



AD PUNCTUM

Autos & Mobility Industry Briefing -- 20th August to 26th August 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)

- Unveiled the new Z4 roadster. ([BMW](#))

Daimler (history)

- Reportedly looking at a deal to take a 20% stake in VW's online used car platform HeyCar. ([Handelsblatt](#))

FCA (history)

- Reportedly in talks to sell Magneti Marelli to private equity firm KKR's Calsonic Kansei rather than spin it off into a separate listed entity. ([Detroit Free Press](#))
- Recalling around 209,000 cars to fix braking problems. ([Yahoo Finance](#))

Ford (history)

- Moved the product planning team out of product development so the position now reports into the marketing organisation. ([Ford](#))
- Ford's governmental affairs team took a hit as its head of international relations was recruited by the US government to oversee negotiations with North Korea, shortly after the top lobbyist left for SoftBank. ([Detroit News](#))
- Recalling around 50,000 charging cords for electric vehicles due to fire risks and a small quantity of vehicles that appear to have been factory released without all the bolts being properly tightened. ([Ford](#))

Geely (includes Volvo) (history)

- Reported first half revenue (excluding Volvo and Lynk&Co) of 53.7 billion RMB (about \$7.9 billion). Reported profits of 6.7 billion RMB (about \$1 billion) were up 54% on a year earlier. The company believes that it will beat its previous volume expectations for the full year, in part due to the strong performance of Lynk&Co products. ([Geely](#))

General Motors (history)

- Increasing the amount of product development it does in Australia, even though it has ceased manufacturing in the country. GM will recruit around 150 new engineers to bring the total to 500. ([News.com.au](#))
- Employees at one of GM's few components factories (in Rochester, USA) are worried that a move to source fuel system parts from an external supplier spells the end for their plant after 2021. ([Democrat&Chronicle](#))

Hyundai / Kia (history)

- Kia reached an agreement with South Korean unions on a pay deal for 2019. ([Yonhap](#))
- Hyundai is reportedly looking for a partner to manufacture its Ioniq foldable electric scooter. ([Korea Herald](#))

Nissan (includes Mitsubishi) (history)

- Launched production of the new Altima sedan at the Tennessee, USA plant after a \$170 million refit of the plant facilities and tooling. ([Nissan](#))
- Production of the China market-only Slyphy BEV began at Dongfeng's plant in Huadu, China. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Opel unveiled the GT X BEV compact (B-sized) SUV. Although described as a concept, the vehicle seems a likely candidate for production as the next generation Mokka X, sharing the underpinnings of the next generation 208 / Corsa (already been confirmed as having a BEV version), and due around 2020. ([Opel](#))
- Employees at Opel's Aspern plant in Austria are concerned by media reports that factory headcount could fall from 1,400 now to around 600 very soon as the outgoing five speed transmission is set to be replaced by one with far lower volumes, and engine production is also thought to be under threat. ([Kurier](#))

Renault (history)

- Will unveil the new Arkana crossover at the end of the month ahead of launch in various markets from 2019 onwards. ([Renault](#))

Suzuki

- Reportedly working on a deal to dissolve its Chinese joint venture and end direct involvement in the market, although Suzuki badged cars might continue to be made under licence. ([Bloomberg](#))

Tata (includes JLR) (history)

- Before it has even opened, union officials at JLR's new factory in Slovakia are complaining about the work environment, saying that insufficient air conditioning has been installed to stay within comfortable working temperatures. JLR say that a "drinking regime" is used in the event of high temperatures. This is OEM-code for offering workers the choice between: working in stifling heat or; working in stifling heat and consuming disgusting orange squash, the type which you will have experienced if you were unlucky enough to attend an English state school in the 1980s and seems to have disappeared from all shelves; except those of a secret supermarket seemingly known only to OEM HR departments. ([Slovak Spectator](#))

Tesla (history)

