



AD PUNCTUM

News Review -- 29th May to 4th June

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

Ad Punctum in the media

Last week we were quoted in Manager Magazin's article on the implications of autonomous vehicles on carmakers.

- [Link to the article \(in German -- subscription required\)](#)

Company-by-company rundown

BMW

- Issued more details of its driverless vehicle program. The company listed Level 3 and Level 4 “with technical provisos” as being offered in 2021. ([More...](#))
- Announced a new service called CarData that provides a platform for owners to share vehicle data with 3rd parties. For instance, it can be used to supply data for tailored insurance premiums. ([More...](#))
- Had to reduce production in Munich, Leipzig and Shenyang because of parts supply problems from Bosch. The loss was put at “several thousand” vehicles and BMW said it would seek compensation. Bosch are now intending to purchase the supplier in question. ([More...](#))

Daimler

- Widespread media reporting on Daimler's quest for US criminal lawyers in anticipation of the company potentially having to defend itself over diesel emissions. ([More...](#))
- Signed an agreement with BAIC over electric vehicles. Daimler will become a minority shareholder in BAIC subsidiary Beijing Electric Vehicle Co. ([More...](#))
- Used a press release to highlight its efforts to build a wider supplier base in the USA. ([More...](#))
- Announced that it has reached agreement with the works council at Rastatt over production of electric vehicles and Industry 4.0 productivity measures. As a result, all 3 German plants will be electric vehicle “centres of competence”. ([More...](#))

FCA

- Reported May US sales. Overall sales of 193,040 units were down 1% year-over-year. The main cause of decline was a reduction in sales to fleets. ([More...](#))
- Said that it will add 1,500 jobs at its Ranjangaon, India, plant by the end of the year (current employment 1,700) due to anticipated sales of the locally made Jeep. In time, FCA will increase vehicle local content to 73% (65% today). ([More...](#))

Ford

- Reported May US sales figures. Total sales of 241,126 units was an improvement of 2.2% on a year-over-year basis. Car volumes were down 10% YoY, more than offset by gains in Trucks and SUVs. ([More...](#))

Geely (includes Volvo)

- Volvo reported May 2017 sales results. Total sales of 47,247 vehicles was up 12.2% year-over-year. On a YTD basis, sales are up 8.9%. ([More...](#))

General Motors (includes Opel / Vauxhall)

- Reported May US sales. Total sales of 237,364 units was down 1% year-over-year. Retail, commercial (fleet) and government sales were up, partially offset by lower daily rental sales. ([More...](#))
- Said that it will reduce from two to one shift at its Warren Transmission Plant (USA) due to lower car sales. ([More...](#))

Honda

- Announced that it had installed “Europe’s most advanced public electric” vehicle charging station at its German R&D headquarters. The system can charge four vehicles at up to 150kW (memo: Tesla at about 135kW, VW/BMW/Daimler/Ford consortium claims 350kW in future). Honda will add hydrogen filling to the same site later. ([More...](#))

Mazda

- Issued the April 2017 sales and production flash report. Total production of 124,348 units was up about 1.2% year-over-year. ([More...](#))

Nissan

- Reported May US sales of 124,957 units. This was an increase of 2% on a year-over-year basis. Declines in passenger car volumes of 3.1% YoY was more than offset by a 21.5% increase in truck volumes. ([More...](#))
- Bloomberg wrote a report critical of Nissan’s use of fleet sales to keep market share in the USA. ([More...](#))

PSA (excludes Opel/Vauxhall)

- Appears to have overcome German works council resistance to its takeover of Opel and satisfied its demands for guarantees matching those given by GM. Worker communication meetings that had previously been cancelled are now scheduled to go ahead in coming weeks. ([More...](#))
- The head of Russian Railways has reportedly said that it may sell part of its stake in GEFCO (in which PSA owns 25%) and that “50 percent plus one share” is a sufficient holding. ([More...](#))
- Said that it wants to increase the size of its aftermarket business in Italy by a multiple of five over the next four years ([More...](#))
- Said that it had restructured its French sales operations into a single legal entity. The main benefit is that two sets of employee benefits and working practices will become aligned. ([More...](#))

Renault

- Saw an activist investor linked to the UAW (US United Automobile Workers union), along with other signatories, send a letter criticising the breath of Carlos Ghosn’s responsibilities and asking the French state shareholding agency to take a more active role. ([More...](#))

Tata (includes JLR)

- Reported May sales (excluding JLR). Total sales of 38,361 units was 4% down year-over-year, about half of this drop coming in the Indian market. Passenger cars were up by 27% YoY in India, partially offsetting the 40% YoY fall in commercial vehicle sales. Tata said that supply of some commercial vehicles had been constrained and that May 2016 had been “very strong”. ([More...](#))

