



AD PUNCTUM

Autos & Mobility Industry Briefing -- 19th March to 25th 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)

- Released the 2017 annual report and outlook for 2018, warning that it would have to make substantial investments in new technologies but still hoped to have profit before tax in line with 2017. ([BMW](#))
- German authorities raided BMW offices looking for evidence of emissions cheating. ([Autocar](#))
- BMW iVentures led an investment round in lidar maker Blackmore, with Toyota also participating. ([Blackmore](#))
- The long-rumoured mobility asset pooling between BMW and Daimler could have a larger scope than previously anticipated and could include Daimler's stake in ride hailing firm mytaxi. ([Manager Magazin](#))
- May suspend production of petrol powered X5, X6, 6 Series and 7 Series vehicles in Europe from middle of 2018 into 2019 so the company can comply with RDE, hybrids are not affected. ([Manager Magazin](#))
- Does not want to "scale up" with the (recently launched) fourth generation of BEVs and will wait for the fifth generation (due in around 2020) because it will deliver a "two digit" percentage cost reduction in costs. ([Reuters](#))

Daimler (history)

- The China-specific Denza brand (a JV with BYD) launched the updated Denza 500 BEV with a claimed range of around 500 km. ([Daimler](#))
- The long-rumoured mobility asset pooling between BMW and Daimler could have a larger scope than previously anticipated and could include Daimler's stake in ride hailing firm mytaxi. ([Manager Magazin](#))

Ford (history)

- Announced pricing for the FordPass SmartLink dongle that can be plugged into the OBD port of Ford vehicles from 2010 onwards, enabling a certain amount of connected services. It looks expensive -- \$16.99 per month for a minimum 24 month contract, plus installation. ([Ford](#))
- Signed an MoU with Mahindra to develop a series of vehicles including a C-sized crossover and a small electric vehicle, aimed at emerging markets. The C-sized crossover will be based on a Mahindra platform; the partners will develop a connected vehicle platform; and the press release raised the possibility of Ford buying Mahindra powertrain to augment its existing offerings. ([Ford](#))
- Led a \$65 million funding round in 3D printing company Desktop Metal. ([3D Printing Industry](#))
- Announced an online platform in the USA called Ready.Shop.Go that will create time-limited offers for consumers that include financing and trade-in. ([Ford](#))
- Announced executive changes, including the departure of the recently-recruited chief brand officer. ([Ford](#))

Geely (includes Volvo)

- Lotus CEO talking about parts sharing with Volvo, says that the new SUV will likely be from Volvo's platform and that the company is looking at ways to make-up for engines being no bigger than I4.

Hyundai / Kia

- The head of Hyundai's South Korean union expressed concern over the effect of electric cars on factory jobs, saying "electric cars are disasters. They are evil.". ([Economic Times of India](#))

Nissan (includes Mitsubishi)

- Aiming to sell 1 million electric cars per year by 2022, a mix of BEVs and hybrids. The company gave a bit more detail on its intended product portfolio saying that there will be 8 new BEVs by 2022, including a kei car and a C-sized crossover. There will also be an "electric car offensive" in China. ([Nissan](#))
- Told US dealers that it was slowing production at a number of plants as it aims to reduce inventory to between 50 to 60 days. ([Bloomberg](#))
- Opened a lithium ion battery recycling plant in Japan as a joint venture with Sumitomo. The plant will repurpose used car batteries and depending on the condition may re-use them in vehicles or put them into packs for industrial vehicle use or stationary storage. ([Nissan](#))
- Started offering "refabricated" battery packs for the Nissan Leaf -- using a combination of new and good condition used components. At the moment, the offer is for Japan only. Pricing for a 40 kWh packs is around \$7,800, giving an effective per kWh price of \$195. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Opel's R&D centre in Rüsselsheim will become a centre of excellence for a variety of Groupe PSA technologies, including manual transmissions and seats. ([PSA](#))
 - Implication: Although at the surface this is good news for Opel workers, replacing research that was formerly conducted for General Motors, a comparison of the "new" work to technical elements that are becoming either commoditised or obsolete might worry them.
- Signed a licensing agreement to manufacture automatic gearboxes in France designed by Aisin (the 6-speed EAT6) instead of importing them from Aisin's factory in Japan. ([PSA](#))
- Announced a series of changes for powertrain plants. The PSA-developed I3 gasoline engine will be produced in Opel's Poland and Hungary factories and manual gearbox capacity will be added in Austria (Opel) and Metz. In addition, PSA confirmed the start of electric motor production at Trémery in 2019. ([PSA](#))
- Peugeot's head of brand said that the company will "absolutely hit our CO₂ targets for 2021", despite the reduction in diesel sales and without needing all-electric vehicles (although hybrid electric vehicles will be sold). ([Autocar](#))

