



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 27<sup>th</sup> May to 2<sup>nd</sup> June 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)

- Unveiled the 3<sup>rd</sup> generation 1 Series, now front wheel drive. Sales will start in September. ([BMW](#))
- Released an updated X1 small SUV. ([BMW](#))
- The all-electric Mini derivative will start production in November 2019. ([BMW](#))
- Perhaps inspired by their former colleagues at Byton, BMW will put a massive screen in the iNEXT. ([BMW](#))

#### **Daimler** (history)

- Says that it will cost more than €500 million, and take up to ten years, to develop self-driving trucks that can operate within geo-fenced areas. Daimler sees the US as the most lucrative initial market. ([Daimler](#))

#### **FCA** (history)

- FCA's code names when developing the merger offer for Renault were apparently: Fermi (FCA); Rutherford (Renault) and Newton (the combined entity / deal). ([Detroit Free Press](#))
- Reportedly may sweeten the merger deal in Renault's favour by offering a special dividend and basing the new company's headquarters in France. ([Reuters](#))
- France's finance minister said the government would have several conditions, including job guarantees, to agree to a Renault-FCA merger, but was cautiously supportive. ([Reuters](#))

#### **Ferrari**

- Announced the SF90 Stradale, a forthcoming PHEV model that will boast a combined 1,000 hp output from a V8 engine and three electric motors. ([Ferrari](#))
- Ferrari F1 sponsor Philip Morris's COO said that anyone who thinks the Mission Winnow branding on Ferrari's cars reminds them of the Marlboro cigarettes logo should "see a doctor". ([Telegraph](#))

#### **Ford** (history)

- Stopped selling the Edge in several European markets, including the UK. ([Fleet News](#))

#### **Geely (includes Volvo)** (history)

- Lotus will unveil the Type 130 all-electric hypercar on 16<sup>th</sup> July and says the model will be limited to 130 examples and built at the Hethel, UK, factory. ([Lotus](#))
- Volvo invested in virtual reality company Arjo. ([Volvo](#))
- Volvo developed a new way of simulating crashes between cyclists and cars, to reduce accident severity. ([Volvo](#))

## General Motors (history)

- Increasing pick-up truck production at the Ford Wayne, USA plant. ([GM](#))
- Will produce Chevrolet Trailblazer SUVs in South Korea, and export them to the USA. ([Yonhap](#))
- US regulators said they were checking whether GM had properly implemented a 2014 seat belt recall. ([Reuters](#))

## Honda (history)

- Honda's research says that younger buyers in the USA prefer passenger cars over minivans, and the brand believes that staying in the segment whilst rivals leave will protect the future. ([Forbes](#))
- The Honda e electric city car will have camera wing mirrors as standard. ([Honda](#))

## Hyundai / Kia (history)

- Hyundai and Kia are developing an electric commercial vehicle that weighs itself so that it can select the most efficient motor settings. Because the system uses accelerometers, it can avoid costly air suspension. ([KIA](#))
- Hyundai is opening a mobility research centre in Russia. ([Hyundai](#))
- Hyundai wants to sell hydrogen fuel cell systems to rivals, rather than have them develop their own. ([FT](#))

## Nissan (includes Mitsubishi) (history)

- Nissan will dock the CEO's pay by 50% because of his role in the Ghosn scandal. ([Nissan](#))
- Nissan's CEO said the firm wasn't opposed to FCA's proposed merger with Renault. ([Nissan](#))
- The Infiniti brand's will move from Hong Kong to Japan as part of cost-cutting measures. ([Nissan](#))

## PSA (includes Opel/Vauxhall) (history)

- CEO Tavares reportedly told senior PSA executives that the FCA-Renault proposal would be a virtual takeover of the French manufacturer with the benefit mainly accruing to FCA. ([Bloomberg](#))
- Faurecia took a stake in cyber security firm GuardKnox. ([Autocar](#))
- Lucky Motors expects to finalise a deal to produce PSA vehicles in Pakistan from knock down kits within the next two months and says the project will cost \$15 million. ([Dawn](#))