- Announced that it will train up to 40,000 people as part of its “Skill India Mission” contribution. Tata will not hire all the trainees itself. Its annual requirement is around 300-400 new hires. ([More...](#))
- Announced a product investment plan with the aim of boosting global market share -- especially in CVs. ([More...](#))

Tesla

- CEO Elon Musk quit an advisory council to President Trump after Trump announced the start of the process to withdraw the USA from the Paris Accord. ([More...](#))
- The recently launched range of solar roof tiles have apparently been a roaring success and are sold out “well into 2018”. (should have been reported last week). ([More...](#))

Toyota

- Issued its April 2017 flash report. Worldwide production of 819,092 units was 8.7% lower than prior year. All three major brands: Toyota, Daihatsu and Hino contributed to the drop. ([More...](#))
- Reported May US sales. Total sales of 218,248 units were down 0.5% year-over-year. The main reason for the decrease was a reduction in Lexus sales. ([More...](#))
- Issued a recall of around 32,000 Tacoma trucks in the US to correct a defect that could lead to stalling at high speed. ([More...](#))
- Has now sold its remaining holding in Tesla. The sale was completed during 2016 but only confirmed recently ([More...](#))

VW Group

- Audi will recall 24,000 cars in Europe to rectify software that causes excess emissions. Whilst it chose its language carefully, Audi’s statement did not rule out that some intentional manipulation of the original software may have taken place. Media reporting suggests that the software was programmed to operate in a lower emission condition when the steering angle was less than 15 degrees (indicating that the vehicle was on a test stand). ([More...](#))
- German prosecutors are reportedly looking at whether Porsche vehicles are also affected by emissions cheating. ([More...](#))
- VfL Wolfsburg, the German football team owned by VW, stayed in the top flight but will reportedly face severe cost cuts next season. ([More...](#))
- There was media speculation that Audi CEO Rupert Stadler would be replaced before the end of his (recently renewed) contract, which runs to 2022. ([More...](#))

Other

- **Faraday Future’s** CFO said that the company was about four weeks away from announcing a new CEO. ([More...](#))
- **Mahindra & Mahindra** Q4 and full year profits (they report a financial year to 31st March). Group consolidated revenue of about \$13.4 billion was up 10.8% year-over-year. Consolidated profit after tax was about \$550 million, up 17.5% YoY. ([More...](#))
- **Dongfeng’s** subsidiary Dongfeng Electric Vehicle will establish a joint venture with Shenzhen Hangshang New Energy for electric vehicle control systems. Each partner will invest about €145 million. (from last week) ([More...](#))
- **Suzuki** issued its April 2017 flash report. Global production of 263,044 units was up 5% year-over-year, representing a new record (for April). ([More...](#))
- **Subaru** issued its April 2017 flash report. Global production was up 8.8% YoY to a record high (for April) of 90,742 units. ([More...](#))

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

Economic / Political News

- **US** vehicle sales industry for May was reported as 16.58 million units, down from 17.1 million in May 2016. ([More...](#))
- **Indian** vehicle sales in May showed continued growth in passenger car and two-wheeler segments. ([More...](#))

- **German** auto club **ADAC** called for stricter emissions standards so that customers could not be misled. They also proposed that the German federal office of transport create a new consumer council. ([More...](#))
- The **European Union** finalised a draft that would give the European Commission more powers to punish carmakers cheating emissions testing. The rules still require agreement with the European Parliament. ([More...](#))
- **German** passenger car registrations in May were 323,952 units, up 12.9% year-over-year. ([More...](#))
- **French** passenger registrations in May were 191,419 units, up 8.9% year-over-year. CV sales of 36,844 units were up 7.5% YoY. ([More...](#))
- At a summit between **Russian** president Vladimir Putin and **Indian** prime minister Narendra Modi, the two countries agreed a list of 19 projects aimed at establishing joint ventures, one of which was for automobiles. ([More...](#))
- **European** trade body **ACEA** said that it supported initiatives to reduce the environmental impact of vehicles but called on EU governments to take more action on recharging infrastructure (which it said was currently “poor”) and advocated the use of differential tolls for heavy goods vehicles of different emissions levels. ([More...](#))

