



# AD PUNCTUM

## News Review -- 15<sup>th</sup> May to 21<sup>st</sup> May

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

### Our latest research

We've just published a detailed review of the fundamentals behind the driverless on-demand mobility business case. We start with the facts of how people travel today and assess the key factors behind market growth rate and mass acceptance.

- [Read the detailed report here \(22,000 words\)](#)
- [Read a summary presentation here \(34 slides\)](#)
- [Read the executive summary blog post here \(1,500 words\)](#)

### Company-by-company rundown

#### BMW

- Announced that Delphi has joined the self-driving alliance it created with Intel and Mobileye. Delphi will act as the system integrator and seemed a logical choice given the existing cooperation it has with Mobileye. ([More...](#))
- UK media reported on CEO Harald Kruger's comments that the Mini plant in Oxford could be negatively affected by Brexit, saying the BMW was planning "in terms of scenarios" and "was flexible" on the source of Minis. ([More...](#))
- Settled a US class action case relating to failure of airbags supplied by Takata. The overall bill was \$553 million of which BMW's share was \$131 million. ([More...](#))
- Warned investors that R&D spending will increase to about 6% of sales in 2017 and 2018 due to extra investment in CO<sub>2</sub> reduction technologies and electric vehicles. ([More...](#))

#### Daimler

- Daimler and BYD will reportedly increase capital in their 50/50 electric car making JV, Shenzhen Denza New Energy by 1 billion yuan. ([More...](#))
- Will reportedly cooperate with Tesla Energy's rival Vivint to offer a combined solar-roof and battery storage product in Germany. ([More...](#))

#### FCA

- Saw reports that the US Justice Department will file a suit covering 104,000 vehicles with excess emissions from their diesel engines. The Justice Department is following up an accusation made in January by the EPA. ([More...](#)). FCA believes that it has a fix available and is seeking regulatory approval to apply it. ([More...](#))
- Reported official April sales figures for Europe. Group sales of 89,300 vehicles were 0.5% lower year-over-year, which FCA attributed to fewer selling days. FCA said that share had risen 50 points to 7.3% (7.2% on YTD basis). The growth was primarily from the Fiat band. ([More...](#))
- The European Commission announced that it would begin infringement proceedings against Italy for not properly following EU rules for vehicle type approval. The move is related to approval of FCA vehicles. ([More...](#))
- Issued a press release touting the use of Samsung supplied technology to improve productivity at its Alfa Romeo plant in Cassino, Italy. ([More...](#))

## Ford

- Has launched a buy out programme targeted at making 1,400 job cuts in North America and Asia. The figure is 10% of a targeted subset of the workforce in these locations. Media had initially reported figures of up to 20,000 job cuts, consistent with a 10% reduction in the entire global workforce. ([More...](#))
- Head of product development Raj Nair said that Ford was using recent acquisition Chariot to experiment with fleet management and could develop it into a tool for autonomous fleet management. ([More...](#))
- Announced Europe sales results for April. Overall sales of 100,800 vehicles were down 11% year-over-year. Passenger car sales fell 13% YoY, while commercial vehicles fell 5%. Ford trumpeted SUV sales growth. ([More...](#))
- Said that it will invest \$350 million into its transmission plant in Livonia, USA. The investment will create 800 jobs and be for a new front wheel drive transmission. ([More...](#))

## Geely (includes Volvo)

- Volvo's CEO said that the company will likely not develop any "new generation" diesel engines. He said that the company would make upgrades to the existing architecture, launched in 2013, that would probably allow them to remain in production until about 2023. ([More...](#))
- Volvo cars said that it would begin production in India with the aim of doubling its market share. The production will use Volvo Trucks's infrastructure, but no exact details of how this will work were supplied. ([More...](#))
- Media speculated that the sale process for Proton is reaching a close. Geely is one of the two final bidders. ([More...](#))