Tesla (history)

- Shareholders approved CEO Elon Musk's new pay scheme: he will receive no salary and only earn stock awards by growing the company's business and market capitalisation. ([CNBC](#))
- Reportedly held talks with AI vision company Cortica that could lead to an acquisition or partnership. ([Reuters](#))
- Tesla says that its large battery installation in Australia is being underpaid for the grid stabilisation it provides because the current billing rules do not start counting power supplied until six seconds after the request is made (Tesla says it responds almost instantaneously). ([Sydney Morning Herald](#))
 - Implication: Tesla's complaint in this case is that grid stabilisation billing rules are written around fossil fuel power stations, this technicality (with real financial implications) could recur in other territories and indicates lobbying will be required to ensure that V2G charging schemes are fully competitive.

Toyota (history)

- Suspended autonomous car testing on public roads in the USA following Uber's accident (even though no Toyota vehicle was involved). ([Business Insider](#))
- Reportedly held talks with Uber about buying driverless technology for use in Toyota vehicles. ([TechCrunch](#))
- BMW iVentures led an investment round in lidar maker Blackmore, with Toyota also participating. ([Blackmore](#))

VW Group (history)

- VW will launch a five-seat version of its US market specific Atlas SUV, saying that the vehicle represented an investment of around \$340 million. ([VW](#))
- VW Group's CEO said that the company's top management team needed to become more feminine, younger and more international. ([Handelsblatt](#))
- There was reportedly boardroom unrest with some board members believing that the discussion had been structured to reduce their oversight. Answering accusations that he and other executives were overpaid, VW's CEO it was justified in part because he has "one foot in jail" because of responsibility for the company's actions -- a slightly odd statement given that the only person to face jail over the diesel scandal was a non-C suite executive. ([Der Spiegel](#))
- Audi's CEO wants the brand to sell 200,000 all-electric vehicles by 2021 and is reportedly contemplating actions as radical as only offering the next generation TT and A8 as BEVs. ([Manager Magazin](#))
- Porsche employees will get a bonus of over near €9,600 due to the company's record performance in 2017 (and a token of appreciation for reaching 70 years as a going concern. ([Porsche](#))
- VW's financial services division said that although profits were up, there is a potential residual value drop of 500 euros per vehicle on diesel-engined vehicles. ([Handelsblatt](#))
- SEAT released its annual report and confirmed the brand's modest electrification plans-- one BEV (thought to be SEAT's version of the e-Up city car) and a hybrid version of the Leon will appear in 2020. ([SEAT](#))

Other

- Chinese / Italian start-up **X Electrical Vehicles (XEV)** says that its modular 3D printing line will be able to produce 500 vehicles per year. The company claims a development time for a new model of 4 months. ([SCMP](#))
- **Pininfarina** is said to be planning a four-car all-electric line-up, bankrolled by owner **Mahindra**. ([Autocar](#))
- A group of carmakers launched a website that will contain details of all US **recalls**. ([Press Release](#))
- Researchers developing a **next generation diesel exhaust** technology called ACCT which overcomes low temperature issues with SCR said that it could be ready for production in two years. ([Autocar](#))
- Chinese electric car start-up **CHJ Automotive** raised \$473 million, total funding is \$908 million. ([Deal Street Asia](#))
- **Pagani** are reportedly working on an all-electric car that will launch in 2025. ([Performance Drive](#))

News about other companies and trends ...

Economic / Political News

- European carmakers' body **ACEA** asked for **UK** vehicle CO₂ figures to count towards 2021 fleet average targets even though the country will have left the EU and the transition period will have ended by then. ([ACEA](#))
- **ACEA** issued a new position paper on car safety, arguing for priority to be given to active safety systems, those that rely on software and sensors to prevent accidents occurring. This is in part due to a desire to keep vehicles lighter by avoiding further components that help survive a crash. ([ACEA](#))
- Average CO₂ of new cars sold in **Spain** rose in 2017 versus the prior year, the first time in a decade. ([Europa Press](#))
- The **US** Environmental Protection Agency is drafting new standards that will lower fuel consumption standards in the early 2020s -- since some states may keep the stricter limits, it might not make life that much easier for automakers. ([Bloomberg](#))

