



AD PUNCTUM

Autos & Mobility Industry Briefing -- 14th May to 20th May 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)

- Opened a new R&D centre in Beijing, China, with space for 200 personnel. ([BMW](#))
- Became the first non-Chinese auto maker to receive an on-road autonomous vehicle testing permit in China. ([BMW](#))
- Showed an outline sketch of the iNext vehicle, due in 2021 as an all-electric car with autonomous capability. BMW said a concept version would be presented later in the year. The outline implies a shooting brake or aggressively styled SUV. ([BMW](#))

Daimler (history)

- Investing €500 million in the Hambach, France, plant to produce a new generation of all-electric Smart brand cars and a new compact Mercedes EQ model. ([Daimler](#))
- Production at the Alabama, US plant was disrupted for several days by the fire at Meridian Magnesium. ([Reuters](#))
- Unveiled a new range of smartphone covers and computer bags. Daimler refused to release profit or market share objectives for the new products. ([Daimler](#))

FCA (history)

- Rumoured details of FCA's new strategy, set for a 1st June reveal, emerged. The company apparently plans to move small and mid-sized car production out of Italy, in part replaced by larger Jeep and Maserati products. The Fiat brand may shrink to only 500 and Panda derivatives (and presumably van-derived models). ([Bloomberg](#))
- Internal emails turned over as evidence for diesel cheating court cases against FCA revealed supplier staff questioning FCA's compliance approach and the CEO's disapproval of a US spokesman's comments in 2015, just after the VW diesel went public, saying that FCA was squeaky clean. ([Reuters](#))
- Announced a recall of almost 49,000 SUVs to correct fuel supply problems. ([FCA](#))
- The theft of eight new Ram pick-up trucks from an FCA compound set Detroit tongues wagging as clues pointed to an inside job. ([Detroit Free Press](#))

Ferrari

- Announced a new CFO as the old one pursues "further career opportunities" (he's off to [Honeywell](#)). ([Ferrari](#))

Ford (history)

- Issued safety recalls for a small amount of pick ups to fix problems with parking brakes. ([Ford](#))

Geely (includes Volvo) (history)

- Volvo said there will be no diesel version of the new S60 and the company "will no longer develop a new generation of diesel engines". ([Volvo](#))

- Volvo's CEO said the company had sufficient funds to invest in electrification and autonomous vehicles with or without an IPO. ([Reuters](#))
- Volvo's CEO said plug-in hybrids were taking 15% of sales in vehicles where it was offered. The brand is targeting for 25% of sales (in certain markets) to use its subscription service "within five years". He said that company was cutting back on ICE development, "you cannot invest money in even more advanced diesel engines and even more advanced gasoline engines... that money needs to go towards electrification". ([Automotive News](#))
 - Implication: In context, it appears likely he was referring to substantial architecture upgrades rather than any engine development (since "electrification" for Volvo includes 48V).

Hyundai / Kia (history)

- Hyundai's Cradle venture fund invested an undisclosed amount in radar start-up Metawave. The company claims that its "next generation" radar can see over 150 metres with high resolution. ([Hyundai](#))

Nissan (includes Mitsubishi) (history)

- Reported financial results for the 2017/18 year. Net sales of 11.95 trillion yen (about \$110 billion) were up 2% on the prior year, operating income of 574.7 billion yen (about \$5.2 billion) was down (22.6%). In the coming financial year, Nissan expects sales to be slightly better but operating profit to decline slightly to 540 billion yen. ([Nissan](#))
- Nissans CEO said there was no merger negotiation going on with Renault but acknowledged that the two companies continue to discuss their future relationship. ([Les Echos](#))
- Announced a new CFO, their predecessor is retiring. ([Nissan](#))
- Launched a new offering in the UK that provides solar panels, stationary storage and home energy management (potentially including vehicle charging). Customers will have a choice of either brand new or used electric vehicle batteries. ([Nissan](#))
- The implied take rate of Nissan's ProPILOT driver assistance technology suite is around between 20% - 25% on vehicles where it is offered. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Peugeot's UK sales chief said the brand had "no real desire to get back into the real hot hatches", expressing a preference for crossovers. He commented on the company's emphasis on capital efficiency, citing RCZ as an example of the type of product PSA would no longer green light because, although "lovely to have for some of our motorsport fans", due to small volumes the vehicle "would never make any money". ([Shropshire Star](#))
- Faurecia held a capital markets day, providing detailed 2020 financial targets and some outlook to 2030 for emerging sectors. By 2020, the company is aiming for €20 billion of revenue and operating margins of 8%. ([Faurecia](#))
- Used car sales arm AramisAuto acquired Belgian company Cardoen for "tens of millions of euros". ([Les Echos](#))
- Announced some changes to the executive team, the VP for Eurasia was re-assigned to work for the Opel sales and marketing director, indicating either a massive demotion or a special projects role ahead of retirement. ([PSA](#))
- In talks with French unions to increase the working week, from 35 hours to 37.5 hours in return for a 2.8% pay increase. Although PSA are only currently asking about one plant, unions fear setting a precedent. ([France Info](#))
- Opel is shutting its national sales companies in Sweden and Denmark and will instead use an importer. ([Opel](#))

