



AD PUNCTUM

News Review -- 19th June to 25th June

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

Company-by-company rundown

BMW

- Released a report covering the learnings from its ChargeForward V2G charging experiment run with US utility PG&E. The report reveals how BMW split battery capacity between a stationery storage facility and parked vehicles and the extent to which they helped manage grid load (about 80% stationery / 20% vehicle in practice). Part of the learning was the time from experiment inception to final reporting -- 4 years in this case. ([More...](#))
- Said that current government policy in India does not support take-up of all-electric vehicles as well as it could. ([More...](#))
- Announced that the 5 series PHEV will be produced by Magna in Austria under a contract manufacture agreement ([More...](#))
- Continental were announced as a member of the BMW / Mobileye / Intel development partnership as a “system integrator”, a similar role to Delphi’s. Continental’s press release did not mention Delphi at all. ([More...](#)). Delphi’s earlier press release had noted that its agreement was non-exclusive. ([More...](#))
- Will increase the size of its Strasbourg parts depot by almost half. It isn’t clear if this will lead to an increase in employment at the facility which currently has around 150 staff. ([More...](#))

Daimler

- Saw works council leaders at its engine factory in Untertürkheim, Germany threaten “work to rule” industrial action starting on 1st July if sufficient job guarantees are not forthcoming. The employees are worried about what Daimler’s stated targets for widespread electrification in the mid-2020s mean for their jobs. ([More...](#))
- The Smart brand will reportedly become electric-only from 2020. ([More...](#))
- Ride-hailing firm myTaxi said it will buy Romanian company Clever Taxi for an “eight figure” sum. The company is reportedly interested in further acquisitions in Eastern Europe. ([More...](#))
- Said that it will build a new plant in Russia. The €250 million investment will begin production of E-Class in 2019 and then add other models. The plant will employ around 1,000 people. ([More...](#))
- Subsidiary Moovel showed a new product that allows public transport operators to create connected payment systems with various types of hardware. This would make it easier to introduce to existing systems -- ride hailing and other services could be added into the ecosystem. ([More...](#))

FCA

- Denied media reports that it was looking to pull the Chrysler brand out of Japan. At present, only one vehicle line (300) is sold in the country and this is through Jeep franchises, rather than an independent network. ([More...](#))
- Has re-branded its rental and lease operations in France as Leasys rather than FCA Fleet Services. ([More...](#))
- Creating a new dealer efficiency initiative -- “FCE Retail Excellence” -- in Germany. This will offer tailored support to each dealer based on in-depth analysis, with a focus on customer satisfaction and dealer profitability. ([More...](#))

Ford

- Announced that it would source the next generation Ford Focus (from 2019) from China rather than Mexico for North America sales. The move will save \$1 billion versus Ford's original plan, of which \$500 million has been previously announced after Ford's decision to scale back its Focus plan. The Focus will also be made in Europe. The move was announced by Ford in a press release that headlined the already widely known sourcing of SUVs rather than the Focus news. ([More...](#))
- Will recall 39,315 vehicles in India and 15,600 in South America to correct problems with the power steering. ([More...](#))
- Said that robust sales of LCVs will help Ford to remain profitable in Europe, despite Brexit currency and market growth headwinds. ([More...](#))

Geely (includes Volvo)

- Volvo announced that Polestar, previously its performance vehicle sub-brand, will become a standalone electrified performance brand with its own management team. ([More...](#))
- Geely's start-up electric only brand Lynk & Co will reportedly only offer 10 variants of its vehicles, with no option lists and with the same price across European countries. ([More...](#))
- Volvo will acquire Swedish rental car company First Rent A Car. ([More...](#))
- Volvo signed a new €1.3 billion revolving credit facility, replacing an earlier €660 million agreement. ([More...](#))

General Motors (includes Opel / Vauxhall)

- After completing its three year supervision period by the NHTSA (US road safety body) following the ignition recall scandal, GM proposed a new voluntary oversight framework. ([More...](#))

Honda

- Said that its factory in Sayama, Japan would have to close due to an infection of the WannaCry virus. ([More...](#))

Hyundai / Kia

- The head of its Spanish market operations said that diesels will disappear in the B segment. ([More...](#))

Nissan (includes Mitsubishi)

