



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 26<sup>th</sup> March to 1<sup>st</sup> April 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)

- Officially announced the merger of BMW and Daimler's mobility operations into a new company, with both holding a 50% share. Services will cover multimodal; car sharing; ride hailing; parking and charging. However, a number of investments by both companies into these areas were not mentioned by name so it appears as though both will continue to invest in start-ups that interest them. ([BMW](#))
- Customers are reportedly availability problems for plug-in hybrids with the introduction of WLTP test procedures being blamed. ([Honest John](#))
- Reportedly planning a trial subscription service called Access by BMW in the USA. ([Bloomberg](#))
- BMW's Parkmobile said its app can now identify free parking spaces, for a \$0.99 monthly fee. ([Parkmobile](#))

#### **Daimler** (history)

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#### **FCA** (history)

- Extended its revolving credit facility to 2023. ([FCA](#))

#### **Ford** (history)

- Lincoln unveiled the Aviator, a three row SUV that the company hopes will do well in China. ([Lincoln](#))

#### **Geely (includes Volvo)**

- Lynk&Co revealed the 02 -- confusingly, its third vehicle, and that European sales will begin with a series of high-profile stores augmenting the main offering via its website. The first locations will be Amsterdam, Barcelona, Berlin, Brussels and London. ([Lynk&Co](#))

#### **General Motors** (history)

- Gave unions in South Korea an ultimatum: the company will declare bankruptcy in the country if there is no agreement by April 20<sup>th</sup> that cuts labour costs enough to allocate a new model program. ([Reuters](#))
- Newer Cadillac models are seemingly not being offered with GM's L2 Super Cruise driver assistance system, with limited explanation from company spokespeople. ([The Verge](#))

- A Cruise test vehicle received a citation from San Francisco police for driving too close to a pedestrian, although GM disputed that there was any safety issue, the police replied that they rely on the observations of their personnel rather than any data output from the car. ([Business Insider](#))
  - Implication: In future, both groups will be compelled to shift position. Self-driving companies will have to accept that “safety” is a measure interpreted by law officials, regulators and court; police will find it difficult to rely on the wealth of data from self-driving cars when trying to unravel mysterious accidents whilst retaining the right to ignore it when it suits them.

## Hyundai / Kia

- South Korean union officials complained that the updated US-South Korea free trade is “humiliating” and made local production of a planned Hyundai pick-up unlikely -- probably music to the ears of US negotiators. ([Reuters](#))
- Will simplify its governance structure by spinning off the core module business of supplier Hyundai Mobis and merge it with logistics firm Hyundai Glovis. ([Yonhap](#))

## Nissan (includes Mitsubishi)

- Both companies continued to deny persistent rumours that Nissan and Renault are engaged in merger talks with a view to a new company headquartered in either London or the Netherlands. ([Les Echos](#))
- Signed an agreement to produce Datsun cars in Pakistan from 2019 onwards. ([Nissan](#))

## PSA (includes Opel/Vauxhall) (history)

- Said it was “no longer necessary” to retain its 25% stake in logistics provider Gefco now that the end of its lock-in period (which started when it sold 75% of the business) has ended. ([Les Echos](#))
- Reportedly planning a massive reduction in Vauxhall dealers -- 100 of the 324 sites to go. ([Automotive Manager](#))
- Opel is reportedly trying to gain union agreement to suspend the German industry-wide 4.3% pay increase; is offering separation terms of up to €275,000 per employee plus a €20,000 bonus for those who sign up quickly. ([Handelsblatt](#))
- PSA and Dongfeng agreed a joint venture to offer leasing arrangements to customers in China. ([PSA](#))
- Executives said the company has chosen which brand to use for its re-entry into the North American market but it is “too early” to talk about it. ([Car and Driver](#))

## Renault (history)

- Both companies continued to deny persistent rumours that Nissan and Renault are engaged in merger talks with a view to a new company headquartered in either London or the Netherlands. ([Les Echos](#))

