



AD PUNCTUM

Autos & Mobility Industry Briefing -- 18th February to 24th 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

BMW (history)

- BMW and Daimler's mobility joint venture will be five different services, all branded as [something] NOW: Reach Now will be multimodal travel; Free Now is for ride hailing; Share, Charge and Park Now services are self-explanatory. Emails have already been sent out to service users explaining the change in branding to them. The partners plan to invest €1 billion in the joint venture. ([Daimler](#))
- Opening a new technology office in Tel Aviv, Israel. ([BMW](#))
- Says that in a few years 2,000 people will be employed at the Dingolfing, Germany plant making components for electric vehicles, but BMW is not clear what will be made (probably battery packs and electric motors) or in how great a volume. ([BMW](#))

Daimler (history)

- Will reportedly only be able to produce EQC in large production numbers from November 2019 onwards, with some "VIP" customers getting their vehicles in June. ([Golem](#))
- BMW and Daimler's mobility joint venture will be five different services, all branded as [something] NOW: Reach Now will be multimodal travel; Free Now is for ride hailing; Share, Charge and Park Now services are self-explanatory. Emails have already been sent out to service users explaining the change in branding to them. The partners plan to invest €1 billion in the joint venture. ([Daimler](#))
- Recruited a 200-strong team of software developers over the past 18 months to create in car experiences. ([Daimler](#))
- Kicked off production of the second generation CLA at the Kecskemét, Hungary, plant. ([Daimler](#))

FCA (history)

- Plans to pay a €1 billion dividend from 2018 results. ([FCA](#))
- Told unions that there will be a series of down days through March at the Melfi, Italy, plant. ([Adnkronos](#))
- Allegedly under investigation for being part of a cartel fixing prices for spare parts in Europe. ([Automotive News](#))

Ford (history)

- Following what sounds like employee whistle-blowing, Ford has launched a series of investigations into whether analytical assumptions used in US vehicle emissions certification might have reduced the effect in the laboratory versus real world observations. Ford was keen to stress that this was not a defeat device, and it wasn't yet certain whether any meaningful difference would occur in tests where the problem was corrected. Ford has already alerted the authorities and engaged external experts, just to be on the safe side. ([Ford](#))
- A profile of CEO Hackett's management style suggested that employees are feeling patronised by his communication style and that he has made a series of faux pas -- which Hackett explains away as trolling. ([Detroit Free Press](#))

- Significance: Although executives were quoted defending Hackett's management style, Bill Ford left journalists to recycle comments made in mid-2018...
- Announced the closure of the São Bernardo do Campo factory in Brazil in addition to the withdrawal from sale of the Fiesta and heavy commercial vehicles. Ford will incur about \$(100) million of accelerated D&A and \$(360) million of payments to employees, supplier and (truck) dealers. ([Ford](#))
- Recalling around 2,100 hybrid vehicles because of an electrocution risk. ([Ford](#))
- Named a new head lobbyist, and also appeared to reduce Executive Chairman Bill Ford's role since, after CEO Hackett's appointment in 2017 [global communications and government relations began reporting directly to Ford](#) but the new lobbyist will report to the vice president of operations instead. ([Ford](#))
- Executives said Ford was about halfway through the redesign of major processes that CEO Hackett and others believe will deliver a step change in performance. ([Automotive News](#))

Geely (includes Volvo) (history)

- Volvo showed off a minor refresh to the XC90 large SUV. ([Volvo](#))
- Volvo issued a \$215 million bond. ([Volvo](#))
- Volvo increased the battery size of plug-in hybrid vehicles. ([Volvo](#))

General Motors (history)

- Investing \$20 million to increase capacity for 10 speed transmissions at the Romulus, Michigan, plant. ([GM](#))
- Will continue vehicle production at Detroit-Hamtramck until January 2020, rather than ceasing in mid-2019 as previously planned. ([Reuters](#))

Honda (history)

- Revising the management structure of the automotive division so that there is a lead executive for sales and one for operations, almost a mirror of Ford's set-up. ([Honda](#))
- Announced a series of senior management changes. ([Honda](#))
- Launched production of the latest Civic in India. ([Autocar](#))
- In addition to ceasing Civic production at Swindon (UK), Honda will also stop making the model at its Turkish plant, although Honda's announcement indicated a continuing role. The firm's European headquarters will remain in Swindon even after the plant closes. ([Honda](#))
- UK prime minister May spoke to Honda executives to complain about the closure of Swindon, her spokesperson said it was because of the shift to electric vehicles -- a rationale not publicly given by Honda themselves. ([Reuters](#))

Hyundai / Kia (history)

- Kia will show an all-electric concept car at the Geneva show. ([Kia](#))
- Hyundai will start offering a performance-oriented range of SUVs in Europe. It isn't yet clear how much the changes will be purely to the styling and how much dynamic performance might change. ([Hyundai](#))
- Promised Vietnam's government that it would increase local sourcing for products assembled in the country to a minimum of 40%. ([VietnamNet](#))

Nissan (includes Mitsubishi) (history)

- Allegedly under investigation for being part of a cartel fixing prices for spare parts in Europe. ([Automotive News](#))

PSA (includes Opel/Vauxhall) (history)

- Citroën will show a small electric vehicle called AMI One at the Geneva Show. Although the package is different, the vehicle seems to be based on the same use case as Renault's Twizy. ([Citroën](#))
- Invested in Chinese B2B used car platform FengChe, having recently bought into spare parts distributor UAP. ([PSA](#))
- (Probably) following extensive research that showed DIY was a proven counter-cyclical hedge against automotive declines in a recession, Peugeot launched a range of power tools. ([PSA](#))
- Images of the new all-electric Peugeot e208 (conventionally powered versions will also be available) were leaked ahead of the intended Geneva reveal. ([Inside EVs](#))