Suppliers

- **Bosch** will buy Tier 2 casting supplier Albertini Cesare, in part to improve reliability of supply (BMW recently had some stoppages resulting from Albertini Cesare’s failure to supply parts to Bosch). ([More...](#))
- **Continental** and **Bosch** have struck an agreement with China’s Baidu to develop automated driving, connectivity and mobility services. ([More...](#))
- **Bosch** announced a cooperation with **Sony** semiconductor aimed at improving camera recognition, especially in difficult light conditions. ([More...](#))
- A flurry of product news from **Continental**: they unveiled AllCharge, a system that can fit any EV to any charging station and cope with rates of up to 350 kW. ([More...](#)). They have signed up to be supplier for **NIO**’s ES8 SUV program. ([More...](#)) and gave details of a wireless charging system that it has developed. Similar in concept to the system Qualcomm demonstrated a few weeks ago, Continental’s system has a lower charge rate and has been developed for parked cars. ([More...](#))
- French fastenings supplier **ARaymond** announced a new plant in Baden, Germany. The plant represents an investment of €55 million and will employ 350 people. ([More...](#))
- **Magna** announced an expansion of its Serbia seat-making plant. The \$3.5 million investment will create around 400 jobs. ([More...](#))
- **ZF** announced a joint venture with **Magura**, **BrakeForceOne** and **Unicorn Energy** to electrify small vehicles (primarily 2 wheelers). ZF will have 48% stake in the JV. ([More...](#))
- **Intel** released a report that they had commissioned from Strategy Analytics saying that the passenger transport business would be worth \$7 trillion globally in 2050 (note: similar to other analysis). ([More...](#))
- **Kaspersky Lab** and **AVL** signed a cooperation agreement to create secure software for connected vehicles. They believe that by creating a robust platform they can cross-sell associated hardware and further services. ([More...](#))

Dealers

- UK dealer **Holdcroft Motor Group** purchased AML Garages of Macclesfield. Financial terms were not disclosed. ([More...](#))
- UK dealer **Rybrook Holdings** purchased Paymill Motor Holdings of Wolverhampton. ([More...](#))

Ride-Hailing, Car Sharing & Rental

- **Uber** saw its losses improve to \$(708)m in Q1 2017. It’s head of finance is departing to join another start-up and the head of the self-driving unit (and Otto co-founder) Anthony Levandowski was fired for refusing to testify in Uber’s IP dispute with Waymo. ([More...](#))
- **Waze** (owned by Google / Alphabet) will expand its ride pooling service from Los Angeles to the whole of California. The service matches riders and routes and gives the driver a small per mile reimbursement for fuel. ([More...](#))
- **Hertz** offered a \$1 billion debt issue. The company is looking to raise money to offset the effect of the fall in used car prices and re-finance existing debt. ([More...](#))

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Driverless / Autonomy

- **BMW** issued more details of its driverless vehicle program. The company listed Level 3 and Level 4 “with technical provisos” as being offered in 2021. ([More...](#))
- UK professional body, the Chartered Institute of Logistics and Transport published a report called “(Re)inventing the wheel” looking at the impact of new technologies, including driverless, on the transport environment to 2035. ([More...](#))
- **Continental** and **Bosch** have struck an agreement with China’s **Baidu** to develop automated driving, connectivity and mobility services. ([More...](#))
- Media profiled Italian / Californian collaboration the **Camal Edit**, an electrified autonomous modular platform that uses a vehicle design by **Camal Studios** (previous projects include Ferrari) on **OSVehicles’s** technology. ([More...](#))
- **HERE** suggested that autonomous cars will have so much processing power that parked vehicles could make money from being used for cloud computing, a similar logic to the vehicle-to-grid battery business where pilot projects are already underway. ([More...](#))
- **Continental** gave details of a wireless charging system that it has developed. Similar in concept to the system Qualcomm demonstrated a few weeks ago, Continental’s system has a lower charge rate and has been developed for parked cars. ([More...](#))
- **Bosch** announced a cooperation with **Sony** semiconductor aimed at improving camera recognition, especially in difficult light conditions. ([More...](#))
- **Waymo’s** research into autonomous trucks was profiled in the media. ([More...](#))
- Russian search giant **Yandex** has demonstrated an autonomous vehicle intended for use in its Yandex.taxi ride sharing service. ([More...](#))

Electrification

- **China** reportedly agreed, following German lobbying, to soften its rules for electrification levels in new vehicles sold from the beginning of 2018. China’s prime minister said that a solution had been found (to the problem that German OEMs have insufficient products in their portfolio to meet the quotas) without giving further details. ([More...](#))
- **Continental** unveiled AllCharge, a system that can fit any EV to any charging station and cope with rates of up to 350 kW. ([More...](#))
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Other

- **ALD**, owned by SocGen, a major contract hire company for vehicle fleets announced two purchases. It will buy Merrion Fleet in Ireland ([More...](#)) and BBVA Autorenting in Spain. ([More...](#))
- The **Indian** government said that it would sell its 100% equity stake in **Scoter India**. It is looking to sell to a new parent, rather than for an IPO. ([More...](#))