



AD PUNCTUM

Autos & Mobility Industry Briefing -- 10th September to 16th September 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 iNext, which has morphed from a coupe-like saloon to an SUV. BMW appears to be still undecided on how the car interior should change when the vehicle is in autonomous mode with the steering wheel of the concept retracting “slightly” (in the original demonstrator, the wheel folded away entirely). ([BMW](#))
 - Implication: After receiving, and appeared to accept, criticism that the styling of the i3 was too strange and held back sales, BMW seems to have forgotten the lesson entirely with the iNext. It remains to be seen whether the world is ready now in a way it wasn’t a few years ago.
- Withdrew all diesel variants from sale in the US, although some cars remain in dealer stock. ([Yahoo](#))
- Demonstrated an autonomous motorbike, but unlike competitor projects, BMW does not seem to have tackled the problem of stabilisation, so the vehicle is just as likely to tip over as any other. In BMW’s own words, “at first sight, the autonomous motorbike seems to no real sense”. They say the technology could in future become an active safety system. ([BMW](#))
- Working with insurer Swiss Re to use vehicle data to derive a tailored insurance policy for individual owners. ([BMW](#))
- Said there were “headwinds” and that several major markets were “highly competitive”, calling out the USA and European markets. ([BMW](#))
- BMW’s development chief said OEMs without a cost advantage in electric vehicles will not survive. ([Reuters](#))

Daimler (history)

- Unveiled a new configurable van concept (Vision Urbanetic). It features a running platform with different modules that can be quickly swapped on and off to change roles, for instance between cargo and people movement. ([Daimler](#))
 - Implication: Ad Punctum sees reconfigurable platforms as a key enabler to increased vehicle utilisation that can help reduce travel costs per mile. Daimler’s demonstration of such as concept, following from recent efforts by GM, Rinspeed and others, shows the promise of this type of execution.
- Concluded the purchase of a 20% stake in VW’s used car sales platform HeyCar. ([VW](#))
- Suspended production in South Carolina, USA, because of Hurricane Florence. ([Bloomberg](#))

FCA (history)

- Hedge fund Tiger Global now owns almost 4% of the company. ([Reuters](#))
- KKR offered €5 billion for Magneti Marelli, below the €6 billion FCA wanted, so the search for a buyer continues. The investment bankers who leaked the story implied KKR are welcome to up their offer. ([Bloomberg](#))

Ford (history)

- Suffered a power failure at the Rouge factory. Ford said the lost F-150s would be caught up. ([Detroit News](#))
- Argo AI has licensed its lidar technology to Ball Corporation for use in aerospace and defence projects. ([Zacks](#))

- Announced a recall for a small number of vehicles in North America to repair door structures. ([Ford](#))
- Ford's VP in charge of its internet of things platform, spoke at a conference about how rich he was, Ford's approach to software platform leadership and how it integrates traditional bureaucracy with agile start-up thinking. ([Ford](#))

Geely (includes Volvo) (history)

- Geely's London Electric Vehicle Co subsidiary will put its new taxi-derived van into testing with fleets next year and expects to build 10,000 units at its new factory in 2020, rising to 22,000 per year by 2022. ([Autocar](#))
- Finalised its majority stake in Saxo Bank, appointing a new chairman and several board members. ([Geely](#))
- Issued a statement saying it had no intention of increasing the 9.69% Daimler stake. ([Geely](#))
- Volvo suspended production at its US car factory due to Hurricane Florence. ([Bloomberg](#))
- Asked for an exemption for the China-built Volvo XC60 from new US tariffs, dangling the possibility of future US production if sales could continue unabated whilst it ramps up the new South Carolina plant. ([Reuters](#))
- Appointed a new CEO for Lotus. ([Lotus](#))

General Motors (history)

- Recalling over 240,000 vehicles to fix brake problems ([Detroit Free Press](#)) and 1 million more to sort out steering malfunctions. ([USA Today](#))
- CEO Barra said "there's going to be a point where we're going to be upgrading and improving cars instead of fixing them". She also confirmed that GM believes it is on track to launch geofenced operation of driverless vehicles next year but demurred on specifying a timeframe for autonomous features to be available for retail customers to purchase. ([Fast Company](#))

