



AD PUNCTUM

Autos & Mobility Industry Briefing -- 15th October to 21st October 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)

- Created a joint venture with Northvolt and Umicore to improve recycling of used electric car batteries. ([BMW](#))
- Unveiled the production version of the X7. ([BMW](#))
- Recalling charging cords for electric vehicles in the US. ([Green Car Reports](#))

Daimler (history)

- Released preliminary financial results for Q3 2018 because profits were lower than expected (about €1 billion lower than the prior year). The blame was placed on lower than expected sales of vans, potential recall costs over air conditioning refrigerants and “governmental proceedings and measures” related to diesel vehicles. ([Daimler](#))
- Investing in Soul Machines, a developer of digital avatars. ([Reseller](#))

FCA (history)

- Agreed a deal to sell Magneti Marelli to KKR-backed Calsonic Kansei for €6.2 billion and expects the transaction to close in the first half of 2019. ([FCA](#))
- Maserati will reportedly use an 800 volt electric drive developed by Ferrari. ([Autocar](#))

Ferrari

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 - Implication: Since Maserati’s first electric cars will be launched in the early 2020s and Ferrari have yet to confirm any product plans (silent development mules notwithstanding), either we can expect a similar launch window for the Ferrari hybrids or there has been an unusual decision to let Maserati launch first.

Ford (history)

- Ford promised US dealers that it will cut delivery times for new orders from 82 to 38 days. ([Reuters](#))
- Signed collaboration agreement with Mahindra and Mahindra that will see the Indian firm build a small engine for Ford’s Indian vehicles and a jointly shared telematics platform. ([Mahindra](#))
- Dealers complained that Ford was not giving them enough information about future plans and the amount of exposure to senior leaders had fallen. ([Automotive News](#))
- Increasing lifetime production of the GT to 1,350 units. ([Ford](#))
- Incensed French politicians and unions by refusing a takeover offer from Belgian company Punch Powerglide for the Bordeaux transmissions plant, saying that it would instead proceed with a closure. Although politicians said Ford’s position was incomprehensible, it turns out that the new supplier’s plan had demanded Ford guarantee orders until 2021 (when it wants to stop taking products from 2019) and would only save half the jobs. ([Sud Ouest](#))

- The US safety regulator opened an investigation into F-Series power tailgates that open unexpectedly when the vehicle is in motion. ([Detroit News](#))
- Released a new series of adverts in the USA featuring the “built Ford proud” strapline. In one expensively produced slot Brian Cranston talks down the hot air from the competition (presumably with Tesla in their sights). ([Ford](#))
 - Implication: If only the people involved had looked at the script with a slightly more critical eye they might have thought better of including shots of Ford’s bulldozed Dagenham foundry whilst talking about how well Ford prepares for the future (they perhaps mistook it for the Rouge) and been slightly less conceited given that Elon Musk is still on his first car company when it took Henry Ford three tries to get the formula right.

Geely (includes Volvo) (history)

- Hoping to raise €950 million to refinance debt resulting from the its Volvo AB stake. ([Reuters](#))
- Says that 50% of the Care by Volvo subscription users bought the service using their mobile phones. ([Engadget](#))

Hyundai / Kia (history)

- Will work with Engie and Air Liquide to boost hydrogen infrastructure for fuel cells. ([Yonhap](#))

Nissan (includes Mitsubishi) (history)

- Mitsubishi commenced production at its new engine plant in China, a joint venture with GAC. ([Mitsubishi](#))
- Nissan created a new business unit to cover Latin American markets. ([Nissan](#))
- Nissan now offers a range of aftermarket option packs aimed at fleet. Nissan says the products can increase residual values and fleets will benefit from discounts and the availability of dealers to fit the accessories. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- German investigators raided Opel’s office and said the firm would need to recall around 100,000 Cascada, Insignia and Zafira cars. Opel said it would challenge any recall order. ([Reuters](#))
- Opel / Vauxhall will continue to use GEFCO for its logistics. ([Autocar](#))
- Withdrawing from rally competitions because it thinks that without electrified vehicles the sport will lose relevance, or it wants to save on marketing spending; whichever version you want to believe. ([PSA](#))
- Opel will offer German customers up to €8,000 to trade in older diesel vehicles for a new car. ([Opel](#))

Renault (history)

- Renault’s JV with Brilliance will create a new factory in Liaoning, China to make electric light commercial vehicles. There will be three new, as yet unspecified, models. ([Renault](#))

Tesla (history)

- CEO Musk said the company will begin installing a new driver assistance chip in about six months. Buyers who have already pre-paid for “self-driving” will receive the chip free of charge. For anyone else, it will cost \$5,000 to have the upgrade (presumably including software updates). ([Reuters](#))
- Launched a derivative of the Model 3 with a smaller battery and a \$45,000 starting price. ([Wired](#))
- Purchased the land for its new factory in Shanghai, China. ([CNBC](#))
- CEO Musk said he had just realised there were major gaps in the servicing coverage for customers in North America, promising to sort the problem out within 3 to 6 months. ([Clean Technica](#))
- Removed the ability to pre-order “full self-driving” on cars, despite having announced an improved driver assistance chip. Elon Musk said the option was causing too much confusion. ([The Verge](#))
 - Implication: Apart from the obvious questions about Tesla’s ability to deliver on its promises, the move also tarnishes Tesla’s technology leadership crown and leaves a space for other companies to claim.

