



AD PUNCTUM

Autos & Mobility Industry Briefing -- 16th April to 22nd 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)

- Investing €10 million in a new research centre for additive manufacturing technologies. ([BMW](#))
- Held an event to demonstrate the company's emerging technologies and talked about its D-ACES strategy (design augments the now ubiquitous autonomous, connected, electrified and services elements). ([BMW](#))
- Said that it does not “exclude other partners” from the mobility joint venture with Daimler. ([Manager Magazin](#))

Daimler (history)

- Reportedly interested in selling powertrain to Volvo and may even be open to buying a small stake in the company to show willingness to work with Geely. ([Manager Magazin](#))
- Images of the Maybach SUV (a likely Bentayaga rival) leaked. ([Autocar](#))
- BMW said it does not “exclude other partners” from the mobility joint venture with Daimler. ([Manager Magazin](#))

Ford (history)

- Will extend layoffs at the Valencia engine factory due to delays in the new Maverick engine. ([Europa Press](#))
- Wamy's CEO criticised Ford's executive culture saying that when he worked there “it was the greatest collection of clever people who couldn't work out how to get on”. ([Autocar](#))
- Launched a non-emergency medical transport service called GoRide. ([Ford](#))

Geely (includes Volvo)

- Geely's CEO called for cooperation between carmakers, especially with regard to “proprietary digital platforms” and warned of the dangers of “silos”. ([Bloomberg](#))
- Daimler is reportedly interested in selling powertrain to Volvo and may even be open to buying a small stake in the company to show willingness to work with Geely. ([Manager Magazin](#))

General Motors (history)

- GM Korea won significant concessions from unions and additional government funding in last-ditch negotiations, with the threat of bankruptcy looming. ([Reuters](#))
- Announced a new credit facility that maintains the \$14.5 billion available to the automotive division and creates a new \$2 billion 364-day agreement to be used by GM Financial. ([GM](#))
- The head of the Cadillac brand abruptly resigned, citing “philosophical differences”. ([Bloomberg](#))
- Revealed the all-electric Buick Enspire concept in China, previewing a likely forthcoming new model. ([Electrek](#))

Nissan (includes Mitsubishi)

- Launching a voluntary redundancy program at its Sunderland, UK plant, aiming for “hundreds” of takers. Nissan called the program “short term”. ([The Guardian](#))

PSA (includes Opel/Vauxhall) (history)

- Opel has terminated all its dealer contracts in Europe but promised that the main intention was new terms rather than a cull. In Germany Opel said it only wanted to shut 12 out of 385 dealers. ([Handelsblatt](#))
- Opel’s head union representative in Germany said he was comfortable that the company can reach a proposed 3,700 target for job reductions but that there was insufficient clarity on post-2020 production and job guarantees. ([Reuters](#))
- German unions were up in arms over PSA proposals for German factories. Consistent with the recent approach in France, PSA has avoided full plant closures but does intend to reduce workload. At the Eisenach plant, the company wants to end production of Corsa and Adam; at the Kaiserslautern engine factory, PSA wants to end machining. Unions say both actions would reduce staffing at the affected plants by around half. The company has responded by saying staff costs in German factories are double those of France. ([Der Spiegel](#))
- PSA executives met with German government ministers, promising to invest in the country if “performance conditions are met” and pointed to the agreements with unions in all other Opel / Vauxhall locations. ([PSA](#))
- The head of Vauxhall said that although the dealer body is being reduced by a third “nobody is being sacked”. ([BBC](#))

Renault (history)

- Launched a redundancy plan (given the “stable European market”), offset with promises of new jobs for 5,000 young (and cheap) workers. ([Renault](#))

Tata (includes JLR)

- Land Rover is reportedly planning to launch a 4.1m long SUV (Renault Captur territory) but hasn’t decided the market positioning. ([Autocar](#))
- Detailed the employee cuts and transfers that were reported last week: 1,000 agency positions will go at the Solihull plant, partially backfilled by 392 transfers from Castle Bromwich. ([Sky News](#))