Hyundai / Kia (history)

- Appointed the son of group chairman Chung Mong-Koo as chief vice chairman of Hyundai Motors. ([Reuters](#))
- Invested in solid state battery developer (and BMW partner) Solid Power. ([Solid Power](#))
- Announced an estate version of the ProCeed. ([KIA](#))
- Considering whether to invest in a new generation of diesel engines to meet Euro 7 regulations. ([Autocar](#))

Nissan (includes Mitsubishi) (history)

- Took a stake in the e.DAMS racing team that will run Nissan's Formula E entry. ([Nissan](#))
- Unions are unhappy with a voluntary redundancy scheme the alliance has offered at its Tamil Nadu, India, plant saying the company should have consulted with them first. ([Business Standard](#))
- Believes that car sales in the US may make a partial recovery as interest rate increases and higher gasoline prices may SUVs less affordable. ([Bloomberg](#))

PSA (includes Opel/Vauxhall) (history)

- The union leader handling PSA's proposed sale of Rüsselsheim development activities to Segula said he is cautiously considering the transaction but was not vehemently opposed providing jobs are preserved. ([FAZ](#))
- At the unveiling of the new DS3 Crossback executives reiterated the brand's plans to stop offering diesel and gasoline vehicles by 2025, with only plug in hybrids or full BEVs on sale. ([DS](#))
- Gave an update on its aftermarket strategy, including the absorption of Opel and Vauxhall activities. ([PSA](#))

Renault (history)

- Revealed the facelift for the Kadjar crossover. ([Renault](#))
- Unions are unhappy with a voluntary redundancy scheme the alliance has offered at its Tamil Nadu, India, plant saying the company should have consulted with them first. ([Business Standard](#))

Suzuki

- Has increased Baleno production in India by 34% over the last eight months, and as a result of lower waiting times sales have risen to 18,000 units each month. ([Times of India](#))

- Toyota may add production of Suzuki cars at its plant in Bengaluru, India to utilise surplus capacity. ([LiveMint](#))

Tata (includes JLR) (history)

- JLR's CEO used a speech at a conference on zero emission vehicles attended by the British prime minister to berate the UK government for its approach to Brexit planning and wondering out loud whether factories would continue to function in the event of a hard Brexit. ([Reuters](#))
- Moved to a three-day week at the Castle Bromwich, UK Jaguar plant, due to unspecified headwinds. Sales of models built at the factory have fallen to about 52,500 in the first eight months of 2018 from about 69,000 in the same period last year. ([Bloomberg](#))
- Launched a network of charging stations in South Africa to encourage I-Pace buyers. ([IOL](#))

Tesla (history)

- Culling two colours to make manufacturing simpler, but since the colours involved were (highly popular) black and silver and the ability to order "but at a higher price" remains, the move looks more like a way to raise revenue than streamline operations. ([Economic Times of India](#))
- Has gone from "production hell to delivery logistics hell" per CEO Musk. Since worldwide distribution of half a million or so vehicles from a single plant is not unknown in the automotive industry, it is not clear whether Tesla faces truly unique problems or has simply failed to plan and execute properly. ([Reuters](#))
- Tesla said it was selling the final vehicles that would benefit from lifetime supercharger access. ([Electrek](#))
- A small fire stopped work at Tesla's Nevada Gigafactory for a few hours. ([Reuters](#))
- Elon Musk said Tesla was aiming to bring repairs in-house with a target repair time of less than a day. ([Reuters](#))
 - Implication: Whilst this appears to fit in with Tesla's normal mode of vertical integration, this move raises the question of how exactly Tesla decides what is core and non-core? At a time when the firm is still struggling with many operational issues related to designing and building cars, it may be that time spent on body shops could be better used elsewhere.