Renault (history)

- Said Nissan's Q1 2018 results would contribute €478 million to Renault's net income. ([Renault](#))

Tesla (history)

- Registered a new entity in China. Media reports speculated that this was for the company's forthcoming Shanghai plant but Tesla refused to comment on the purpose of the new company. ([Business Insider](#))
- Criticised for rejecting driver monitoring methods that might ensure drivers were paying attention when using the Autopilot system. CEO Musk clarified the systems were rejected on reliability, not cost, grounds. ([The Verge](#))
- Will reportedly have a further weeklong stoppage at the end of May at Fremont to install machinery that will increase production capacity. ([Reuters](#))
- Waiting times for brand new Model 3 orders have reportedly fallen from 18 months to 6 months. ([Electrek](#))

Toyota (history)

- Announced a 400 million yen investment in big data company Albert, and a joint project to improve data for self-driving vehicles. ([Toyota](#))
- Toyota AI Ventures invested in radar start-up Metawave's \$10 million round. The company claims that its "next generation" radar can see over 150 metres with high resolution. ([Metawave](#))
- Will only sell hybrid versions of the Auris in Spain, stopping all diesel and gasoline ICE only models. ([Europa Press](#))

VW Group (history)

- Porsche recalled 918 Spyders to fix issues with corrosion in the suspension. ([Bloomberg](#))
- The VW brand confirmed that it won't attend the Paris motor show this year. ([Reuters](#))
- Started production of I3 gasoline engines at its Hungary engine plant. ([VW](#))

Other

- Chinese OEM **FAW** will invest about \$260 million in **Byton**. ([Deal Street Asia](#))
- **GAC Motor** announced a new international division that will combine existing operations in the US with new offices in South America, Africa and the Middle East. ([GAC Motor](#))
- **Isuzu** reported 2017/18 financial year results and issued a near term strategic update. The company is particularly keen to manage the transition to electrification at the same time as it believes traditional powertrain sales will continue to grow. It also wants to create new businesses that move it deeper into the logistics business. ([Isuzu](#))

[News about other companies and trends ...](#)

Economic / Political News

- **European** passenger car registrations for April of 1,306,273 units, up 9.6% on a year over year basis. ([ACEA](#)),
- Autocar magazine collected comments from executives at assorted OEMs about the impact of moving to **WLTP** regulations. The consensus seemed to be that the impact to consumers would be the loss of engine types no one really cares about and perhaps some waiting list for less popular models as brands worked through testing backlogs (because WLTP tests items regarded as unimportant by NEDC). ([Autocar](#))
- Data released by the **EU** showed vans sold in 2017 emitted on average 7.7 grams of CO₂ per km less than in 2016. The fleet is now only 6% / 9g away from the 2021 target. ([EU](#))
- The **EU** said regulators in the **UK, Germany, Italy** and **Luxembourg** had been too lax in properly enforcing vehicle type approval rules. ([Der Spiegel](#))
- A report in the **USA** said that keyless ignitions were responsible for dozens of deaths in the country because people were forgetting to turn off their cars when they got home and then inhaling carbon monoxide. ([BBC](#))

Suppliers

- Indian supplier **Precision Camshafts** acquired 51% of Dutch electric drivetrain converter **EMOSS**. ([Autocar](#))
- **Denso** invested in radar start-up **Metawave's** \$10 million round. The company claims that its "next generation" radar can see over 150 metres with high resolution. ([Metawave](#))
- **Cooper Standard** acquired 80.1% of Korean supplier **LS Mtron**. ([Autocar](#))
- **Mobileye** reportedly won a contract for 8 million EyeQ5 based driverless systems from 2021 onwards. ([Reuters](#))
- **Faurecia** held a capital markets day, providing detailed 2020 financial targets and some outlook to 2030 for emerging sectors. By 2020, the company is aiming for €20 billion of revenue and operating margins of 8%. ([Faurecia](#))
- **Maxwell Technologies** will supply ultracapacitors to **Volvo** and **Geely** for five, and possibly more, vehicles with shipments starting in 2019. Applications are 48V and plug-in hybrids. ([Inside EVs](#))
- **Continental** increased its investment in head-up display company DigiLens, it now has an 18% stake. ([Continental](#))

