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Autos & Mobility Industry Briefing -- 28th January to 3rd February 2019

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)

- Unveiled a mild facelift for the V-Class. ([Daimler](#))

FCA (history)

- Cancelled shifts at two assembly plants after the gas utility reported supply shortages and requested help in prioritising homes and emergency services. ([Reuters](#))
- It looks as though the Fiat brand will be withdrawn from the Indian market at the end of 2019. ([Autocar](#))

Ferrari

- Reported full year 2018 financial results. Sales of 9,251 units rose 10.2% on 2017 but revenue of €3.42 billion was up only 0.1%. Adjusted EBIT of €825 million was 6% better than prior year and Ferrari believes this will grow a further 6% in 2019. ([Ferrari](#))

Ford (history)

- Scheduling “massive overtime” to build the newly launch Ranger pick-up truck for North America. ([Bloomberg](#))
- Launched a redundancy scheme at the Bridgend, UK, engine plant. Ford wants to separate around 400 members of staff by the end of 2019. ([Sky News](#))
- French civil servants ordered Ford to give more time to the prospective bidder for the Bordeaux transmissions plant (slated for closure). Punch Powerglide will have a few weeks to improve the quality of its bid. ([Les Echos](#))

Geely (includes Volvo) (history)

- Issued a statement denying that it was interested in buying FCA. ([Geely](#))
- Lotus announced a wide-ranging collaboration with Williams. Although the press release was framed in generic terms, specialist media are convinced it is all part of the plan to deliver a much-rumoured all-electric hypercar. ([Lotus](#))
- Opening a new Geely design office in Coventry, which could ultimately employ 100. ([Geely](#))
- Proton released pictures of the refreshed Iriz B car. ([Proton](#))

General Motors (history)

- May invest around \$2.7 billion in its Brazilian operations between now and 2024, if it receives enough government support. ([Reuters](#))
- The head of GM’s mobility business left the company. ([Detroit News](#))
- Temporarily stopped production at several Michigan factories after the gas utility reported supply shortages and requested help in prioritising homes and emergency services. ([Reuters](#))

Honda (history)

- Produced 5,357,013 vehicles in 2018, up 2.3% on 2017. ([Honda](#))
- Reported Q4 2018 financial results (Q3 of Honda's financial year). Revenue of 3.973 trillion yen (about \$36 billion) was slightly up on a year earlier but operating profit of 170 billion yen (about \$1.6 billion) was over (40)% worse. Honda maintained full year profit guidance, and slightly raised the revenue outlook despite weakness in motorcycles and power products. ([Honda](#))

Hyundai / Kia (history)

- Hyundai agreed to build a new low cost factory in South Korea in a joint venture with the local government (19% Hyundai stake). Local unions are not happy but the deal has the president's support. Wages will be almost one third of the average unionised Hyundai employee in South Korea. ([Reuters](#))
- Hyundai's MNSOFT subsidiary will develop next generation maps with help from Netradyne. ([Vision Systems](#))

Mazda

- Produced 1,596,767 units in 2018, a (0.7)% drop on a year earlier. ([Mazda](#))
- Purchased Ford's interest in a joint venture engine plant in China. ([Mazda](#))

Nissan (includes Mitsubishi) (history)

- Nissan sold 5,653,683 vehicles in 2018, a drop of (2.8)% from 2017. ([Nissan](#))
- Reversed a plan to produce the next generation X-Trail in Sunderland, UK as a satellite plant of the main Kyushu, Japan factory. Instead, all production will be single-sourced to Kyushu. Nissan explained the decision as capital allocation in the face of high powertrain investment requirements, but said Brexit was not helping. ([Nissan](#))
- Sources say the production rate of Infiniti Q30 and QX30 models at Sunderland has fallen to below 25 cars per day, from a high of around 450. ([Sky](#))
- The UK government said that a grant of £60 million to Nissan would be unaffected, then changed tack and stated that almost the entire value was up for debate following the X-Trail decision. ([BBC](#))
- Carlos Ghosn gave an interview from prison attributing his detention to a plot from Nissan executives set against his integration plans for Renault, Nissan and Mitsubishi. Ghosn described a plan for an umbrella holding company that would own all three OEMs but allow them considerable arm's length autonomy. Nissan's reservations appeared to stem from Ghosn guaranteeing equilibrium only if each unit displayed "solid performance", something he implied that Nissan was failing to deliver. ([Les Echos](#))
- Mitsubishi reported financial results for Q2 -Q4 2018 (fiscal first to third quarter). Net sales of 1.518 trillion yen (about \$13.8 billion) were up 18% versus 2017 whilst operating profit of 85 billion yen (about \$770 million) rose 31%. Mitsubishi reaffirmed full year outlook. ([Mitsubishi](#))
- Mitsubishi teased an electrified SUV concept named Engelburg (after a Swiss town) it will bring to the Geneva show. The brand was silent on rumours of a sub-series named after the Yorkshire town of Hambleton. ([Mitsubishi](#))

Renault (history)