Toyota (history)

- Working to add production of Suzuki cars at its plant in Bengaluru, India to utilise surplus capacity. ([LiveMint](#))

VW Group (history)

- CEO Diess and the head of the works council gave a joint interview to the in-house magazine. They agreed that complexity must be reduced by having fewer buildable combinations and that more needs to be done to improve VW Groups's competence in software development, which they attributed to excessive outsourcing (up to 80% of the workload) previously. Diess said a margin of 7% - 8% was required to make the business "crisis proof" and that the cost of introducing electric vehicles will be higher than expected. ([VW](#))
 - Implication: Diess becomes the second CEO in a week to admit their company is struggling to contain development costs for electric vehicles (after Daimler CEO Zetsche)
- Hopes to sell 10 million units over the lifetime of the MEB platform. ([VW](#))
- Rumoured to be exploring alliances with other companies, including fellow OEMs, with the aim of creating a consistent set of technical standards for self-driving vehicles. A VW Group management board review could take place in the coming weeks. ([Automotive News](#))
- Added down days in the Wolfsburg factory's Golf production schedule, apparently because of falling sales rather than WLTP problems. Tiguan production may be replaced as a partial offset. ([Handelsblatt](#))
- Sold a 20% stake in VW's used car sales platform HeyCar to Daimler. ([VW](#))
- VW's trucking division believes autonomous vehicles will catch on more quickly in the US and China because they think the regulators are more open to change. ([Handelsblatt](#))
- Porsche launched two short term rental programs on a pilot basis in the US. Porsche Drive is a daily rental offering that competes with similar services from existing major daily rental firms. At a cost of \$2,909 for a week's 911 rental, the pro-rata cost is significantly higher than the monthly "Passport" offering. Porsche Host is a peer-to-peer offering that appears to be a sub-branding of vehicles already available via the Turo app. ([Porsche](#))
- Ceasing production of the Beetle in 2019. ([Reuters](#))

- Audi owners in Europe will be able to use a single payment service, dubbed e-tron charging service, to access charging points from 220 providers across Europe. ([Audi](#))
- Škoda's unions issued a statement saying it had rejected moves to produce the Superb in Germany. ([Times of India](#))
- VW Group has signed new terms with dealers and importers in almost all European markets. ([VW](#))

Other

- **NIO's** stock market listing had a shaky start with prices falling from the IPO level then recovering. At one point the company was worth around \$12 billion. ([Reuters](#))
- **Aston Martin** revealed more technical details about the limited edition Rapide E. Whilst Aston Martin said the performance could be sustained in a way similar to an internal combustion engine car ([Aston Martin](#)), the development engineers said that meant it can sustain its top speed of 155 mph for ten minutes. ([Autocar](#))
- **Gordon Murray Design** announced a new version of its iStream flexible platform technology with claimed weight savings of 50% over other types of car body (note: not versus the entire vehicle weight). The company will offer a conventionally powered rolling chassis named T.43 that can be turned into a sports car under licence. ([GMD](#))

News about other companies and trends ...

Economic / Political News

- To the dismay of OEMs, a **European Parliament** drafting committee backed even harsher proposals for **fleet average CO₂** emissions in 2025 and 2030 than had been recommended to them. Against the proposed drop of 15% between 2021 and 2025 and 30% between 2021 and 2030, they called for a 20% reduction by 2025 and a 45% reduction by 2030. National governments still get to weigh in before the rules are finalised. ([Reuters](#))
 - Implication: The OEMs may come to regret their energetic yet unconvincing pushback against the original 15% and 30% targets if the draft proposals pass. For some time, lawmakers and manufacturers have been at odds about whether the proposals should increase vehicle costs (lawmakers = yes, OEMs = no). The draft targets look unreachable without application of 48V technology on all internal combustion engines and a heavy mix of PHEVs and BEVs. Currently, the number of fully electric models OEMs plan to have on the market by 2030 could be insufficient to reach that share.
- The **Chinese** government is reportedly taking a dim view of companies that have applied for new energy vehicle permits but then failed to build vehicles and will make it more difficult for them to extend the licence that had previously been the case. ([China Daily](#))

Suppliers

- **Adient** named a new CEO and the interim CEO was made non-executive chairman. ([Adient](#))
- **Renesas** announced the acquisition of chipmaker **IDT**. ([ZDNet](#))
- **Gestamp** opened a new stampings plant near Wolverhampton, UK at a cost of £50 million. ([Gestamp](#))