## General Motors (includes Opel / Vauxhall)

- Made some major changes to its International Operators division, which it expects will realise annual savings of around \$100 million. GM will stop selling Chevrolet vehicles in India, although car production there will continue -- focused on exports (to Mexico, Central and South America). GM will sell its GM South Africa light commercial vehicle manufacturing operation to Isuzu and stop producing and selling Chevrolet vehicles there (this follows an earlier sale of GM East Africa assets to Isuzu). Special Items of about \$500 million will be reported as a consequence. ([More...](#))
- Media reported on the small supply of Ampera-e vehicles in Europe. Opel reportedly has only trained 40 electric car specialists in Germany (there are around 2,400 dealers) and the car will only be available via leasing. Outright purchase will not be an option. ([More...](#))
- Lyft, in which GM holds a significant stake, confirmed it had agreed to work together on deployment of autonomous vehicles with Alphabet's (Google) Waymo. Lyft said that Waymo holds "today's best self-driving technology". It was unclear what effect this would have on GM's plan for Lyft to deploy vehicles using technology from GM's Cruise subsidiary. ([More...](#))
- Said that it was making an industry leading commitment to use tyres sourced from sustainable rubber but did not give a commitment for when it would reach that goal. ([More...](#))
- Bloomberg profiled the strategy and actions of CEO Mary Barra and President Dan Ammann to withdraw from unprofitable markets and products. ([More...](#))

## Honda

- Will be part of an 11-company consortium that aims to accelerate roll-out of hydrogen stations in Japan, targeting 160 stations and 40,000 fuel cell vehicles by 2020. ([More...](#))

## Hyundai / Kia

- Was forced to deny rumours that it will introduce a holding company structure. ([More...](#))
- Will be investigated by the US National Highway Traffic Safety Administration over the way that it handled a recall for vehicles that were at risk of engine fires. ([More...](#))

## Mazda

- Settled a US class action case relating to failure of airbags supplied by Takata. The overall bill was \$553 million of which Mazda's share was \$76 million. ([More...](#))

## Nissan

- Said that a credit card it had launched in partnership with Synchrony Financial could form the basis of a payments platform for mobility services. ([More...](#))
- Will be part of an 11-company consortium that aims to accelerate roll-out of hydrogen stations in Japan, targeting 160 stations and 40,000 fuel cell vehicles by 2020. ([More...](#))
- A recent North America supplier relations survey saw Nissan drop to the bottom of the comparative ranking table of how Tier 1 suppliers perceive OEMs. ([More...](#))

## PSA (excludes Opel/Vauxhall)

- PSA and Aisin reportedly in talks to extend their existing cooperation on gearboxes. The proposals reportedly include PSA licensing Aisin designs for in-house production. ([More...](#))
- Media speculated that the sale process for Proton is reaching a close. PSA is one of the two final bidders. ([More...](#))
- Signed a joint venture agreement with SC Uzavtosanoat to produce light commercial vehicles in Uzbekistan. The licence will be for production of up to 16,000 vehicles per year from 2019 (including for export). ([More...](#))
- Faurecia announced an exclusive agreement to develop carbon fibre composite fuel cell tanks based on technology from aerospace company Stelia Aerospace Composites. ([More...](#))
- Faurecia said that it was joining a German cluster researching carbon composites with the aim of introducing them into production vehicles in the early 2020s. ([More...](#))
- PSA's Vesoul Facility had a fire that destroyed a building on the site. No downtime will result from the blaze. ([More...](#))
- Management and unions at the Rennes factory agreed to add workdays due to the success of 5008. ([More...](#))

## Renault

- According to French media, the incoming French government has complained to Renault about the way that the company's statements portrayed the impact of the State's shareholding. ([More...](#))

## Tesla

- CEO Elon Musk criticised those holding back the advance of autonomous technology saying that they were "killing people". ([More...](#))
- Announced that all owners who had purchased vehicles since 1<sup>st</sup> January would be given free supercharging for life (as was the previous arrangement) rather than a capped yearly amount. As of now, new vehicles sold will have the previously announced capped level of 400 kWh per year. Lifetime charging will still be available for buyers in possession of a special referral code. ([More...](#))

