vehicle registrations -- passenger cars up 4.3%, CVs up 3.6%. ([CCFA](#))
- **Spanish** passenger car registrations increased 13% versus prior year, to 110,474 units. ([Faconauto](#))
- Passenger car registrations in **Italy** for February fell (1.4)% year-over-year, to 181,734 units. ([UNRAE](#))
- European trade body **ACEA** issued a statement attacking the **EU's planned CO₂ targets for 2025 and 2030**. The plain-speaking style was something of a departure from the silkier narrative normally observed. ACEA drew attention to the "social implications" of a redundant manufacturing base for traditional transmissions and internal combustion engines. ACEA also said the EU's proposals did "not sufficiently reward" PHEVs -- an odd claim since the EU targets for 2030 are well within the reach of this technology. The "fact" that a near-zero share for electric vehicles in EU countries with lower incomes "says it all" seemed especially dubious; there are 12 years to go to 2030 and similar things could have been said about Norway 5 years ago. ([ACEA](#))
 - Implication: ACEA mustered some very real concerns, especially around the restructuring challenge confronting OEMs and suppliers as vehicle production increasingly moves towards electrification (the share of electrified vehicles is smaller than market growth since the recession so this effect has not yet manifested in a real way). However, isn't this somewhat undermined by the laissez-faire attitude of the OEMs themselves? ACEA's argument mainly falls into the too hard / too scary category and appears tone deaf to societal change. In addition although it references the EU's commitments under COP21 (a climate change agreement), it fails to acknowledge two lynchpins of the EU's own case for setting more aggressive targets: (1) that car-by-car reductions are all very well but if fleet size is growing (which it is, fast) then individual targets need to be tougher and; (2) that the EU expects costs (and prices) to rise as a consequence -- anathema to the OEMs.

Suppliers

- **Dana** said it is in talks with **GKN** about buying some of GKN's business. ([Dana](#))
- **Plastic Omnium** will buy **Mahle's** one third stake in **HBPO**, **Hella's** shareholding is unchanged. ([Plastic Omnium](#))
- **Bosch** gave a presentation of its electromobility strategy. The company does not intend to manufacture its own battery cells, although it might revisit this decision when solid state technology matures -- which Bosch sees as "the way forward... from the middle of the next decade". Bosch's presentation gave some clues to how BEV costs could fall dramatically, saying that solid state batteries could cut costs in half whilst doubling energy densities (meaning a cheaper, smaller, lower weight battery getting the same range as today) and that better thermal management could increase range by 20% (allowing further reductions in battery size). ([Bosch](#))
- **Magna** held an investor day. The company remains bearish on EVs in the medium term, forecasting a share of 4%-5% by 2025 ([in mid 2017 the CEO said 3% to 6%](#)), however the company does see ICE-only share falling to 16% to 21% by 2030 -- take out emerging markets and that doesn't leave many being sold in Europe and North America. The company is now forecasting significant take-up of autonomous vehicles -- 30% of sales having L4/5 capability by 2030. ([Magna](#))
- **Gestamp** reported full year 2017 revenue of €8.2 billion and EBIT of €485 million. ([Gestamp](#))

Dealers

- Chinese online (new and used) car broker **Chehaoduo** reportedly raised \$818 million from a number of companies including Tencent. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** launched UberHealth, similar to its existing UberCentral offering that helps companies book journeys for their customers. The new service can be used for non-emergency trips to a from hospitals and clinics. ([TechCrunch](#))
- **Uber** criticised a MIT report into the earnings potential for its drivers, saying the methodology underestimate pay by asking confusing questions. ([Uber](#))
- Chinese firm **Meituan** is reportedly planning to launch ride hailing services in several major cities. ([Technode](#))

Driverless / Autonomy (history)

- **Aurora** (partnering with **VW**, **Hyundai** and **Byton**) raised \$90 million in a Series A round. ([TechCrunch](#))
- **Pony.ai** said that it had been successfully trialling autonomous vehicles on the streets of Nansha and that it has agreed a partnership with **Guangzhou Automotive Group**. ([Pony.ai](#))
- **California** will allow test autonomous vehicles that do not have safety drivers behind the wheel. ([California DMV](#))
- **Pix** said it was running an event to create a self-driving car in five days using a team of 15 people. ([Pix](#))
- **Waymo** said its fleet has now covered 5 million miles on public roads and celebrated by releasing a short video with real time information overlaid onto video a vehicle in motion. Although the video looks cool, note the limited range (the long range view from 1:40 is illustrative here) and resolution of the real time data versus some of the cleaned up images other companies have showed off in the past. Also note that the conditions are about as perfect as you can get for video. ([Waymo](#))
 - Implication: Waymo is stepping up its campaign for public acceptance, at a cost of greater transparency. Although at present there is plenty for advocates to cheer, the hyperbole leaves room for critics too. For instance, Waymo trumpets the progress of “one of the most experienced drivers on the road”, ignoring the fact that this driver would have an abysmal safety record if they were an actual human and would have long ago lost its drivers licence.
- **Toyota** and **BMW iVentures** invested in **May Mobility**, a maker of autonomous buses. ([Toyota](#))
- **Toyota** is restructuring its autonomous driving efforts and spending an additional 300 billion yen (about \$2.8 billion). The effort will be led by US-based Toyota Research Institute. ([Toyota](#))

Electrification (history)

- **Mahindra** and **LG Chem** will jointly develop batteries with the intent of creating a low cost, high energy density, chemistry that will aid market share growth for electric vehicles in India. ([Mahindra](#))
- **CHAdEMO** are working on a 400 kW / 1,000V standard, for release soon. ([Inside EVs](#))
- **US rules** saying that electric cars will have to make **noise** have been pushed back so that full compliance is not required until September 2020. ([Engadget](#))
- **Dyson** is recruiting 300 engineers to add to its existing 400 person electric vehicle team. ([BBC](#))
- Researchers released a video of a **Chevrolet Bolt** battery pack teardown -- they say the battery capacity is 57 kWh, not the 60 kWh stated by GM. ([Green Car Reports](#))

Connectivity

- **Net4Things** and **UST** will partner to develop connected vehicle applications, focused on Spanish and Portuguese speaking markets. ([UST](#))
- **Argus Cyber Security** and **Ericsson** announced a partnership to work on cyber security for connected cars. ([Argus](#))
- **Mapbox** launched an augmented reality map platform that can display information about locations on top of their image (e.g. using a heads-up display in a car). ([Press Release](#))
- **Amazon** will make voice-controlled artificial assistant Alexa open source for automotive applications, provided that the vehicle runs automotive grade linux. ([Bloomberg](#))

Other

- **Harley Davidson** took a stake in electric bike maker **Alta Motors** and the two companies will collaborate on electric urban motorcycles, Harley Davidson is aiming to release its first all-electric product in 2019. ([TechCrunch](#))