Toyota (history)

- The head of Toyota’s self-driving program in the US said the safety argument for robotaxis was flawed because the gains were insufficiently large over human drivers. ([IEEE Spectrum](#))

- Ran an advertising pilot that claimed a 21% improvement in performance from using blockchain to verify that real users had been shown advertisements. The press release was heavy on mentions of blockchain but light on explanation. ([Lucidity](#))

VW Group (history)

- Porsche's CFO said that if VW were to spin off its luxury brands, they could reach a collective valuation of between €60 billion and €70 billion but the company quickly rowed back on the comments. ([CNBC](#))
- CEO Diess told suppliers there would be a €50 billion to €60 billion market for battery cells in Europe soon, and the opportunity could even rise to €100 billion. He also believes that German carmakers have a 50:50 chance of retaining their competitive advance in 10 years. Diess once again took the opportunity to complain about CO₂ regulations in Europe and said that with the current mix of electricity generation in Germany (lots of coal), electric vehicles were not that clean. ([VW](#))
- Announced a new factory in Anting, China in partnership with SAIC that will be purpose built to produce electric cars on the MEB platform. The plant will produce up to 300,000 units annually. ([VW](#))
- Audi will pay a €800 million fine to German prosecutors for its part in the diesel scandal. ([Audi](#))
- Launched a big marketing program for diesel owners in Germany, with discounts of between €4,000 to €8,000 depending on the combination of new and traded in vehicle. VW is also offering incremental discounts to buyers in 14 areas with the worst emissions. ([VW](#))
- The Audi e-tron battery electric SUV is suffering launch delays of several weeks caused by software issues. ([Reuters](#))
- Porsche wants to price the Taycan (Mission E as was) between the Cayenne and Panamera, indicating a starting price around €80,000. There could be performance versions priced as high as €200,000, with a Taycan Turbo S nameplate mooted -- confusing since there wouldn't be a turbo in sight. ([Automotive News](#))
- To nobody's surprise, Porsche confirmed the Mission E Cross Turismo had been approved for series production. The 300 jobs the firm says will be created indicate and expected annual volume of around 5,000 units. ([Porsche](#))
- Executives said Porsche would have an all-electric "big SUV" by 2022, thought to be a new vehicle in the line-up beyond the Taycan Cross Turismo since "the Taycan derivatives have already been showcased". ([Autocar](#))
- Sharing the development costs for the forthcoming PPE platform between Porsche and Audi will reportedly save both brands 30% versus going it alone. ([Porsche](#))
- Started production of the SEAT Tarraco at the Wolfsburg plant. ([VW](#))
- Audi says it will implement a new type of panel quality checking system in its press shops. It will replace a camera system that uses image recognition specific to the type of panel being made with one that can recognise defects in all kinds of parts. Although Audi had to spend lots of time teaching the new system, the company says it will be worth it when it can introduce new parts with less effort. ([Audi](#))
- Škoda's next c-car will be called the Scala, with the Rapid nameplate being retired. ([Autocar](#))
 - Implication: Rapid, Rapide are on the way out. Vitesse seems permanently confined to the dustbin. Veloster soldiers on. Superfast and Speedster are brand new. What does this mean for velocity-related nameplates?

Other

- **Aston Martin** trademarked the "Valhalla" name and seems set to use it in either its forthcoming hypercar or mid-engined sports car. The former is more likely. ([Motor 1](#))
- **ATS** will make 12 McLaren-based GTs with an advertised price of €740,000. ([EVO](#))
- **NIO** had delivered 3,368 cars by the end of September. It is aiming for 10,000 by the end of the year. ([NIO](#))
- **Foton** said it wanted to sell up to 67% of **Borgward** to help the brand grow. ([China Daily](#))

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

Economic / Political News

- **European** passenger car registrations in September of 1.12 million were down (23.4)% on the same period a year earlier. On a year to date basis, sales are up 2.3%. ([ACEA](#))
- A cross-party group of **UK** politicians called for a ban on gasoline and diesel vehicles by 2032. ([The Guardian](#))

- EU politicians want a 35% decrease in CO₂ from commercial vehicles from 2021 levels, mirroring the improvements earlier proposed for passenger cars. ([Auto Blog](#))

Suppliers

- **Michelin** announced Q3 financial results. Revenue was down year-on-year, and full year profit outlook was “refined” (Michelin-speak for downgraded). ([Michelin](#))
- **ZF** is working on augmented safety systems using interior cameras to detect interior cabin arrangements, such as whether the seats are reclined, to tailor crash setting and improve survivability. ([ZF](#))
- **Adient** reported preliminary Q3 2018 and full year financial results. ([Adient](#))
- **Denso** released its annual report and announced the firm’s “second founding” as a mobility company. ([Denso](#))
- **Sundaram-Clayton** opened a new foundry in Chennai, India. ([Autocar](#))
- **ZF** purchased a 35% stake in engineering services provider **ASAP** for an undisclosed sum. ([ZF](#))
- **FCA** agreed a deal to sell **Magneti Marelli** to KKR-backed **Calsonic Kansei** for €6.2 billion and expects the transaction to close in the first half of 2019. ([FCA](#))