- Elon Musk said he was no longer interested in taking the company private, citing unforeseen time consuming and complicated responsibilities that come with running a private company. ([Tesla](#))
- Leaked internal documents suggested Model 3 had a first time through quality rate of around 15% -- about the same as an underperforming car plant in the late 1990s. Since first time through refers to corrections made at the end of the assembly line, it is an indicator of productivity and not a suggestion of low outgoing quality. ([Business Insider](#))
- Despite Tesla's other troubles, a recent audit of the Las Vegas Gigafactory said that hiring was taking place at the expected rate to justify receiving tax credits from the local government. ([Electrek](#))
- Testing data collected from driver logs suggested that the 75 kWh Model 3 has a superior combination of charging time and consumption compared with top specification Model S and X. ([ABRP](#))
- A Bloomberg columnist took it upon themselves to ask former Ford CEO Alan Mulally whether he would like the top job at Tesla and received an equivocal response. ([Bloomberg](#))
- One of the companies reportedly prepared to invest in a bid to take Tesla private was VW. ([WSJ](#))

VW Group (history)

- CEO Diess gave a wide-ranging interview in which he called the level of change necessary to be competitive in software "exhausting" but expressed confidence that VW could hold its own against the likes of Google and Apple. He also believes that VW's experience with the eGolf has shown strong demand for a 300km real world range car at a €30,000 price point and cautioned against viewing the electric car in isolation as an environmental benefit, citing claimed equivalent 600 g per km of CO₂ in Germany (against a sub-130g fleet average target). Diess suggested a

working assumption of 2025 battery costs of €5,000 to €6,000, implying the company expects costs of €85 to €100 per kWh by that time. ([Handelsblatt](#))

- VW's independent auditor of emissions protocol complained to the company about the level of cooperation it was getting from executives and received assurances that transparency will improve. ([Reuters](#))
- Reportedly tried to buy self-driving software developer, and partner, Aurora but was rebuffed because the firm wanted the freedom to work with multiple carmakers. ([Bloomberg](#))
- Will spend €3.5 billion on forthcoming IT initiatives up to 2025, with new cooperations and acquisitions planned in the “near future”. VW is simplifying its software design to reduce the number of control units in a vehicle from around 70 to “just a few”. ([VW](#))
- Audi showed an all-electric sports car concept called PB18, potentially a precursor to the next generation R8. ([Audi](#))
- Reportedly looking at a deal sell a 20% stake in online used car platform HeyCar to Daimler. ([Handelsblatt](#))
- VW was reportedly one of the companies prepared to invest in a bid to take Tesla private. ([WSJ](#))
- MAN truck announced a series of efficiency initiatives, including ending one model line and selling the factory that built it. ([MAN](#))
- Launched a new all-electric car sharing scheme called We Share which will begin operations in the middle of 2019 in Berlin and then expand to other European and US cities. ([VW](#))
 - Implication: VW's approach to mobility still appears fragmented with We Share representing another new brand in addition to the previously announced Moia.

Other

- Russian firm **Kalashnikov** unveiled an all-electric model called the CV-1 that it says will combine a 220 mile range with the looks of a stretched Yugo. Pricing and sales targets remain a mystery. ([BBC](#))
- **Subaru** has trimmed its European diesel line-up following WLTP certification and now the only vehicle offering diesel engines is the Forester. In the UK, the fuel type has been dropped altogether. ([Autocar](#))
- **McLaren's** CEO said that high performance luxury car sales in **India** were being held back by the poor state of the country's roads. ([Automotive News](#))
- **Wiesmann** said their new model will be on sale in 2019. ([Sunday Times](#))
- **Perodua** is reportedly experiencing launch problems with the new Myvi. ([Carlist](#))

News about other companies and trends ...

Economic / Political News

- The **UK** government issued guidance for a no deal **Brexit**. ([UK Govt](#))
- A poll of **UK** drivers found about half of them believe **diesel** cars should be banned, about the same proportion as drive petrol powered cars. ([The Guardian](#))

Suppliers

- **Continental** issued a new profit warning with the blame placed on exchange rates. ([Continental](#))
- **Adient's** CEO and Chairman abruptly stepped down and was replaced on an interim basis. ([Adient](#))
- **FCA** is reportedly in talks to sell **Magneti Marelli** to private equity firm KKR's **Calsonic Kansei** rather than spin it off into a separate listed entity. ([Detroit Free Press](#))
- **HyundaiMobis** invested about \$7 million in image detection firm **StradVision**. ([Green Car Congress](#))
- **Denso** invested \$270 million in OLED developer **JOLED**, a business that was formed through the merger of Panasonic and Sony's OLED assets. ([Denso](#))
- **Denso** and **Aisin Seiki** are establishing a 50/50 joint venture for electric vehicle drive modules. ([Denso](#))
- **Denso**, **Aisin Seiki**, **Advics** and **Jtekt** agreed a joint venture to develop electronic controllers for self-driving software and sensors. The shareholdings will be 65%/25%/5%/5% respectively. ([Denso](#))