- Building a new B-sized SUV for Opel and Vauxhall at the Poissy, France, plant. Although the vehicle was not named it seems likely to be the Mokka. PSA has already confirmed a new generation for 2020 and over half the European market demand for the vehicle is currently imported from GM in South Korea. ([PSA](#))
- Allegedly under investigation for being part of a cartel fixing prices for spare parts in Europe. ([Automotive News](#))
- Faurecia reported full year revenue of €17.5 billion and operating income of €1.27 billion. ([Faurecia](#))

Renault (history)

- Said that if labour unrest in South Korea continued, Renault-Samsung could lose export vehicle production contracts that account for about half the manufacturing volume. ([Nikkei](#))
- Standard & Poors cut Renault's outlook to negative. ([Reuters](#))
- Allegedly under investigation for being part of a cartel fixing prices for spare parts in Europe. ([Automotive News](#))

Tesla (history)

- Looking into a leasing product for the Model 3. ([CNBC](#))
 - Significance: Although some observers seemed troubled by the prospect of leasing, apparently in the belief that it undermines the sales model, [Ad Punctum's 2017 analysis](#) of Tesla sales performance suggested leasing as a key enabler to the brand's volume aspirations.
- CEO Musk said that Tesla vehicles would have fully autonomous driving by the end of 2019 and the company might even be comfortable with owners falling asleep at the wheel by 2020. ([ARK Invest](#))
- Tesla's general counsel left, two months after being appointed. ([Reuters](#))

Toyota (history)

- Toyota's Australian unit said it had successfully fended off cyber-attackers seeking customer data. ([The Guardian](#))
- The UK sales company's social media arm said that high performance versions of all cars were being brought to market in the future. ([The Drive](#))

VW Group (history)

- Reported preliminary 2018 revenue of €236 billion and an operating profit of €13.9 billion. Analysts were troubled that the firm's cash balance had deteriorated. Despite VW's continuing promises to overhaul efficiency, capex and R&D were both up in real terms, and as a percentage of revenue. ([VW](#))
- Audi's CEO believes that one in ten management positions should be eliminated. He said that eliminating 30% of powertrain combinations (the least popular ones) resulted in hardly any sales being lost. ([Handelsblatt](#))
- Bentley's CEO says that brand's recovery plan is already ahead of schedule. ([Autocar](#))
- LG Chem has reportedly threatened to supply VW Group with fewer batteries than the car maker would like if VW proceeds to build battery factories in partnership with SK Innovation. ([Manager Magazin](#))
- Audi reportedly told unions that it wishes to cancel the night shift at Ingolstadt to save costs. ([Handelsblatt](#))
- VW's head of design gave an in-house interview talking about the challenges of electric vehicle design and the benefits of latest virtual reality gizmos. ([VW](#))
- Audi trumpeted the success of early trials of an internal resource allocation system that lets employees vote on the benefit of potential new projects. ([VW](#))
- Output at the Zwickau plant has been temporarily reduced, VW says supplier problems are to blame. ([Handelsblatt](#))

Other

- **Hispano Suiza** said it will take its €2.2 million Maguari supercar to the Geneva Show, where it will compete for attention with the... **Hispano Suiza** Carmen all-electric car. ([Auto Express](#))
- **Piëch Automotive** plans to unveil an all-electric sports car at the Geneva Show. ([Piëch](#))

News about other companies and trends ...

Economic / Political News

- **US** president Trump announced a stay of execution for tariffs on Chinese imports to give negotiators more time to reach a conclusive deal. ([Reuters](#))

Suppliers

- **CIE Automotive's** revenue was €2.3 billion, with €190 million net profit, in the first fiscal nine months. ([CIE](#))
- **Magna** announced \$40.8 billion of revenue in 2018 and \$2.95 billion PBT. ([Magna](#))
- **Tenneco** reported full year revenue of \$11.8 billion but won't issue detailed financial results until later, citing the workload involved with getting the financial integration of Federal Mogul sorted out. ([Tenneco](#))
- **Delphi** had \$4.9 billion of revenue in 2018 and \$434 million of operating income. ([Delphi](#))
- **Visteon** announced 2018 revenue of \$2.984 billion and \$164 million of net income. ([Visteon](#))
- **Faurecia** reported full year revenue of €17.5 billion and operating income of €1.27 billion. ([Faurecia](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Lyft** started a service called Shared Saver where passengers walk to mutually convenient pick-up spots and are delivered to an algorithmically derived drop-off point, rather than the precise intended destination. Lyft says that only a short walk will be necessary and passengers won't pay surge pricing (for now). ([Lyft](#))

Driverless / Autonomy (history)

- Self-driving vehicle developer **JIMU Intelligent** raised \$15 million from investors. ([Deal Street Asia](#))
- **Livox** unveiled a \$1,499 lidar sensor that it says has comparable performance to a Velodyne 32 line unit. There is a more advanced sensor under development that will be on sale later in the year. ([Livox](#))
- **Uber** released open source visualisation software for autonomous vehicles, hoping that others will adopt the same standards. ([Uber](#))
- CEO Musk said that **Tesla** vehicles would have fully autonomous driving by the end of 2019 and the company might even be comfortable with owners falling asleep at the wheel by 2020. ([ARK Invest](#))

Connectivity

- In-car assistant firm **German Autolabs** raised €7 million. ([EU Startups](#))

Other

- On-demand logistics firm **Lalamove** raised \$300 million. ([TechCrunch](#))
- Flying car developer **Beta Technologies** emerged from stealth mode. ([Clean Technica](#))