Dealers

- Profits rose at **Spanish** dealers in 2017, up from 1.88% to 1.9%. ([Europa Press](#))

Ride-Hailing, Car Sharing & Rental (history)

- Speaking about flying taxis (but with implications for self-driving cars) **Uber's** CEO said in an interview that “we don't know where the capital [to buy the vehicles] will come from, but we don't think that this model necessitates our being the capital provider”. ([The Verge](#))
- Chinese ride hailing firms **Shouqi Limousine** and **e-driver** signed a cooperation agreement to offer each other's services on their respective apps. ([Shouqi Limousine](#)),
- Labour activists created an advert to bring attention to the pitfalls of the gig economy for **ride hailing drivers**. The campaign not only stars **Pamela Anderson**, it also features her analysis (and criticism) of the situation facing drivers. When the history of ride hailing is written, will this prove to be a decisive turning point? ([Press Release](#))
- Drivers for **Ola** and **Uber** in India went on hunger strike demanding that the networks reduce their commission and stop adding new drivers. ([Economic Times of India](#))
- **Lyft** claimed US market share of over 35% but others, including **Uber** sources, put the figure at under 30%. ([CNBC](#))

Driverless / Autonomy (history)

- US / Chinese autonomous car start-up **Roadstar.ai** announced \$128 million in funding and released a kit called Aries that it says enables L4 autonomous capability for under \$8,000 per vehicle. ([Roadstar.ai](#))
- **Mobileye's** CEO put the retail cost of the company's fully autonomous driving solution (mostly camera-based but apparently to eventually include some “backup” radar and lidar” at under \$8,000. He also divulged some of the resources required to help AI develop, the company has a team of “more than 2,000” analysts in Sri Lanka labelling data collected by Mobileye sensors. ([Bloomberg](#))
- **Waymo's** detailed application for a Californian permit to operate self-driving vehicles in a limited commercial trial showed several interesting elements of their set-up. ([Mark Harris](#))
 - Page 19 says Waymo does not currently have (or plan to use) remote operators to pilot the vehicle (indicating that in the event of a problem, operators will go to the vehicle).
 - Page 21 describes the geo-fenced area that the vehicles will be allowed to cover, including roads with speed limits of up to 65 mph (although it doesn't say the vehicles will travel this fast) and that vehicles will operate in good weather, light rain and fog (indicating issues with other conditions, potentially for reasons of both sensor capability and vehicle control).
 - Page 22 says that in the event of bad road conditions or weather, vehicles will safely pull over, not try to complete their journey.
 - Page 24 shows Waymo's proposed geofenced zone. Vehicles will only carry out journeys that start and end within the geofence.
- **Hyundai's** Cradle venture fund, **Toyota AI Ventures** and **Denso** invested in radar start-up **Metawave's** \$10 million round. The company claims that its “next generation” radar can see over 150 metres with high resolution. ([Metawave](#))
- The implied take rate of **Nissan's** ProPILOT driver assistance technology suite is around between 20% - 25% on vehicles where it is offered. ([Nissan](#))

Electrification (history)

- **Arrival** won a trial electric delivery van contract from **UPS**, adding to earlier orders from **Royal Mail**. ([Journal Auto](#))
- **Geely's LEVC** published the results of a study that showed taxi drivers experienced lower stress when driving an electrified vehicle. ([LEVC](#))
- **Nissan** launched a new offering in the UK that provides solar panels, stationary storage and home energy management (potentially including vehicle charging). Customers will have a choice of either brand new or used electric vehicle batteries. ([Nissan](#))

Other

- **Nest's** connected home appliances system suffered an outage, resulting in users being able to only use devices by (gasp) touching them. This failure might be of interest to those looking at connected systems, bearing in mind that since Nest's owner is Google, the expectation would be that the company's infrastructure isn't shabby. ([The Verge](#))
- Electric scooter rental company **Skip** raised \$6 million to start operations in Washington DC. ([TechCrunch](#))