- Said that the next generation Leaf will have ProPilot features that allow autonomous driving in single-lane highway driving (i.e. the system will not change lanes but it will follow curves). Over time the system will be expanded and will "eventually" be capable of city intersections -- earlier company materials have suggested that this is not until the 2020s. ([More...](#))
- Mitsubishi said that electric vehicles will be a major part of their strategic plan and that they had changed their thinking, having previously been of the opinion that EVs were "promising, but the price was too big and the range was limited. ([More...](#))
- Said that the Renault-Nissan alliance intends to launch driverless on-demand services "within 10 years", though likely not starting before 2020. The services at launch are intended to be heavily geo-fenced, including specific pick-up and drop-off locations. ([More...](#))
- Said that the search for the new Mitsubishi CEO will include all corporate officers. An exact timing for the new CEO was unclear with "April on" being mentioned -- presumably April 2018. ([More...](#))

PSA (excludes Opel/Vauxhall)

- Announced it was issuing about 45 million new shares following the exercise of non listed stock warrants. ([More...](#)). French state bank CDC also reported that following recent transactions its stake in the company was 12.2% ([More...](#))
- PSA gave some further details of its autonomous driving launch plan. Level 3 systems (branded as Traffic Jam Chauffeur and Highway Chauffeur) will be offered from 2020 however the service will only be available in geo-fenced areas (roads that PSA has pre-vetted). PSA plan Level 4 cars by 2025. ([More...](#))

- Saw its wholly owned dealer group launch a Europe-wide discounting program called “Summerdayz 2017”. It wasn’t clear whether this was in line with PSA’s brand-building approach or represented significant discount activity. ([More...](#))

Renault

- Announced the creation of a scheme called CityMakers to incubate seven start-ups in Paris that will work on urban mobility projects. ([More...](#))
- Said that the Renault-Nissan alliance intends to launch driverless on-demand services “within 10 years”, though likely not starting before 2020. The services at launch are intended to be heavily geo-fenced, including specific pick-up and drop-off locations. ([More...](#))
- Said that it will expand aluminium injection manufacturing facilities in Valladolid, Spain, creating 100 jobs. ([More...](#))

Tata (includes JLR)

- Said that Jaguar will launch a new SUV called the E-Pace, smaller in size than the F-Pace model. Although the name might lead one to believe that the vehicle is electric, it will be powered by petrol and diesel engines. ([More...](#))

Tesla

- Tesla has reportedly signed a preliminary agreement to establish local production in China, near Shanghai. ([More...](#))
- Tesla’s head of Autopilot has left the company. Statements from both Tesla and the individual appeared to blame a clash of cultures and / or personalities. ([More...](#)). The head of hardware engineering also left. ([More...](#))
- Said that it was actively talking to other carmakers about their vehicles using Supercharger facilities. ([More...](#))

VW Group

- Amid rumours of a deal to sell motorbike brand Ducati to Harley Davidson, the VW Works Council declared itself to be opposed, calling the relatively recently acquired (2012) company a “jewel”. It wasn’t clear whether this is because the Works Council perceives an unstated strategic advantage or because it is set against establishing a precedent that would allow other parts of the group to be sold off. The rumoured sale price of €1.5 billion would be almost double what Audi paid for the brand. ([More...](#))
- Employees at VW’s Slovakia plant went on strike. After six days of industrial action, the group reached agreement with the unions on pay rises of 13.5% over two years plus a special bonus. ([More...](#))
- Announced that Audi will establish a deep-learning artificial intelligence centre at the University of Linz. Initial projects are centred on autonomous vehicles. ([More...](#))
- Audi announced that it will make its 2nd electric product -- the e-tron Sportback at its plant in Brussels with production starting in 2019. ([More...](#))
- Porsche is reportedly targeting for 50% of its sales to be electrified vehicles by 2023. ([More...](#))
- Arrest warrants have been issued for 5 former managers and developers in connection with the diesel scandal. ([More...](#))
- There were reports that Audi’s executive management team had been criticised in internal reports for being unprepared for the future and lacking in decisiveness and impetus for change. ([More...](#))

Other

- **Turkey’s** industry minister said that the government was aiming to sign an agreement this year that would result in the creation of a locally developed passenger car by 2019. This timing would either suggest that the vehicle is substantially developed or that the government is overly-optimistic. ([More...](#))

And now for the other news...