Dealers

- Chinese used car online sales platform **Chehaoduo** raised \$162 million. ([Shine](#))
- Start-up **LotBlok** will launch a blockchain-based car sales platform. ([LotBlok](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** is reportedly seeking a \$120 billion valuation for its IPO ([The Guardian](#)) and recently raised \$2 billion in debt to tide it over until that mega payday. ([CNBC](#))
- Electric car sharing firm **Scoot** launched services in Chile. ([Scoot](#))
- The French town of **Dunkirk** made all its bus services free for residents, saying that fares only covered 10% of the operating costs anyway. One month after the scheme was implemented, usage had risen by 50%. ([The Guardian](#))
- **Uber** is creating a business leasing trailers for heavy goods vehicles. ([Uber](#))
- **Careem** announced \$200 million of a hoped-for \$500 million fund raising round. ([Careem](#))
- Ride hailing start-up **Alto** raised \$13 million and will soon start operations in Texas. ([Dallas Innovates](#))
- **Ford’s** Chariot service will start offering private bookings. It isn’t clear how the utilisation will be sufficiently high to make the service cheaper than existing options. ([Ford](#))
- **Uber** studied 1.5 million rides to determine the best way of apologising to customers (and found out it is by giving them a \$5 discount). ([Business Insider](#)) the firm is also studying a short term staffing business. ([TechCrunch](#))

Driverless / Autonomy (history)

- Lidar firm **SOS Lab** raised \$6 million. ([Optics](#))
- Autonomous driving developer **Momenta** raised \$46 million in a round valuing it at over \$1 billion. ([Momenta](#))
- Self-driving simulation company **Cognata** raised \$18.5 million. ([Reuters](#))
- Lidar developer **Leddartech** recently opened new development sites, in Austria and Canada. ([Leddartech](#))
- UK Taxi firm **Addison Lee** and autonomous vehicle developer **Oxbotica** announced a plan to commence services with self-driving taxis in London by 2021. ([The Guardian](#))
- **Uber** has reportedly been receiving unsolicited bids for its self-driving arm. ([Financial Times](#))
- An article suggested that **Google’s** initial self-driving cars had a worse safety record than official documents show, because of the cavalier attitude of some of the developers. ([New Yorker](#))
- **Rinspeed** unveiled a new, smaller, version of its skateboard concept called the MicroSNAP. ([Car Scoops](#))
- Sensor fusion company **Vayavision** raised \$8 million. They claim that through processing, their technology can dramatically upscale lidar and radar inputs. ([PE Hub](#))
- The head of **Toyota’s** self-driving program in the US said the safety argument for robotaxis was flawed because the gains were insufficiently large over human drivers. ([IEEE Spectrum](#))

Electrification (history)

- US lawmakers proposed to remove the cap on federal rebates for zero emission vehicles. Under current rules, once a carmaker sells 200,000 units the \$7,500 tax credit starts to drop. **Tesla** and **GM** would be the primary beneficiaries since they are already near or over the limit. ([Yahoo](#))
- Researchers think they have cracked the problem of high-power wireless charging. In a laboratory they demonstrated a 120 kW system (only slightly lower power than Tesla superchargers) working at 97% efficiency. ([Inside EVs](#))
- **Workhorse** launched the NGEN-1000 light commercial vehicle saying it had opted for a 100-mile range with a smaller battery to better compete on cost with diesel vehicles. ([Workhorse](#))
 - Implication: Since the received wisdom is that greater range is better and commercial operators feel constrained by shorter range (although plenty of use cases are satisfied by the specifications). It will be interesting to see whether Workhorse's logic works.
- **BMW**, **Northvolt** and **Umicore** created a joint venture to improve recycling of used electric car batteries. ([BMW](#))

Connectivity

- **Intel** and **Simacan** are creating the infrastructure for trucks to platoon on high traffic routes in Germany. ([Intel](#))
- **Ford** will use technology from **Wind River** to manage over the air updates. ([Telematics News](#))
- **TomTom** lost its contract to supply **Volvo** with in-built mapping. ([Reuters](#))

Other

- **Geely**-owned flying car firm **Terrafugia** started taking orders but hasn't yet announced pricing. ([Automotive News](#))
- The **Bloodhound** supersonic car program went into administration, needing £25 million to complete the program objectives. Executives appeared bullish on the prospects for a recovery. ([Autocar](#))
- **Volvo Trucks** said it would have to recall some trucks because degradation of components could cause vehicles to exceed emissions regulations as they aged. ([Reuters](#))
- Bicycle sharing start-up **Zoov** uses electrically-assisted bikes with a non-traditional rack for charging. Although the bicycles have to be docked, they do not use locks. ([Engadget](#))
- Electric scooter rental firm **Grin** raised \$45 million to expand in South and Central America. ([TechCrunch](#))