## Suzuki

- Agreed a two-way supply agreement with Toyota in India. Suzuki will supply Baleno and Vitara-based products and Toyota will reciprocate with Corolla. Volumes and pricing methods are still under discussion. ([Toyota](#))

## Tata (includes JLR)

- Waymo will use Jaguar’s I-Pace as its first all-electric autonomous vehicle, planning for up to 20,000 purchases between 2020 and 2022 -- a fleet that Waymo says could operate 1 million trips per day. ([Waymo](#))

## Tesla (history)

- Released a series of blog posts detailing a recent fatal crash of a Model X. The company said that Autopilot was engaged but pointed to a series of safety warnings it said had been ignored by the driver and the reduced level of safety guarding at the scene of the accident. ([Tesla](#))
  - Implication: Tesla continues to show scant regard for driver privacy, offering up detailed analysis in order to defend against real or perceived criticism. The company is potentially setting a murky precedent. If it can release data as it sees fit then is it implicitly lowering the bar for others to demand to see it? Tesla also draws heavily on the comparison to average US crash statistics, but when adjusted for lack of seat belts and removal of drink driving, the benefit of Autopilot is less flattering.

- Moody's downgraded Tesla's debt rating to B3 over cashflow concerns. ([Business Insider](#))
- According to a company-wide memo, Model 3 production is between 200 and 300 vehicles per day. ([Bloomberg](#))
- Announced a recall of 123,000 Model S vehicles to correct problems with power steering. ([CNBC](#))

#### Toyota (history)

- Agreed a two-way supply agreement with Suzuki in India. Suzuki will supply Baleno and Vitara-based products and Toyota will reciprocate with Corolla. Volumes and pricing methods are still under discussion. ([Toyota](#))
- Lexus said that the new UX crossover will be available through a subscription service with more details to be announced later this year. ([Toyota](#))
- Issued a recall for around 2,000 Camry vehicles to correct problems with the engine. ([Toyota](#))

#### VW Group (history)

- Lamborghini's boss said the company would produce 7,500 cars in 2019 and that it might launch an additional model to take annual sales to nearer 10,000 units, but not until around 2025. ([Motoring](#))
- Porsche executives said that they expect charging networks to start returning a profit after three years. ([Electrek](#))
- VW will guarantee that German buyers of new or nearly-new VW diesels can exchange for something else if the vehicle has its access restricted around the owner's home or work address in the next three years. ([VW](#))
- A potential scandal looms, with rumours the CEO was part of a 2013 hit-and-run in South Africa. ([Der Spiegel](#))

#### Other

- **Magna** announced that it was developing two new vehicles for Vietnamese group **VinFast**. [The cars are being designed with help from Pininfarina](#). ([Magna](#))
- **Bollinger** engaged engineering services provider **Optimal Inc** to develop their all-electric off-road vehicle. ([Electrek](#))
- There was speculation that **BYD** will spin off its battery division. ([Gasgoo](#))
- Chinese-owned industrials group **CCA** said that it will invest £100 million into a plant in Coventry, UK for production of the **MetroCab**, a purpose-built taxi. ([MetroCab](#))
- **SF Motors** unveiled two of their planned all-electric three car portfolio -- both SUVs. ([TechCrunch](#))
- **Egyptian** officials implied that **SAIC** is close to agreeing to build a car factory in the country to serve as an export hub for North Africa and the Middle East. ([China Daily](#))
- OEM April Fools press releases included an **Aston Martin** monster truck, enhanced quality control of floor tiles at **McLaren** and a roadster **Honda CR-V**. ([Autocar](#))

## News about other companies and trends ...

### Economic / Political News

- The existing **US-South Korea trade deal** was renegotiated. Tariffs on pick-up trucks entering the USA, scheduled to be phased out, were extended and sales of US-made vehicles to South Korea were made easier. ([CNBC](#))