Tesla (history)

- After another short shutdown to increase Model 3 capacity, CEO Musk wrote a letter to employees calling for a demonstration of 6,000 units per week capacity -- not by producing 6,000 units in a week but by producing 850 units in a 24 hours period. Musk also detailed a series of actions under the banners of precision and profit, including a distinctly old-world rule where all expenditure above \$1 million will have to be personally approved by him. ([Electrek](#))
 - Implication: Musk’s email seems designed for external release. The call for design tolerances to be “a factor of ten better than any other car” and prove measuring tapes wrong implies design tolerances of hundreds and thousands of a millimetre -- the realm of precision machining. This presumably is because Tesla’s push for automation has failed due to insufficiently tight tolerancing but the value of the improvement may not prove to be worth the trip is Tesla has to use far more expensive machinery (it could achieve those tolerances right now if it simply machined the Model 3 out of a solid billet of metal or threw away parts outside a tight set of nominals (almost certainly 50%+). This perhaps demonstrates a lack of imagination from Tesla in how to work within process capabilities, unless Musk has learned from Space X that things can be done differently..?
- Issued a detailed rebuttal of criticisms about the safety standards at its factories. ([Tesla](#))

Toyota (history)

- Will begin offering V2X capable vehicles in the US from 2021 onwards with a view to adoption on “most” of the portfolio by the mid-2020s. ([Toyota](#))

VW Group (history)

- VW's works council chief criticised the company's high rate of development spending saying, "sometimes it is almost like an internal competition to see who can spend the most". Whilst he welcomed the appointment of new CEO Diess, he also appears determined to reopen the debate on VW producing its own battery cells. ([Manager Magazin](#))
- The Truck division CFO said taking over US company Navistar "would make sense at some point". ([Reuters](#))
- Announced it would grow its software development operation in Lisbon, Portugal to 300 people. ([VW](#))
- Porsche offices were raided as Dieselgate refused to fade away -- several top managers were apparently the focus of the investigation. ([Manager Magazin](#))
- Porsche announced that it was doubling the number of bees at its Liepzig site, allowing a 250% increase in honey production, to 1,000kg annually, apparently spurred by the high sales rate of its original harvest and the potential as a hedge against the decline in diesel sales. ([Porsche](#))
- Launched a service called Porsche Flex in Italy that allows owners to choose a combination of vehicles that can be used on set days of the week. ([Porsche](#))
- VW Group sold 2.7 million units in Q1 2018, an increase of 7.4% on a year-over-year basis. ([VW](#))

Other

- **Byton** revealed an "85% there" version of its SUV and said it will show its saloon in June. ([Autocar](#))
- **FAW** invested a "significant amount" in **Byton**. ([Deal Street Asia](#))

News about other companies and trends ...

Economic / Political News

- March passenger car registrations in **Europe** were 1,792,599, a drop of (5.3)% on a year-over-year basis. ([ACEA](#))
- **China** said it intends to phase out the caps on foreign ownership by 2022, with earlier relaxation for companies making vehicles with in-demand technology. It wasn't entirely clear whether the changes are set in stone or are positioned with the threat of withdrawal as part of US-China trade sabre-rattling. ([Reuters](#))

Suppliers

- **Continental** gave a profits warning, citing surprise exchange rate and inventory effects. ([Continental](#))
- **Denso** invested \$1.5 million to buy a 14.88% stake in mobility as a service platform provider **On The Road**. ([Denso](#))
- **Honeywell** reported Q1 results, both profits and revenue were up year-on-year and the company increased its guidance for the full year. ([Honeywell](#))
- **Magna** opened a new body sub-assembly plant in Mexico supplying BMW and Mercedes. When fully operational it will have 1,000 employees. ([Magna](#))