## Renault (history)

- FCA may reportedly sweeten the merger deal in Renault's favour by offering a special dividend and basing the new company's headquarters in France. ([Reuters](#))
- France's finance minister said the government would have several conditions, including job guarantees, to agree to a Renault-FCA merger, but was cautiously supportive. ([Reuters](#))

## Suzuki

- Took away the chairman's salary for a year and slashed the president's as punishment for their failure to identify and rectify improper conduct in end of line inspections. ([Japan Times](#))
- Maruti Suzuki scheduled plant shutdowns to reduce inventory. ([Bloomberg](#))

## Tesla (history)

- CEO Musk exhorted employees to catch up on vehicle deliveries and help Tesla to achieve a record quarter. ([Reuters](#))
- Rumoured to be combining Model S and X production onto a single line to make room for facilities to make the Model Y. A refreshed Model S is rumoured to be on the way for September. ([CNBC](#))
- Elon Musk implied that the forthcoming Tesla pick-up truck will have a retail price of under \$50,000. ([Inside EVs](#))
- Started to take orders for Chinese-built Model 3 vehicles, which will be cheaper than the imported version. ([Reuters](#))

## Toyota (history)

- Launching a new plant in Myanmar to build pick-up trucks. ([Toyota](#))
- Unveiled an updated Lexus RX SUV. ([Lexus](#))

## VW Group (history)

- Rumoured to have concerns that a 20 GWh battery supply deal with Samsung will ultimately only deliver 5 GWh because of differences over production volumes and point in time demands. VW said that it still regarded Samsung as a major supplier. ([Bloomberg](#))
- Showed a concept interior with infotainment controlled via a holographic interface. ([VW](#))
- Audi advertising executives were presumably so exhausted by the process of securing the rights to Tomoyasu Hotei's "Battle Without Honor or Humanity" that afterwards they paired it with an underwhelming e-tron advert. ([YouTube](#))
- Workers at the Chattanooga, USA, plant will vote on whether to unionise. ([Reuters](#))
- The Traton truck division will have a dual-listing on the Frankfurt and Nasdaq exchanges. ([VW](#))
- SEAT and JAC signed the detailed cooperation agreement that will see the two develop electric cars together and experiment with new mobility services in Hefei, China. ([VW](#))
- Porsche used 7,654 different suppliers in 2019. ([VW](#))
- Porsche believes that by the time the all-electric Macan becomes available, public perception will have moved enough that it can be a sales success. The US-market subscription program is apparently going so well that it will be expanded to more cities, and that the average customer age is lower than car buyers. ([Automotive News](#))

## Other

- **NIO** announced Q1 2019 sales of 3,989 units and revenue of \$228 million, with an operating loss of \$(390) million, substantially worse than Q4 2018. NIO is in the final stages of agreeing detailed terms to receive 10 billion RMB (about \$1.45 billion) from investment firm **Beijing E-Town**, hoping it will help find a factory. If the deal closes, NIO will have three different joint ventures. ([NIO](#))
- **Isuzu** and **Cummins** announced a collaboration to develop diesel engines. ([Cummins](#))

## News about other companies and trends ...

### Economic / Political News

- **UK** car production in April fell (44.7)% versus a year earlier as plants took shut downs planned for the original Brexit timing cut production. ([SMMT](#))
- **US** president Trump announced a series of automatically escalating **tariffs** on **Mexican** imports, unless the country reduces the flow of migrants, to his satisfaction. ([CNBC](#))
- **Carmakers** complained that a regional court in **Russia** had been making corrupt decisions by awarding excessively high damages in consumer protection cases. ([Moscow Times](#))
- **China** may respond to **US** tariffs with restrictions on exports of **rare earth metals**, according to well-informed local newspapers. ([Reuters](#))

### Suppliers

- **Saint-Gobain** acquired acoustic and thermal insulation supplier **Pritex**. ([Autocar](#))
- Chipmaker **NXP** will buy **Marvell's** wireless connectivity business. ([Reuters](#))
- Consultancy **Ricardo** says that using fewer, more powerful, electronics controllers in cars, rather than the multiple units in today's models, will save \$500 per unit. ([Autocar](#))
- **Infineon** agreed terms to acquire **Cypress Semiconductors** in a \$10 billion deal. ([Reuters](#))