### Suppliers

- **Dana's** attempted merger with **GKN Driveline** fell apart as GKN's shareholders chose an alternative bid by takeover specialist **Melrose**. ([Dana](#))
- **Denso** announced it was opening a technical centre in Israel. ([Denso](#))
- **Federal Mogul** announced a joint venture with Dong Feng to make pistons. ([Federal Mogul](#))

### Ride-Hailing, Car Sharing & Rental (history)

- **Uber's** deal with **Grab** is under investigation by competition authorities in ASEAN who fear that a powerful monopoly will be created, against the best interests of the consumer. ([Reuters](#))
- **Grab** announced a collaboration with **RideCo** where the latter will provide dynamic on-demand shuttles that will be available on Grab's app. ([RideCo](#))

- **Careem** is reportedly in initial talks for a new fund raising round with a target of \$500 million. ([Deal Street Asia](#))
- An in-depth profile of **Uber's** CEO suggested that his performance incentives for a \$120 billion IPO might be so extravagant that they are driving many of the company's strategic decisions (e.g. converting competitive market position in Russia / China / ASEAN into stakes in dominant operators). ([New Yorker](#))
- US rental company **Ryder** said that a trial fleet asset sharing scheme had been highly successful and it is now planning a nationwide rollout, believing that 25% of fleet vehicles are totally idle at least one day per week. ([Reuters](#))

### Driverless / Autonomy (history)

- **Cepton** launched the Vista "120 line equivalent", 200m range lidar; mass production will begin in Q2 2018. The company said it was "a cost point nobody can touch with this type of performance" without providing specifics and pointed to the units relatively low power consumption (at 9W, its about the same as many 16 line units). ([Cepton](#))
- **Waymo's** CEO said the company was doing "zero" work on data gathering but that it might "be a workstream in future". ([Telegraph](#))
- **Uber** reached a settlement with the family of the woman recently killed in a collision with a self-driving car. ([Reuters](#))
- **Uber** gave up its testing permit for California. ([Engadget](#)) The company also shut down its on-demand package delivery service. ([TechCrunch](#))
- **Local Motors** will use **Elite Transportation Services** to provide fleet management for its AVs. ([Mass Transit](#))
- **Intel's MobilEye** division released the results of using its proprietary object recognition algorithms against the publicly-available video of **Uber's** fatal self-driving crash. The company said that even with the (assumed to be) low resolution version of the camera feed, it could have detected the pedestrian a minimum of 1 second prior to the collision. ([Intel](#))
- **Scotty Labs**, a start-up developing remote control for autonomous vehicles said it had raised \$6 million and formed a partnership with **Voyage**. ([Scotty Labs](#))
- **Nvidia** announced a virtual testing platform for autonomous vehicles saying that it can simulate data inputs from a variety of sensors. ([Nvidia](#))
- **Comma.ai** announced that it would start awarding drivers "gold stars" for good driving whilst the company's data logging equipment is operating. The value of the gold stars does not appear to extend beyond a warm feeling in the driver's heart. ([Comma.ai](#))
  - Implication: Comma.ai are implying that, although not ready to unleash a self-driving solution, they can recognise the difference between good and bad driving. The value of this gamification in improving the rate at which the company's AI learns how to drive and develops maps is unclear but this is the first attempt we've seen to attempt to create a feedback loop between the two (Comma.ai is not the first company to use fleet generated data to feed into self-driving AI)
- **Waymo** will use **Jaguar's** I-Pace as its first all-electric autonomous vehicle, planning for up to 20,000 -- a fleet that Waymo says could operate 1 million trips per day. ([Waymo](#))

### Electrification (history)

- **SF Motors** unveiled two of their planned all-electric three car portfolio -- both SUVs. ([TechCrunch](#))

### Other

- On-demand courier company **Shyp** announced it was ceasing operations. ([TechCrunch](#))
- **BMW's Parkmobile** said its app can now identify free parking spaces, for a \$0.99 monthly fee. ([Parkmobile](#))