Dealers

- Online sales start-up **Shift** announced \$140 million in new funding in a round led by **Lithia**, a large US auto retailer. **BMW iVentures** (an existing investor) also participated in the round. ([Shift](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Go-Jek** is looking to raise a further \$2 billion to fund expansion and competition with **Grab**. ([Deal Street Asia](#))
- **Uber** will invest \$150 million over five years in Toronto, Canada, increasing the headcount from 200 to 500 and opening a new office. ([TechCrunch](#))
- A memo from **Didi's** CEO said the company lost 4 billion RMB (\$582 million) in the first six months. ([Reuters](#))

Driverless / Autonomy (history)

- Autonomous vehicle developer **PerceptIn** began sales of its DragonFly autonomous pod, with a \$40,000 asking price. The pod is speed limited to 20 mph. ([PerceptIn](#))
- **Aptiv** sees autonomous vehicle fleet sizes of 1,000 cars or more becoming common in the early 2020s and that costs for retail customers will remain too high until at least 2023. The company says Europe is “a bit behind” in the development of autonomous vehicles. ([Handelsblatt](#))
- **Blackmore** released a demonstration video showing how its doppler lidar product can categorise products by relative velocity without post-processing. ([Extreme Tech](#))
- **Argo AI** has licensed its lidar technology to **Ball Corporation** for use in aerospace and defence projects. ([Zacks](#))
- **NRG Systems** acquired the low cost lidar technology of Israeli firm **Pentalum**. ([Engineer Live](#))
- **VW's** trucking division believes autonomous vehicles will catch on more quickly in the **US** and **China** because they think the regulators are more open to change. ([Handelsblatt](#))
- A **UK** government-funded research project into autonomous vehicles published its final findings, including data on willingness to pay based on a survey of several hundred people. ([Venturer](#))
- **Comma.ai** announced a new CEO, saying founder George Hotz was now head of research. ([Comma.ai](#))
- **Hyundai Mobis** signed a contract with **Tata Elxsi** to develop a simulation program for autonomous driving by 2019. The partners may find the project harder than they anticipate, especially since photo realistic graphics may be completely unrepresentative of the way AI camera imagery. ([Yonhap](#))
- **Volvo Trucks** presented a concept for an electric and autonomous truck. ([Volvo](#))
 - Implication: Judging by the concept's design, Volvo are in the early stages of autonomous testing since the vehicle features no equivalent structure to the cab -- striking in terms of making a design point about new possibilities, but it seems wasteful to not even retain an aerodynamic fairing containing sensors and benefiting from the relatively high vantage point compared to other traffic, especially as a heavier truck would require longer stopping distances and therefore earlier warning is a key advantage.
- GM 's CEO confirmed the firm is on track to launch geofenced operation of driverless vehicles next year but demurred on giving a timeframe for autonomous features to be available for retail customers. ([Fast Company](#))

Electrification (history)

- **Unipart** and **Williams** formed a joint venture called Hyperbat to produce batteries on a vacant Unipart site. The launch customer for the facility will be the **Aston Martin** Rapide E. The 90 jobs announced in the press release suggest the factory will not have a significant capacity. ([Unipart](#))
- **ChargePoint** intends to have 2.5 million chargers in operation by 2025, up from 45,000 today. ([Green Car Reports](#))
- **Yamaha** is trialling an electric battery swap scheme for scooters in Taiwan, in a pilot that looks very similar to the recently announced partnership between **Panasonic** and **Honda**. ([Autocar](#))
- Battery developer (and **BMW** partner) **Solid Power** raised \$20 million, **Hyundai** was an investor. ([Solid Power](#))
- Chinese battery developer **Farasis** has raised over \$1 billion and will build a European factory. ([Inside EVs](#))

Other

- **HP** launched a new metal additive printer called Metal Jet and said **VW** are a customer for parts made using the machines by suppliers such as **GKN**. ([HP](#))
- **Mobike** is reportedly undergoing a scrapping program to replace 40,000 bikes in Shenzhen. ([Technode](#))
- Brazilian bike sharing start-up **Yellow** raised \$63 million. ([TechCrunch](#))