Autos & Mobility Industry Briefing -- 2nd July to 8th 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

Daimler (history)

- Sold 594,528 vehicles in Q2 2018, the strongest ever quarterly performance and an increase of 1.9% on the same period a year earlier. (Daimler)
- Halted production of a diesel engine for heavy trucks (only on sale outside Europe) because real world emissions could exceed certified test results. (Bloomberg)
- Reportedly ended a joint project with Nissan's Infiniti brand to produce a luxury compact car. (Automotive News)

FCA (history)

- CEO Marchionne said there is nothing brand-specific about electrified technology and the components can be "easily shared". (Autocar)
- Said it had developed a new type of aluminium alloy that would allow engines to run hotter. (FCA)

Geely (includes Volvo) (history)

- Volvo sold 317,639 cars in the first half of 2018, a 14.4% increase on the same period in 2017, with improvements across regions. (Volvo)
- Volvo launched a new mobility brand called M, initially it will offer car sharing services. (Volvo)
- Selling its stake in ChinaHybrid System Co. (Gasgoo)

Hyundai / Kia (history)

- Hyundai sold 1,194,217 cars in Q2 2018, an increase of 10.8% on a year earlier. (Hyundai)
- Invested in Autotalks, a creator of chips that facilitate communication between cars and the internet of things. The two companies also agreed a strategic collaboration. (Hyundai)
- South Korean unions voted to strike in a disagreement over the annual wage increase. (Reuters)

Mazda

- Halted weekend shifts in Hiroshima due to flooding. (LiveMint)

Nissan (includes Mitsubishi) (history)

- Disclosed that end of line emissions tests had been falsified at some Japanese factories. The implications remain unclear without knowing to what extent measured values deviated from homologation. (BBC)
- Daimler reportedly ended a joint project with Infiniti to produce a luxury compact car. (Automotive News)

PSA (includes Opel/Vauxhall) (history)

- Exploring a full or partial sale of Opel's R&D facilities, according to leaked internal documents from May, with four engineering service providers having been approached. The targeted areas, affecting 3,980 employees, could reportedly create a business worth €500 million. German unions pushed back against the idea. (Reuters)
- Faurecia said it had finalised terms for the long-planned takeover of Parrot. (Faurecia)
- Created an artificial intelligence lab based in France. (PSA)
- Starting Free2Move branded car sharing in Paris, potentially in competition with Bolloré (and now Renault). (PSA)
- Reportedly working on an all-electric Peugeot 208 GTi hot hatchback. It is already clear that the 208 range will feature a BEV in some form. (Evo)

Renault (history)

- Karhoo said that it now has a fleet equivalent to 51,000 vehicles in the UK. (Fleet Europe)
- Starting a new car sharing scheme in Paris, potentially in competition with Bolloré (and now PSA). (Renault)

Suzuki

- Suzuki's chairman said the company aims to control 50% of the Indian market, even as the industry grows to 10 million units per annum, which Suzuki believes will be around 2030. (Nikkei)

Tata (includes JLR) (history)

- JLR sold 318,219 units in the first half of 2018, about flat from the same period in 2017. (JLR)
- Publicly called on the UK government to do a better job on delivering a stable business environment post Brexit saying that the company would lose £1.2 billion in profits through a "bad Brexit deal". The company said £80 billion of spending over five years would be at risk, a figure which includes vehicle bill of material spending. (JLR)
- Confirmed that the financial plans for JLR shared at a recent analyst's briefing did not include assumptions for a "worst case Brexit scenario". (Tata)

Tesla (history)

- Delivered 40,740 units in Q2 2018, 18,440 of which were Model 3, falling drastically short of most analyst's estimates. Tesla produced 53,339 cars, of which 28,578 were Model 3. Both figures were records for the company. (Tesla)
- Said reservations for the Model 3 stood at "roughly" 420,000 units with 28,386 cars delivered since the start of production. (Tesla)
  - Implication: The combined figure is some way short of the 455,000 reservations that Elon Musk claimed in the Q2 2017 conference call -- at the time, Musk claimed net new reservations were clocking up at a rate of "over 1,800 per day". Are customers losing faith in the company's ability to deliver or are there a large number of flaky depositors who could afford the refundable $1,000 but not the final vehicle?
- Said the production rate of the new assembly line in a tent, dubbed GA4, was around 1,000 units per week, as opposed to around 5,000 per week expected from the original assembly line. (Tesla)
- Tesla's internal target for Model 3 production in Q2 was reportedly 36,020 units. (Business Insider)
- Luxembourg's testing body held a media event where the emergency braking of a Tesla Model S compared unfavourably with a Volvo. Tesla implied the event was a non-scientific publicity stunt. (Engadget)