## Toyota

- Settled a US class action case relating to failure of airbags supplied by Takata. The overall bill was \$553 million of which Toyota's share was \$279 million. ([More...](#))
- Announced the launch of a restroom information service at around 19,000 sites in Japan. The aim seems to be to show off the capabilities of Toyota's telematics service. ([More...](#))
- Will be part of an 11-company consortium that aims to accelerate roll-out of hydrogen stations in Japan, targeting 160 stations and 40,000 fuel cell vehicles by 2020. ([More...](#))

## VW Group

- Announced the extension of Audi CEO Rupert Stadler's contract for a further five years. Audi have also made integrity part of the CFO's responsibilities. ([More...](#))
- Audi announced that as part of a working group with city governments, the German standards institute and other companies it had developed a standardised set of terms for the city of the future called DIN 91340. ([More...](#))
- Audi announced that it had agreed a new contract with its dealer body in China. A dispute had arisen with FAW-affiliated dealers about how vehicles from Audi's new partnership with SAIC would be sold. The new agreement

states that all Audi models (regardless of source) will be sold by the FAW dealers and remains unclear on how the relationship with SAIC will develop. ([More...](#))

- The UK government refused a freedom of information request relating to talks it had held with Bentley over the way Brexit could impact the company's investments in the UK. The government said that this was because it could weaken the UK's negotiating position. ([More...](#))
- Following on from media speculation last week, German authorities confirmed that they would investigate CEO Mueller and Chairman Pösch (relating to market manipulation at Porsche SE on the basis of not telling shareholders quickly enough about the extent of VW's diesel scandal). ([More...](#))
- VW's joint venture in China with FAW will recall 577,590 vehicles because of a headlight fuse defect. ([More...](#))
- CEO Mueller said that he was already in talks with the Board about his successor (his contract expires in 2020) and that the successful candidate was likely to come from within the company ([More...](#))

## Other

- **Aston Martin** is reportedly considering an IPO as early as next year. The company declined to comment, referring enquiries about its future structure to the current owners. ([More...](#))
- **Isuzu** agreed to purchase GM's operations in South Africa. As a part of the deal, Isuzu will buy out GM's 30% stake in its South African subsidiary. ([More...](#))
- Media speculated that the sale process for **Proton** is reaching a close, with Board meetings taking place to consider rival bids by Geely and PSA. ([More...](#))
- **Subaru** settled a US class action case relating to failure of airbags supplied by Takata. The overall bill was \$553 million of which Subaru's share was \$68 million. ([More...](#))
- **Suzuki** announced a series of leadership changes, including new director and executive vice president appointments. ([More...](#))

## [And now for the other news...](#)

### Economic / Political News

- **European** registrations for April were announced, passenger car sales of 1.191 million fell 6.6% year-over-year. Trade body ACEA said that the main reason for the drop was fewer selling days due to Easter. Of the Big 5 markets, only Spain grew. EU member states since 2004 (EU12) grew by 8.2% YoY. The market is up 4.7% YoY YTD. ([More...](#))
- The **European Commission** announced that it would begin infringement proceedings against **Italy** for not properly following EU rules for vehicle type approval. The move is related to approval of FCA vehicles. ([More...](#))
- The Trump Administration has notified **US** Congress that it is seeking to renegotiate NAFTA. ([More...](#))
- The **UK** Conservative party included in its manifesto a policy for "almost every car and van" on UK roads to be zero emission by 2050. They have promised to invest £600 million by 2020 to help achieve it -- leading to speculation that a scrappage scheme is in the offing. ([More...](#))

### Suppliers

- There was an explosion at a **Schaeffler** factory in Eltmann, Germany. 23 people were injured with 7 requiring hospital treatment. ([More...](#))
- **ZF** said that it will create a joint venture called e.Go Moove with start-up **e.Go Mobile** to produce a 15 seat autonomous electric minibus, for which it will supply the electric drive and some autonomous components. ([More...](#))
- **ZF** said that it would purchase the automotive division of Romanian engineering services company BeeSpeed. The acquisition is related to critical expertise BeeSpeed employees have provided to ZF's braking systems business over the past ten years. ([More...](#))
- **Faurecia** announced an exclusive agreement to develop carbon fibre composite fuel cell tanks based on technology from aerospace company **Stelia Aerospace Composites**. ([More...](#))
- **Faurecia** said that it was joining a German cluster researching carbon composites with the aim of introducing them into production vehicles in the early 2020s. ([More...](#))