### Dealers

- Chinese used car dealer **Uxin** is raising \$230 million in debt. ([TechCrunch](#))
- **Scout24** is interested in buying **EBay's** car listings business. ([Reuters](#))

## Ride-Hailing, Car Sharing & Rental (history)

- **Uber** announced financial results for Q1 2019. Net revenue of \$3.1 billion rose 20% on a year-over-year basis whilst the operational loss of \$(1.03) billion was more than double the loss in the same period a year earlier. Uber says it now has 93 million monthly users and that one day it will make money. ([Uber](#))
- **Ideanomics** and **iUnicorn** (Shenma Zhuanche) formed a joint venture to provide financing to ride hailing drivers, underpinned by almost 110,000 of existing iUnicorn orders. ([Ideanomics](#))
- Bus operator **FirstGroup** said it will sell the **Greyhound** coach service, citing “limited synergies” with the rest of the business. ([Reuters](#))

## Driverless / Autonomy (history)

- **Waymo** will start testing self-driving trucks alongside the existing minivan fleet in Phoenix, USA. ([Detroit News](#))
- **Lyft** and **Aptiv's** pilot robotaxi program in Las Vegas has passed 50,000 journeys. ([Lyft](#))
- An **MIT** study concluded that robotaxis would have higher per mile costs than **Uber** today. ([Business Insider](#))
- Chinese firm **Neolix** says it is ready to start mass production of small driverless delivery vans and aims to produce 1,000 vehicles in the first year, quickly rising to 30,000, selling for around \$30,000 each. ([SCMP](#))
- **Velodyne** trumpeted winning a patent case against **Quanergy**. ([Velodyne](#))
- Sensor company **TriEye** raised \$17 million. ([Reuters](#))
- **Daimler** says that it will cost more than €500 million, and take up to ten years, to develop self-driving trucks that can operate within geo-fenced areas. Daimler sees the US as the most lucrative initial market. ([Daimler](#))

## Electrification (history)

- Three Indian state-owned companies created a joint venture to secure raw materials for electric vehicle batteries through buying mines that can supply **lithium** and **cobalt**. ([Economic Times of India](#))
- **Chakratec** launched a high-power charger which uses kinetic recovery (rather than a battery) to boost output from local grid levels. ([Chakratec](#))
- **Tesla** co-founder Martin Eberhard has established a new battery start-up called **Tiveni**. ([Electrek](#))
- Charging provider **Ionity** (a **VW Group** / **Ford** / **BMW** / **Daimler** JV) said it had contracts in place to build 95% of the intended 400-station network. ([Porsche](#))
- **Market researchers** in the US said that due a glut of new electric vehicles about to appear on sale, the average model can only expect to sell 11,900 units per year. ([Reuters](#))
- **Germany's** government proposed a new raft of measures to improve CO<sub>2</sub>, including increased incentives for buying electric cars. The plan is to offer €4,000 on cars priced under €30,000 (e.g. the **VW ID3**), an existing €2,000 manufacturer contribution would presumably remain. ([BMVI](#))
- **VW** is rumoured to have concerns that a 20 GWh battery supply deal with **Samsung** will ultimately only deliver only 25% of the plan because of differences over production volumes and point in time demands. VW said that it still regarded Samsung as a major supplier. ([Bloomberg](#))

## Connectivity

- **Amazon** is reportedly interested in buying US prepaid cellular carrier **Boost Mobile**. ([Deal Street Asia](#))
- Chipmaker **NXP** will buy **Marvell's** wireless connectivity business. ([Reuters](#))

## Other

- Flying car start-up **Alaka'i** said it was developing a fuel cell powered vehicle with a range of 400 miles. ([Futurism](#))
- Electric motorbike manufacturer **Ather Energy** raised \$51 million. ([Autocar](#))