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Autos & Mobility Industry Briefing -- 25th June to 1st July 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)

- Rolls-Royce's CEO says its line-up is now complete and there will not be a smaller SUV below Cullinan. ([Autocar](#))
- Said it was committed to its UK sites and workforce, whatever the outcome of Brexit. ([Business Insider](#))
- Executives said that BMW currently had a disengagement rate in testing of approximately three times every 1,000 kilometres. This can potentially be compared with Waymo's publicly recorded rate of around once per 9,000 km in California but it is unclear whether the testing conditions are similar. ([Auto Express](#))
- Signed a contract worth €1 billion with CATL to provide batteries from a new European plant. ([Reuters](#))

Daimler (history)

- Investing €600 million in South Africa to produce the next generation C Class and increase capacity. ([Daimler](#))
- Collaborating with Xilinx on in-car artificial intelligence. ([Xilinx](#))

FCA (history)

- Rumours resurfaced (and were refuted) that Hyundai was interested in acquiring FCA re-surfaced. Supposedly, Hyundai executives have decided to buy FCA and are simply waiting for a drop in the share price. ([CNET](#))
- The FCA salesforce in the UK doesn't seem to have been reading the company's latest sales pronouncements, telling an industry publication that the fuel "still has a future" (maybe just not beyond 2022?). ([Fleet News](#))

Ford (history)

- Agreed a partnership with Baidu to work on connectivity, digital marketing and artificial intelligence. The collaboration includes developing in-car infotainment based on Baidu's existing AI toolset. ([Ford](#))
- Ford executives got drawn into an uncharacteristic spat with Tesla's CEO. ([CNBC](#))

General Motors (history)

- Transferred ownership of its Vietnamese manufacturing operations to VinFast, who will also gain the local Chevrolet import concession. ([VinFast](#))
- Created a special pricing offer for emergency service workers in the US. This is the second move in recent months by GM to expand discounts to select groups -- it previously expanded eligibility for former service personnel. ([GM](#))
 - Implication: The continued rollout of targeted high cost variable marketing by GM looks like a sign of nervousness about the US market, rather than a burst of patriotic pride.

Honda (history)

- Estimated that imposition of customs controls after Brexit would increase time for parts to pass through customs by between two and nine days. Honda says it currently keeps 36 hours of stock on hand and if there were delays of nine days it would need 300,000 square metres of warehousing. ([CNBC](#))

Hyundai / Kia (history)

- Rumours resurfaced (and were refuted) that Hyundai was interested in acquiring FCA re-surfaced. Supposedly, Hyundai executives have decided to buy FCA and are simply waiting for a drop in the share price. ([CNET](#))
- Partnering with Finnish group Wärtsilä on stationary storage that utilises used electric car batteries. ([Wärtsilä](#))
- KIA sold 739,866 vehicles in Q2 2018, an increase of 8.2% on a year-over-year basis. ([KIA](#))
- Launched an all-inclusive payment option in the US called Hyundai PLUS. ([Hyundai](#))

Nissan (includes Mitsubishi) (history)

- CEO Ghosn said the company was “in the dark” about what form Brexit would take and was therefore struggling to plan an appropriate response. ([City AM](#))
- Cancelling the sale of its battery business to GSR Capital because the buyer has not provided the funds it promised. The company will now consider its options. ([Bloomberg](#))

PSA (includes Opel/Vauxhall) (history)

- Started production of the latest generation of light commercial vehicles (Peugeot Partner, Citroën Berlingo and Opel / Vauxhall Combo). ([PSA](#))

Renault (history)

- Previewed a Russia market unique medium sized crossover that will likely relate to Kadjar in the same way as Kaptur does to Captur. ([Autocar](#))

Tata (includes JLR) (history)

- JLR's expected powertrain mix in the medium term is 20% PHEV / BEV, 50% Gasoline and 30% diesel. ([JLR](#))
- Planning to increase its global dealer body from around 1,570 today to around 1,800 by 2023. ([JLR](#))
- Said electrification now accounts for 60% of its powertrain investment. ([JLR](#))
- Opened a new development centre in Manchester, UK to work on connected car technologies. ([JLR](#))
- Executives said JLR intends to build an EV in China and will release details within the next year. ([Bloomberg](#))