Dealers

- The man **GM** says sold the most vehicles ever in a single year in the US is being sued by the previous record holder and Guinness has refused to officiate. ([Detroit Free Press](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber's** CEO says the company thinks bicycles are a better method of transport than cars for short trips in centres and will try to direct users to that type of service over cars. He believes that, in general, a switch will be a good thing for drivers since there will still be lots of longer trips for them to fulfil. ([Financial Times](#))
 - Implication: The CEO's stance repeats earlier Uber data suggesting that bicycle rides cannibalised short term trips, however the company is yet to offer solutions to bicycle sharing's shortcomings, notably how usage drops as weather worsens. Whilst headline-grabbing, Uber will be aware that its valuation, way beyond that of bicycle rental firms, is predicated on the assumption of profitable growth in taxi-type services.
- **Uber** appointed a new CFO, who immediately hit headlines by suggesting that 2019 could be too early for the company to have its IPO. Uber's PR department said he was simply being conservative. ([Business Insider](#))
- **Uber** executives talked about the challenges of operating in emerging markets, particularly verifying cash used in transactions and dealing with fuel price inflation. ([QZ](#))
- **Grab** announced a fleet of 200 **Hyundai** Ioniq BEVs will serve customers in Singapore and build the company's understanding of the practicalities of operating a high-utilisation electric vehicle fleet. ([Grab](#))
- **Didi** suspended services on its carpooling app Hitch after a murder, the second this year. ([Reuters](#))
- Car sharing firm **Getaround** raised \$300 million from investors including **SoftBank** and **Toyota**. ([Reuters](#))
- Luxury car rental firm **CarHopper** integrated its offering into private jet rental firm **JetSmarter's** app. ([CarHopper](#))
- **MaaS Global** raised €9 million. ([MaaS Global](#))

Driverless / Autonomy (history)

- **Aptiv's** fleet of 30 self-driving vehicles in Las Vegas, USA have already logged 5,000 journeys (on **Lyft's** network) since operations began in May. ([Aptiv](#))
- The CEO of self-driving developer **Zoox** stepped down or was fired, depending on who you asked. ([SMH](#))
- **Waymo** is currently using remote operators in an advisory capacity. Rather than taking control of the vehicle, they select next steps from a list of suggestions by the vehicle and these are then executed according to the vehicle's programming. ([The Verge](#))
- Lidar supplier **Quanergy** said it was expanding production "by an order of magnitude" in order to become the volume leader. ([Quanergy](#))
- **Waymo** has established a subsidiary in China, fuelling speculation of a launch in the country. ([Reuters](#))
- An ex-GM executive who now consults with **Waymo** listed **GM**, **Daimler** and **Toyota** as the OEMs best positioned for autonomous vehicles, in his opinion. ([Forbes](#))
- Mapping start-up **Carmera** said it has raised \$20 million. ([TechCrunch](#))
- Self-driving developer **Ghost Locomotion** said it has \$15 million in funding. ([Crunchbase](#))
- **VW** reportedly tried to buy self-driving software developer, and partner, **Aurora** but was rebuffed because the firm wanted the freedom to work with multiple carmakers. ([Bloomberg](#))

Electrification (history)

- Chief of the US **UAW** union wrote an op-ed piece calling for EV powertrain production to be located in the US and preserve jobs. ([Detroit News](#))
 - Implication: Although he acknowledged the far lower mechanical (and therefore value-added) content in a BEV compared with an ICE powered car, the UAW President didn't recognise that anything near to a one-for-one exchange of jobs is impossible, even if powertrain production remains in the US as he hopes.
- Russian firm **Kalashnikov** unveiled an all-electric model called the CV-1 that it says will combine a 220 mile range with the looks of a stretched Yugo. Pricing and sales targets remain a mystery. ([BBC](#))

Connectivity

- **TomTom** said in July it made 1.5 billion changes to its maps, part of this was adding 1.32 million km of new roadways but much of it was changes to existing features. ([TomTom](#))

Other

- **Root**, an insurance company that offers individual policies based on usage and data collected about the policy owner's driving style, raised \$100 million. ([TechCrunch](#))