VW Group (history)

- Starting an all-electric car sharing service called WE from 2019 in Germany and internationally in 2020. The press release implied that scooters will become a part of the service offering. (VW)
- Announced a series of moves aimed at making the components business more arms-length from the vehicle making parts of the group. (VW)
- Scania stopped production of V8 engines due to a strike at a castings supplier. (Scania)
- Lost a case preventing German prosecutors from reading the previously withheld investigation into the diesel scandal performed by law firm Jones Day. (Reuters)

News about other companies and trends …

Economic / Political News

- The **British** government failed to satisfy many industrialists over its **Brexit** preparations. The head of **Airbus** said ministers "had no clue" on how to execute Brexit without "severe harm". (BBC). UK Brexit secretary David Davis resigned (BBC), although he said it was because of dissatisfaction with the government's preferred deal, it could just be force of habit. (BBC)
- **US** light vehicle sales in June of 1.54 million units represented a SAAR of 17.4 million, up 5.5% on a year-over-year basis. (Wards)
- **Germany** had 341,308 new passenger car registrations in June, an increase of 4.2% on a year-over-year basis. (KBA)
- June passenger car registrations in the **UK** of 234,945 units were down (3.5)% on a year-over-year basis. (SMMT)
- Passenger car registrations in **France** for June 2018 were up 9.2% on the same month a year earlier. (CCFA)

Suppliers

- **Autoliv** completed the spin-off of its electronics division, now named **Veoneer**. (Autoliv)
- **Hyundai Mobis** will increase R&D spend as a % of revenue from 7% to 10% by 2021. (Yonhap)
- **Varroc** announced the acquisition of **Sa-ba**, as rumoured in June. (Varroc)
- **Magna's** CEO refused to directly answer questions about the firm developing and manufacturing bespoke vehicles for companies such as **Lyft**, but noted that Magna is "the largest independent company that can engineer and build vehicles". (Automotive News)

Ride-Hailing, Car Sharing & Rental (history)

- **Cabify** denied that **Lyft** was interested in taking a stake. (TechCrunch)
- **Uber** reported passed up on the chance to buy bicycle rental firm **Motivate** before **Lyft** snapped them up but was put off by the company's unionized workforce. (CNBC)
- **Singapore's** competition commission said the merger of **Uber** and **Grab** had been unhealthy for competition and may force a separation unless its concerns can be allayed. (CNBC)
- **Karhoo** said that it now has a fleet equivalent to 51,000 vehicles in the UK. (Fleet Europe)
- **VW** is starting an all-electric car sharing service called WE from 2019 in Germany and internationally in 2020. The press release implied that scooters will become a part of the service offering. (VW)
- **Volvo** launched a new mobility brand called M, initially it will offer car sharing services. (Volvo)
- **PSA** and **Renault** both announced new all-electric car sharing schemes in Paris. (PSA) / (Renault)

Driverless / Autonomy (history)

- Anthony Levandowski, formerly of **Waymo** and **Uber**, seems to have formed a new company called **Kache.ai**, but since the firm is still in stealth mode, no one knows for certain. (TechCrunch)
- **Neuvition** announced a new lidar with 480 lines of resolution and a claimed range of 200 metres. (Neuvition)
  - Implication: If the claims made for the hardware in terms of range and resolution are correct and the price is right, Neuvition may have just moved themselves to the front of the pack, especially as their solution boasts an integrated camera. Ground truth recognition in a box?
- Civil servants running the **UK** road network expressed scepticism that autonomous vehicles would be widespread on city streets by 2021, but wouldn't be surprised to see them operating on motorways. (New Civil Engineer)
- **Valeo** joined the Project Apollo autonomous car collective led by **Baidu**. (Valeo)

Electrification (history)

- **Magna's** CEO reiterated his company's relatively bearish forecast for electric vehicle market share -- 5% by 2025, but has become more open minded on the very long term saying that 2030 is "anybody's guess". (Automotive News)
- The **Chinese** government is reportedly planning a reduction in electric vehicle incentives in future, with range requirement increasing and per unit incentives going down. (Times of India)

Connectivity

- Fleet security provider **Trillium Secure** raised $11 million. ([CSO](#))