Tesla (history)

- Produced 5,000 Model 3 in 7 days, saying it was on track to reach 6,000 units per week in July. ([CNBC](#))
- Invited all Model 3 reservation holders in the USA and Canada to confirm their orders; in return they will have to hand over an additional \$2,500. The \$35,000 base specification vehicle is still available. ([Detroit News](#))
- Granted plant tours to selected journalists, who returned with stories of reactions that assembly line problems that sounded suspiciously like things that should have been identified in pre-Job#1 runs, rather than when the vehicle had already entered serial production. ([New York Times](#))

Toyota (history)

- Recalling around 115,000 units to correct potential fuel leaks. ([Toyota](#))

VW Group (history)

- Saw a final judgement in a case brought by minority shareholders in MAN over the company's acquisition by VW Group. They will be offered a choice of a higher purchase price than originally offered or a dividend. ([VW](#))
- Completed the transition of the truck division into a distinct legal entity. ([VW](#))
- Audi partnered with Cognata to work on simulation of autonomous vehicles. ([TechCrunch](#))

- The launch event for the Audi e-tron SUV has been delayed, it isn't clear whether this will affect the timing for production and sales. ([Autocar](#))
- Launched production in Rwanda. ([VW](#))

Other

- Chinese investor **Evergrande** took a 45% stake in **Faraday Future**. ([Deal Street Asia](#))
- **VinFast** announced that their forthcoming new vehicle will be a design licenced from **General Motors**. ([VinFast](#))

News about other companies and trends ...

Economic / Political News

- Carmakers mounted a resistance to Donald Trump's proposed **import tariffs**. **GM** said the move had the potential to make them smaller whilst **Toyota** tried to allay national security concerns. ([The Guardian](#))
- **Europe's** trade body for automakers called for more relaxed **CO₂ targets for vans** than passenger cars, arguing that whilst much of the technology behind the vehicles is the same, market conditions do not allow the same degree of efficiency that is being targeted for cars. ([ACEA](#))
 - Implication: ACEA's arguments are put forward as absolute statements but there are notable holes: vans don't have sufficient economies of scale, yet van nameplates outsell many passenger car models; vans use different technology, yet several OEMs trumpet their ability to build cars and vans from common platforms; the market hasn't taken to the current PHEV and BEV van offerings, yet its hard to point to any compelling PHEV or BEV product that has been out in the market -- the rise of projects like StreetScooter is testament to this.

Suppliers

- **Magna** is to acquire lighting supplier **OSLA** in a €230 million deal. ([Magna](#))
- **Lear** held an investor day to talk about the outlook for its seating and electrical components business. ([Lear](#))
- Steelmaker **Thyssenkrupp's** supervisory board approved the proposed terms of its merger with **Tata**. ([BBC](#))
- **ZF** formed a joint venture with **e.Go**, called e.Go Moove, to produce autonomous buses and delivery vehicles, starting in 2019. ZF will supply many of the systems and forecasts production of "five digit volumes". ([ZF](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber's** London licence was reinstated after a court hearing. Both sides claimed victory; Uber is now operating under a 15 month probationary period rather than the five year licence it previously had. ([BBC](#))

Driverless / Autonomy (history)

- **Waymo's** CEO said all the announcements around vehicle purchases so far (JLR I-Pace and Chrysler Pacifica) have been for intended services in the USA and that a "large number" would be needed for services in Europe. ([Reuters](#))
- US supermarket chain **Kroger** will run a driverless delivery pilot scheme in partnership with **Nuro**. ([The Verge](#))

Electrification (history)

- **BP** are buying charging firm Chargemaster, having previously invested in **FreeWire**. ([Reuters](#))

Other

- **Bird** received \$300 million in its recent funding round. ([TechCrunch](#))
- **Zagster** launched Pace Parking, which it sees as a solution to the explosion of dockless bicycles on city streets. The service promises to provide a method that dockless renters can use to have a physical locking location. ([Zagster](#))
- A couple of journalists have become so irritated by what they perceive as a lack of understanding about what car factories do that they have organised a round the world tour. ([Daily Kanban](#))