Dealers

- A survey of prospective car buyers in the **UK** found that only 12% are considering a diesel vehicle for their next purchase. ([Autocar](#))
- US online used car platform **Carvana** purchased **Car360**, a start-up that helps owners take slicker images of the car they are selling. ([Venture Beat](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Lyft** said it would purchase carbon offsets to match the rides taken on its network. The company believes "in future all vehicles will operate with clean energy" and says the scheme makes it one of the largest purchasers of such credits in the world. ([Lyft](#))
- **Via** and **Mobike** now offer a subscription package covering ride hailing and bike sharing in Washington. ([Via](#))
- **ComfortDelGro** said it would purchase London taxi operator **Dial-a-Cab**. ([Deal Street Asia](#))
 - Implication: At a price of £1.2 million for a fleet of 1,100 cabs, this deal looks like far better value for money as a way to capture share than throwing cash at discounts and marketing?

- Car sharing firm **Turo** said it had added \$12 million in funding, taking its latest round to \$104 million. ([TechCrunch](#))
- **Moovn** expanding its ride hailing service from launch city Seattle to a further five US cities. ([Geekwire](#))
- **BMW** said it does not “exclude other partners” from the mobility joint venture with **Daimler**. ([Manager Magazin](#))

Driverless / Autonomy (history)

- **Waymo's** CEO said that the company “might disrupt the utilitarian market” and explained the company’s “Firefly” program of self-built cars as a way to exploit a short-lived loophole in testing regulations, rather than an attempt to become an OEM itself, saying he “wasn’t aware of” any longer term goal for Waymo to make its own cars. ([Autocar](#))
- **Local Motors** announced a collaboration with **Robotic Research**, a company with past experience in automating systems and vehicles for military applications. ([Local Motors](#))
- **Alibaba's** CEO said the company had done “a lot of research on driverless things”, sparking speculation about what they might have in mind. ([Yahoo](#))
- **Uber** says it has a way to improve the accuracy of GPS in areas with high rise buildings: rather than being confused by the weak signals from satellites, it identifies “negative information” and fills in the obscured trace. ([The Verge](#))

Electrification (history)

- **Subject** and **Daimler** announced a successful pilot scheme where the vehicle and charging point exchange encrypted certificates through the charging lead, enabling payment to be made remotely. ([Subject](#))
 - Implication: **Shell** and **GM** announced that you will be able to pay for fuel directly from the car’s dashboard at participating garages, using the Marketplace app. ([Detroit News](#)). One of the major bugbears for EV users is the huge spectrum of charging companies, each with their own unique payment routines. These two announcements should get EV sellers thinking seriously about why it is so hard to pay for what many consider to be “living in the future”.
- Indian ride hailing company **Ola** set a target of 1 million EVs in its fleet, including mini vehicles, by 2021. ([Autocar](#))
- A long list of OEMs are reportedly in talks with **VW-BMW-Daimler-Ford** European charging network **Ionity** to join the network. Those listed include **Volvo, FCA, PSA, JLR** and **Tesla**. ([Sued Deutsche](#))
- Indian firm **Sun Mobility** opened a battery swapping station for electric bikes and mini vehicles in Bengaluru, with plans to expand the network across India. ([Economic Times of India](#))
- Following reports that **Dyson** had relinquished solid state battery patents, seemingly contradicting its prior battery strategy, the company said the patents involved had been replaced with “better” technology and the move reflected the need for the specific patterns, rather than a turn away from solid state. ([Green Car Reports](#))

Other

- Electric scooter rental service **Bird** said it had completed one million rides across seven US cities. ([Bird](#))
- Scooter rental start-up **Vogo** is reportedly in talks with ride hailing firm **Ola** to raise investment. ([Deal Street Asia](#))
- **NIO Capital** is reportedly close to closing \$500 million in funding for automotive investments. ([Bloomberg](#))
- **Hyperloop** said it has won a contract to create a 10km track in Abu Dhabi. ([Hyperloop](#))