- Will start a new night shift at the Palencia, Spain, plant in April 2019 thanks to demand for Kadjar. ([Europa Press](#))
- Carlos Ghosn gave an interview from prison attributing his detention to a plot from Nissan executives set against his integration plans for Renault, Nissan and Mitsubishi. Ghosn described a plan for an umbrella holding company that would own all three OEMs but allow them considerable arm's length autonomy. Nissan's reservations appeared to stem from Ghosn guaranteeing equilibrium only if each unit displayed "solid performance", something he implied that Nissan was failing to deliver. ([Les Echos](#))

Suzuki

- Produced 3,436,589 units in 2018, a 4.1% increase on 2017. ([Suzuki](#))

Tata (includes JLR) (history)

- No longer planning a limited edition, mega expensive, coupe version of the Range Rover. ([Motor 1](#))

Tesla (history)

- Reported financial results for Q4 2018. Automotive revenue of \$6.3 billion was up 134% on a year-over-year basis and 4% quarter-over-quarter. Income from operations was \$413 million and net income was \$139 million, both much improved versus losses in 2017. ([Tesla](#))
- Tesla's deposits continued to fall ([see historical chart here](#)), even though new products (Semi and Roadster) carry very high reservation fees and the entry of Model 3 into production must have boosted accruals. On the conference call, Tesla's CFO batted away questions about reservation numbers saying they were "not relevant". ([Tesla](#))
- Expects to build the Model Y at the Gigafactory in Nevada, rather than Fremont. ([Seeking Alpha](#))
- Is now talking about 10,000 units per week of Model 3 from Fremont and Shanghai combined, walking back from original comments about US production capacity targets. CEO Musk believes that even in a recession there is annual demand for 500,000 Model 3. ([Seeking Alpha](#))
- Tesla's CFO retired (again), to be replaced by 34 year old company veteran Zack Kirkhorn. ([Bloomberg](#))
- Changed the naming convention of Model S and X vehicles so that the battery size is no longer mentioned and instead range is expressed in qualitative terms. ([Clean Technica](#))
- Buying ultracapacitor firm Maxwell Technologies for \$218 million. ([CNBC](#))

Toyota (history)

- The mobility joint venture between Toyota and SoftBank has been named Monet. ([Toyota](#))
- Produced 10,567,412 vehicles globally in 2018, down (1)% on 2017. ([Toyota](#))

VW Group (history)

- Wants the MEB electric vehicle platform to be used by other OEMs and become a standard for them. ([VW](#))
- Plans to have a sub €20,000 all-electric car on sale in Europe by 2023 to 2024. ([Autocar](#))
- The first 200 E-Tron SUVs have a limited edition specification and €106,000 price tag. ([Handelsblatt](#))
- Continuing strike action at Audi's Hungarian plant led to stoppages at German factories. ([Reuters](#))
- Over 50% of Porsche employees were born after 1979. ([Porsche](#))
- Will reduce the workforce in Slovakia, primarily through non-renewal of fixed term contracts and by ending the secondment of 500 Hungarian Audi staff. ([Reuters](#))
- Porsche Taycan buyers in the USA will get three years of free charging, providing they use stations owned by parent VW's Electrify America subsidiary and only stay for half an hour. ([Porsche](#))
- Signed an MoU with the Ethiopian government to establish local assembly and component supply. ([VW](#))
- Said that diesel orders in Germany have started to pick up again with new 2018 orders having a 43% diesel mix, up from 39% in 2017. ([VW](#))
- Expanding the Audi on demand service to Spain following trials in the UK. At around £2,200 for a one month loan of an A4 saloon, the offering doesn't differentiate on price from major daily rentals. ([Audi](#))
- Porsche may be fined after admitting it submitted incorrect fuel economy figures during the homologation of the prior series 911. ([Autocar](#))

Other

- **Subaru** produced 1,019,364 vehicles in 2018, down (5.0)% on a year earlier. ([Subaru](#)) Production at Gunma restarted after a 12 day suspension. ([Subaru](#))
- **NIO** is hoping to raise \$650 million through a convertible bond due in 2024 to fund expansion. ([NIO](#))
- **Koenigsegg** announced a tie up with **NEVS** that will see NEVS buy a 20% stake in the hypercar maker for €150 million and the creation of a joint venture. NEVS will get 65% of the JV in return for \$150 million in cash, Koenigsegg will get 35% by contributing technology. The announcement implies that NEVS will produce a line of mass-market Koenigsegg-branded vehicles. ([Koenigsegg](#))

News about other companies and trends ...