- Saw media speculation that a settlement by four OEMs of some US claims relating to **Takata's** airbags (others remain outstanding) might help the company find a buyer. ([More...](#))
- Raw material supplier **Glencore's** CEO Ivan Glasenberg said that the “electric revolution” was underway and likely to be felt faster than expected. ([More...](#))
- **3M** will sell its tolls and automated numberplate recognition business to Californian company **Neology**. ([More...](#))
- **Dana** said that it will build a new \$13 million, 7,500 sqm factory in Chongqing, China for production of AWD transmission components. ([More...](#))
- **Denso** said that it will build an additional plant on its Fukushima, Japan site for the production of powertrain components. The investment will be about \$135 million and production will begin in late 2018. 600 jobs will ultimately be created. ([More...](#))
- **Cimos**, a Slovenian car parts maker, has been sold by the government to TCH. ([More...](#))
- The Finnish financial regulator referred **Nokian Tyres** to the police over reported insider trading and irregularities in the way it supplied tyres to journalists for consumer comparison tests. ([More...](#))
- **UNO Minda** and **Microsoft** will collaborate on connected car technologies aimed at the Indian market. ([More...](#))

## Dealers

- UK dealer group Peoples announced that it had sold its Ford dealership in Accrington (NW England) to Oldham Motor Company. ([More...](#))

## Ride-Hailing & Car Sharing

- **Uber** announced Uber Freight, a business to match up drivers and loads. ([More...](#))
- **Bosch** has announced a scheme that will offer self-service short term rental of 600 scooters in Paris. This is the first expansion after its initial scheme in Berlin. ([More...](#))

## Driverless / Autonomy

- **Waymo** and **Lyft** confirmed that they have agreed to work together on deployment of autonomous vehicles. Waymo cited Lyft's commitment to “improving the way cities move” as part of the logic for the tie-up, whilst Lyft said that Waymo holds “today's best self-driving technology”. ([More...](#))
- **Ford's** head of product development Raj Nair said that Ford was using recent acquisition Chariot to experiment with fleet management and could develop it into a tool for autonomous fleet management. ([More...](#))
- **ZF** said that it will create a joint venture called e.Go Moove with start-up **e.Go Mobile** to produce a 15 seat autonomous electric minibus, for which it will supply the electric drive and some autonomous components. ([More...](#))
- **Tesla** CEO Elon Musk criticised those holding back the advance of autonomous technology saying that they were “killing people”. ([More...](#))
- **Bloomberg** published an updated graphic of tie-ups in the mobility space. ([More...](#))
- Car sharing company **Getaround** said that it was developing technologies that would allow it to provide on-demand maintenance services in future. ([More...](#))

## Electrification

- The **German** government has accepted that it will not meet its goal of one million electric vehicles on the road by 2020 according to comments by Chancellor Angel Merkel. ([More...](#))
- Raw material supplier **Glencore's** CEO Ivan Glasenberg said that the “electric revolution” was underway and likely to be felt faster than expected. ([More...](#))
- Speculation among trade press in the UK that dealers may be more prepared to stock used electric vehicles, following a rise in auction prices. ([More...](#))
- Israeli firm **StoreDot** claims that it has developed new battery chemistry that allows 300 miles of range to be charged within 5 minutes. ([More...](#))
- **Qualcomm** said that it had demonstrated a method for wireless charging at highway speeds via a specially equipped road surface and using two Renault vehicles. The claimed charging rate of 20 kW is the same as a high-powered home charging unit. ([More...](#))

## Other

- Spanish car parking company **Empark** has been put up for sale. Possible valuation is €1 billion. ([More...](#))
- German online used car retailer **Auto1** reportedly was valued at €2.5 billion in its latest funding round. ([More...](#))