



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 9<sup>th</sup> April to 15<sup>th</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)

- Sold 604,629 vehicles in Q1 2018, an increase of 3% on the prior year. Europe was up 1%, most of the growth came from Asia and the Americas. ([BMW](#))
- BMW iVentures invested in high resolution labelled map company Mapillary, citing the need for an “independent provider of street-level imagery”. ([VentureBeat](#))

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

- Mercedes executives said the brand is planning an all-electric luxury car at the same level as the S-Class. ([Autocar](#))
- Said that car sharing is “decisive” in the take-up of electric vehicles. ([Daimler](#))

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

- CEO Marchionne said the cost of making diesels reach new standards is “going to become prohibitive” and repeated that FCA’s strategy was to end production of diesel cars after 2022. ([Autocar](#))
- CEO Marchionne said the company will have the highest North American profits “by far” but “when it happens... I can’t tell you.”. ([Bloomberg](#))
- Released their 2017 sustainability report. ([FCA](#))

#### **Ferrari**

- CEO Marchionne resorted to hand gestures rather than words whilst trying to deflect interview questions about a mysterious “silent” test mule spotted near Ferrari’s Fiorano test track but ultimately conceded “there could be a Ferrari that you could run silently”. ([Bloomberg](#))

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

- The new Focus was unveiled; it is lighter than its predecessor and for the first time, a Focus will be available without an independent rear suspension in cheaper models. Ford said that this wasn’t to cut costs and driving dynamics would not be adversely affected. Motoring journalists raised on a diet of Ford comments about how inferior the ride of competitor products are because they didn’t feature independent rear suspension weren’t so sure. ([Autocar](#))
- Ford’s European executives said it would be “daft to exit a big market like Europe”, citing the sales volume (and leaving aside the question of long term profitability). They also said mild hybrid 48V systems are “starting to get to the same cost” as diesel. ([Autocar](#))
- Executives said that the company wasn’t putting much effort into planning for potential US and China tariff barriers because they “might not happen”. ([Bloomberg](#))

- Said its research indicated that driverless delivery vehicles would complete routes 25% more efficiently than those piloted by humans. ([Autocar](#))
  - Implication: Whilst much of the focus on fleet adoption of autonomous vehicles concentrates on the cost saving of removing the driver; efficiency benefits such as: improved fuel economy, better route choice and fewer accidents will also contribute to the business case.

### Geely (includes Volvo)

- Volvo executives said that the company would not be entering new segments until after 2020 and that an XC50 was not in the current plan. ([Autocar](#))

### General Motors (history)

- Will cut production of the Chevrolet Cruze to one shift from July 2018 at its Lordstown plant, with 1,500 jobs to go as a consequence. Cutting one shift at Ohio plant. ([Business Standard](#))
- EVgo announced that it would build a dedicated charging network for GM's US Maven car sharing service to support the Maven Gig product for ride hailing drivers. ([EVgo](#))
- GM Korea said that if its restructuring plan were approved then production of the Spark would cease in 2022 and be replaced with a crossover. Talks aren't going particularly well, with a group of workers trashing executive offices in protest at the company's decision not to pay bonuses. ([Reuters](#))
- Sold 715,794 vehicles in North America in Q1 2018, an increase of 3.8% over Q1 2017. ([GM](#))
- GM's Cruise self-driving unit announced the hiring of the team from Zippy.ai, a delivery robot start-up. ([GM](#))

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

- CEO Tavares wondered aloud about the take-up of electric vehicles in Europe "who is taking the 360-degree view?" he asked -- indicating that he does not see the development of the wider electric vehicles ecosystem as something for PSA to lead or manage. ([Autocar](#))
- Announced the rollout of its Euro Repair service centre operation in Russia, hoping to win business from owners of western brands. ([PSA](#))
- Launched a new trim level called "Ultimate" for Vauxhall models in the UK. ([Vauxhall](#))
- Opel has reportedly lost a number of 2<sup>nd</sup> and 3<sup>rd</sup> tier executives recently with headhunters saying that current staff ("not the bad ones") continue to look for new roles. ([Manager Magazin](#))

### Renault (history)

- Hopes that the electric Twizy quadricycle could become a competitor to motorbikes and is aiming to win a 10,000 vehicle contract from the South Korean post office to increase interest. ([Renault](#))

### Tata (includes JLR)

- Jaguar Land Rover sold 614,309 cars in the financial year to end March 2018, up 1.7% on the prior year. ([JLR](#))
- As rumours circulated of a plan to cut around 1,000 jobs (focused on agency staff), JLR issued a statement calling reviews of production schedules "standard business practice" and said that while it would make some "adjustments" to the level of agency staff, the company stressed the hiring of apprentices and professionals. ([JLR](#))

### Tesla (history)

- CEO Musk said Tesla will be profitable in Q3 and Q4 2018, with positive cash flow. ([Business Insider](#))
- Tesla seems to have scaled back its Alien Dreadnought ambitions for manufacturing, calling the approach "excessive" and saying that several automated processes had been stripped out in favour of manual completion. ([CBS](#))
- Has reportedly begun requesting quotes to supply Model Y, with a putative launch timing of late 2019. ([Reuters](#))
- Stopped correcting minor cosmetic damage on vehicles returned at the end of their lease; potential buyers criticised Tesla's continued use of renderings for used car sales and not images of the actual vehicle in question. ([Electrek](#))
- Won a contract from BP for a windfarm battery storage unit at one of BP's 12 US sites. ([Reuters](#))
- Recalling around 9,000 vehicles in China to replace steering components (mirroring a US recall). ([Reuters](#))