Economic / Political News

- **Germans** have started protesting plans to ban older diesel models from city centres. Protester numbers are small but growing. ([Handelsblatt](#))
- The **UK government** published the 2016 letter it had given **Nissan** containing “assurances” around Brexit. This turned out to be confirming the “critical priority of our negotiation to support UK car manufacturers and ensure that their ability to export to and from the EU is not adversely affected” by Brexit -- something at odds with the government’s refusal to rule out a no-deal Brexit less than two months before the scheduled exit date. ([UK Govt](#))
- The **German** government ruled out the possibility of imposing speed limits on unrestricted parts of the autobahn as a method of reducing pollution. ([Manager Magazin](#))
- **US** light vehicle SAAR of 16.6 million units was about (3)% worse than prior year. ([Wards](#))
- **French** passenger car registrations of 155,080 units in January were down (1.1)% on a year earlier. ([CCFA](#))
- **Spanish** passenger car registrations fell (8)% in January versus a year earlier to 93,546 units. ([ANFAC](#))
- **Italian** passenger car registrations in January fell (7.6)% on a year over year basis to 164,864 units. ([UNRAE](#))

Suppliers

- **Autoliv** reported quarterly revenue of \$2.19 billion, up 1.6% from a year earlier. ([Autoliv](#))
- **Bosch** reported full year revenue of €78 billion with a 6.9% EBIT margin. ([Bosch](#))
- **Nexteer** launched two Indian sites, one for software development and a steering components factory. ([Nexteer](#))
- **Osram** agreed to buy aftermarket lighting supplier **Ring Automotive**. ([Ring Automotive](#))
- After receiving regulatory approval, **Faurecia** announced a one month tender period for **Clarion** shareholders to submit their stock for the offer price. If they don’t, Faurecia intends to squeeze them out anyway. ([Faurecia](#))
- **Akebono** is looking for fresh capital and relief from near term debt repayments. The firm apparently hopes that shareholder **Toyota** will be forthcoming with some cash. ([Reuters](#))
- **Minda Industries** purchased the telematics hardware business of **KPIT**. ([Deal Street Asia](#))
- **Meritor** reported Q4 2018 revenue of \$1.0 billion, up about 15% on a year earlier. ([Meritor](#))

Dealers

- **SoftBank** will reportedly invest \$1.5 billion in Chinese used car sales site **Guazi.com**. ([Deal Street Asia](#))
- **UK used car prices** fell by more than the seasonal average in January, leading to concerns about weaker consumer demand. ([Motor Trader](#))
- German used car sales site **Scout24** is apparently a takeover target for used car trader **Auto1**. ([Reuters](#))
- **Carly** will soon launch a pan-brand car subscription scheme in Australia that will package all bills into a single monthly payment with no long-term lock-in. ([Auto Rental News](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** has started trials of including public transport data inside its app. ([The Verge](#))
- **Grab** is planning to add video streaming to its app - but it will only be free for the first three months. ([CNBC](#)) The firm is planning to move into a swanky new \$135 million headquarters at the end of 2020. ([Reuters](#))
- **Lyft’s** 2019 impact report said that about 50% of car owners using the service (and responding to Lyft’s survey) use their cars less as a result. ([Lyft](#))
- **Lyft** is taking legal action against New York’s transport regulator saying proposed rules to ensure a minimum wage for ride hailing drivers are poorly constructed and hand an advantage to **Uber**. ([Lyft](#))

Driverless / Autonomy (history)

- **Embark**, a developer of self-driving trucks, released a disengagement report. The data is slightly different to those from self-driving car companies in that drivers are constantly active in Embark’s trucks and so the disengagement number comes from simulations of what the AI would have chosen compared to what the driver did. ([Embark](#))

- **Didi** is reportedly contemplating headquarters staff cuts of up to 20%, whilst increasing the number of people working on development and safety. ([Reuters](#))
- Autonomous vehicle insurance specialist **Avinew** raised \$5 million. ([FINSMES](#))
- **Magna's** CEO said the target price for lidar was now substantially below \$1,000. ([Automotive News](#))
- **Daimler** thinks autonomous cars should signal intent through the medium of turquoise lights. ([Daimler](#))
- A **survey** of by a UK drivers' group found that a majority thought that a self-driving car should endanger its passengers in order to avoid putting children in harm's way. ([The IET](#))
 - Significance: We can expect plenty more of these simplistic, worst case, trolley problems to emerge (this isn't the first such study). Self-driving developers need to formulate a response to a public perception that: 1) places a far higher standard on the robot than another human being and 2) expects a level of situational awareness that is far more complex than the current state of the art.

Electrification (history)

- **Shell** purchased charging network **Greenlots**. ([Green Car Reports](#))
- **VW's** Electrify America charging subsidiary confirmed that at present the cost of a multi-charger station is between \$500,000 - \$1,000,000, but that part of this was future-proofing for 350 kW. ([Inside EVs](#))
- **VW** wants the MEB electric vehicle platform to be used by other OEMs and become a standard for them. ([VW](#))
- **Tesla** is buying ultracapacitor firm **Maxwell Technologies** for \$218 million. ([CNBC](#))

Connectivity

- **NIO** will investigate system update protocols after an SUV stopped and updated during a test drive, causing a major traffic jam on a busy street. The hapless occupants were stranded inside for an hour whilst the car updated and rebooted, unable to converse with the angry mob who surrounded the car demanding it move along. ([The Verge](#))
- **Hyundai's** MNSOFT subsidiary will develop next generation maps with help from **Netradyne**. ([Vision Systems](#))

Other

- Brazilian scooter rental firms **Grin** and **Yellow** will merge and rebrand as **Grow Mobility**. ([TechCrunch](#))
- **Bird's** CEO said the company was focused on scooters in the short term but was interested in different forms of short range electric vehicles for the future. ([TechCrunch](#))