Suppliers

- **Autoliv** announced the executive team that will lead it, and **Veoneer**, once the latter has been spun off. ([Autoliv](#))
- **Adient** agreed a joint venture for automotive fabrics with **Arvind Group**. ([Autocar](#))
- **Dana** is planning a secondary listing on the London stock exchange as part of its takeover plans for **GKN**. ([Dana](#))

Dealers

- US dealer **Group 1** gave a Q1 profit warning, citing weakening market conditions in the US and UK and a need to invest in used car sales. ([Group 1](#))

- Data from the **UK Finance and Leasing Association** for January showed that although the number of vehicles financed was down, it fell by less than the overall market and the level of finance leases by value was strongly up -- potentially due to better mix or pricing, but most likely because customers are borrowing more. ([FLA](#))
- German online car sales broker **Autohaus24** (owned by **Sixt**) says that demand for cash sales is so weak it will only offer financing and leasing deals. ([Autohaus](#))

Ride-Hailing, Car Sharing & Rental (history)

- As rumoured, **Uber** and **Grab** agreed to merge their entire Southeast Asia operations. Grab will run the combined business, with Uber taking a 27.5% stake in Grab. ([Press Release](#))
 - Implication: Uber is now part ride hailing firm and part ride hailing-focused VC, but it isn't clear why that makes sense as a strategy. Perhaps Uber's future lies in being more highly valued for its stakes in other companies than its core business (a la Yahoo)?
- The long-rumoured mobility asset pooling between **BMW** and **Daimler** could have a larger scope than previously anticipated and could include Daimler's stake in ride hailing firm mytaxi. ([Manager Magazin](#))

Driverless / Autonomy (history)

- Further details emerged of the **Uber** crash and various pundits and experts weighed in, [including the Teamsters union](#). [Waymo's CEO said his company's software "would be able to handle situations like that one"](#) and [Velodyne said that they would have expected their lidar to detect the pedestrian, but made clear that it is the responsibility of other systems to interpret the lidar data and make appropriate decisions](#). Police released a video of the incident which appears to show the vehicle failing to recognise the pedestrian crossing the street, even after they appear in the glare of the headlights -- indicating either radar and lidar failing to detect their presence, or that the object identification software wrote the sensor data off as a false positive. ([Twitter](#))
 - Implication: Journalists were keen to seek comments from the suppliers of hardware used by Uber in its self-driving vehicles, namely **Volvo** and Velodyne, after the accident. It remains to be seen whether there is a reputational risk, or possibly even involvement in lawsuits, in being a supplier to self-driving programs that experience crashes
- **Apple** have reportedly increased the size of their test fleet in California to 45 vehicles -- second only to GM's Cruise in the state. ([TechCrunch](#))
- **Toyota** reportedly held talks with **Uber** about buying the latter's driverless technology. ([TechCrunch](#))
- **BMW iVentures** and **Toyota** participated in an \$18 million investment in lidar maker **Blackmore**. ([Blackmore](#))
- **Gatwick** airport in the UK will trial use of autonomous vehicles "airside", saying that its fleet of 300 vehicles are stationary 90% of the time. ([zdnet](#))
 - Implication: This sort of geofenced application, with controlled conditions and relatively light traffic, is perfect for autonomous vehicles to operate efficiently but with the risk and cost of occasional failures being minimised.

Electrification (history)

- **Bollinger** increased the largest battery pack it will offer to 120 kWh, providing 200 miles of range ([Electrek](#))
- **Tesla** says that its large battery installation in Australia is being underpaid for the grid stabilisation it provides because the current billing rules do not start counting power supplied until six seconds after the request is made (Tesla says it responds almost instantaneously). ([Sydney Morning Herald](#))
- **Audi's** CEO wants the brand to sell 200,000 all-electric vehicles by 2021 and is reportedly contemplating actions as radical as only offering the next generation TT and A8 as BEVs. ([Manager Magazin](#))
- **Nissan** started offering "refabricated" battery packs for the Nissan Leaf -- using a combination of new and good condition used components. At the moment, the offer is for Japan only. Pricing for a 40 kWh packs is around \$7,800, giving an effective per kWh price of \$195. ([Nissan](#))

Other

- Bicycle rental companies in Seattle including **LimeBike** and **Spin** had to issue warnings to customers after a number of bikes were found to have brake wires cut. ([Geekwire](#))