## Toyota (history)

- VW Trucks and Hino Motors (in which Toyota has a controlling stake) concluded a strategic cooperation agreement covering new technologies and procurement. ([VW](#))

## VW Group (history)

- Announced a new CEO and a series of organisational changes. VW Brand head Herbert Diess becomes group CEO whilst keeping his VW brand responsibilities. The company will have six business areas, plus China and new brand groups have been created Volume (VW, SEAT and Škoda); Premium (Audi, Ducati and Lamborghini); Super Premium (Porsche, Bentley and Bugatti); Truck & Bus. In addition, VW's components division will be merged with the purchasing organisation. The company will also shortly appoint a COO. ([VW](#))
- VW Trucks and Hino Motors (in which Toyota has a controlling stake) concluded a strategic cooperation agreement covering new technologies and procurement. ([VW](#))
- SEAT has been chosen at the VW Group's centre of excellence for CNG engines, seeing the technology as a potential offset to reduced sales of diesel cars. ([VW](#))
- New CEO Diess said that if sanctions on Russian companies affected JV partner GAZ then the company would review the situation but not "call into question our commitment" to Russia. ([Economic Times of India](#))

## Other

- **BAIC** will develop an electric vehicle with help from **Magna**. ([Magna](#))
- **Shell** commissioned prototypes of the **Gordon Murray** designed Ox utility for trials in India. ([Autocar](#))
- **Xiaopeng Motors** said that it intends to raise \$2.7 billion this year. ([Bloomberg](#))
- **Mahindra** confirmed that **Pininfarina** would become a standalone all-electric brand, with vehicles badged as Automobili Pininfarina. ([Mahindra](#))

## News about other companies and trends ...

### Economic / Political News

- **China's** President Xi gave a speech indicating the relaxation of restrictions on foreign ownership of car companies and lower tariffs for imported vehicles might shortly become a reality. Markets cheered. ([Sky News](#))
- The **EEA** (part of the EU) released a report saying that countries with sufficient taxes in favour of low emission vehicles had made more progress on CO<sub>2</sub> reduction than those without. ([EEA](#))

### Suppliers

- **Tenneco** is buying **Federal-Mogul** for \$5.4 billion with a view to splitting the combined entity into two listed companies; one focused on powertrain and the other on aftermarket and performance parts. (Detroit News)
- **LG Chem** is forming two joint ventures in China in partnership with cobalt supplier **Huayou Cobalt**. The factories will produce sub components for electric vehicle batteries. ([Green Car Congress](#))
- **ZF** announced a new €100m Serbian factory to produce motors for BEVs and PHEVs from 2019 onwards. ([ZF](#))
- **BAIC** will develop an electric vehicle with help from **Magna**. ([Magna](#))

### Dealers

- **Ally** signed a strategic alliance with vehicle leasing firm **Fair** to use the former's platform to sell used cars and give prominence to Fair's leasing offers in the comparison tool Ally provides to dealers. ([Ally](#))
- **UK** dealer property valuation experts said there is an increasing number of dealers on the market and see large groups looking to sell off lower performing sites as the main driver. ([Motor Trader](#))

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

- **Uber** acquired bicycle rental firm **Jump** for \$200 million and announced partnerships with a car sharing firm, **Getaround**, and a multi-modal platform, **Masabi**, seemingly intent on creating an Amazon Marketplace-style element to its offering. ([TechCrunch](#))
- South Korean firm **Kakao** took a small stake in **Lyft**. ([Yonhap](#))
- **Ola** acquired multi-modal and ticketing app **Ridlr**. ([Forbes](#))
- **Go-Jek** is rumoured to have received funding totalling over \$1.5 billion in its latest round. Although the company hasn't confirmed this, some investors have announced their participation. ([TechCrunch](#))

## Driverless / Autonomy (history)

- **Luminar**, a maker of high resolution lidar, said that it would have a production rate of higher than 5,000 units per quarter by the end of 2018. The company is working with four major automakers (Toyota plus three others) at present. Luminar said that a key component has dropped in cost from tens of thousands of dollars to \$3 per piece, and the entire sensor cost "a lot" less than \$1,000 per unit to produce (purchase price remains unclear). ([Forbes](#))
- **Comma.ai** raised \$5 million in funding, at present the company sells aftermarket dongles that plug into cars and offer enhanced control over vehicle functions. At the same time, it collects data from users in the hope of creating a crowdsourced self-driving platform. ([TechCrunch](#))
- **Ford** said its research indicated that driverless delivery vehicles would complete routes 25% more efficiently than those piloted by humans. ([Autocar](#))

## Electrification (history)

- A Spanish study concluded that the current generation of electric cars only **pay back the increased upfront price** versus an ICE vehicle when the owner travels 13,000 km or more each year -- the authors pointed out that this distance is unlikely in urban environments. ([Europa Press](#))
- **Mercedes** executives said the brand is planning an all-electric luxury car at the same level as the S-Class. ([Autocar](#))
- **EVgo** announced that it would build a dedicated charging network for **GM's** US Maven car sharing service to support the Maven Gig product for ride hailing drivers. ([EVgo](#))
- **Ferrari** CEO Marchionne resorted to hand gestures rather than words whilst trying to deflect interview questions about a mysterious "silent" test mule spotted near Ferrari's Fiorano test track but ultimately conceded "there could be a Ferrari that you could run silently". ([Bloomberg](#))

## Connectivity

- **Valeo** is partnering with **NTT Docomo** to offer vehicle-to-everything communication. ([Valeo](#))

## Other

- **Google** is reportedly considering an acquisition of **Nokia's** in-flight internet service. ([Bloomberg](#))