Economic / Political News

- A survey of **German** car buyers said that less than 20% would consider a diesel car in future. 75% supported the use of driving bans to encourage environmentally-friendly car choices. ([More...](#))
- After the initial discussions in Brussels last week, the UK secretary of state for exiting the EU (**Brexit** minister) said that he was “pretty sure” but not certain that there would be a free trade deal and that he anticipated a transition period of between 12 and 24 months for new terms to come into force (after March 2019). ([More...](#))
- Figures published by the national statistics bureau indicated that **Spanish** car prices had risen 3.3% year-over-year. This is a slight cooling of April’s rate of 3.6% YoY. ([More...](#))
- News reports suggested that the **EU** could sign a trade agreement with **Japan** that would largely eliminate tariffs on car parts. ([More...](#))

Suppliers

- Rumours emerged that **Takata** would likely file for bankruptcy as part of an agreed sale to **Key Safety Systems**. Share prices immediately dived and trading was then suspended. The bankruptcy filing in Japanese courts came on Monday 26th. As a consequence, many carmakers including Honda, Toyota, Nissan and Subaru said that they no longer expected to receive as much reimbursement for recalls as they had hoped. ([More...](#))
- **Michelin** announced a reorganisation that will create 10 reporting regions and 14 business lines. A number of job losses are forecast in the US and France -- Michelin gave some forecast natural attrition figures that implied plenty of workers would sign up for early retirement / redundancy. ([More...](#))
- **Magneti Marelli** opened a new lighting plant in Changchun, China. The plant is a JV with a local investment firm and will employ 800 people when at full capacity. ([More...](#))
- **Magna** announced that they will produce the BMW 5 series PHEV in Austria under a contract manufacture agreement ([More...](#))
- **Continental** were announced as a member of the BMW / Mobileye / Intel development partnership as a “system integrator”, a similar role to **Delphi’s**. Continental’s press release did not mention Delphi at all. ([More...](#)). Delphi’s earlier press release had noted that its agreement was non-exclusive. ([More...](#))
- **Continental** gave further details on its Cruising Chauffeur Level 3 autonomous system for eyes-off highway driving. The system uses camera, radar and lidar sensors ([More...](#))
- **ZF** and **Hella** announced a strategic partnership to cooperate on sensor technology, primarily radar and camera systems. ([More...](#))
- The new **Bosch** chipmaking plant in Dresden, Germany is apparently receiving €200 million of government support (subject to EU agreement). ([More...](#))

Dealers

- Nissan-owned UK dealer **Aprite** acquired a Birmingham site from Colliers, completing the latter’s withdrawal from the market. ([More...](#))

Ride-Hailing, Car Sharing & Rental

- **Uber’s** CEO resigned, having earlier taken a leave of absence. His departure now leaves a raft of C-suite roles vacant. ([More...](#)). The company also announced a “180 days of change” program to improve driver experience, in particular the introduction of tipping and improved cancellation and waiting time charges. ([More...](#))
- Ride-hailing firm **myTaxi** (controlled by Daimler) said it will buy Romanian company **Clever Taxi** for an “eight figure” sum. The company is reportedly interested in further acquisitions in Eastern Europe. ([More...](#))
- **Europcar** raised €175 million and announced that it is buying Spanish rental car company **Goldcar**. ([More...](#))
- **Volvo** will acquire Swedish rental car company **First Rent A Car**. ([More...](#))
- **Lyft** unveiled a shuttle service in San Francisco that offers fixed fares along pre-determined routes. ([More...](#))

Driverless / Autonomy

- An online study of people's perceptions driverless vehicles appeared to debunk industry myths by finding that **men over 50** were most open to the experience ([More...](#))
- **Continental** were announced as a member of the BMW / Mobileye / Intel development partnership as a "system integrator", a similar role to **Delphi's**. Continental's press release did not mention Delphi at all. ([More...](#)). Delphi's earlier press release had noted that its agreement was non-exclusive. ([More...](#))
- **Continental** gave further details on its Cruising Chauffeur Level 3 autonomous system for eyes-off highway driving. The system uses camera, radar and lidar sensors ([More...](#))
- A Polish inventor believes that he may have cracked the dual challenges of autonomy and energy sufficiency by creating the World's first **self-driving potato**. ([More...](#))
- **UK** government legislation under the Automated and Electric Vehicles Bill is expected to create a framework that means insurance pay outs for crashes by autonomous vehicles are consistent with human-piloted ones. ([More...](#))
- The **Renault-Nissan** alliance intends to launch driverless on-demand services "within 10 years", though likely not starting before 2020. The services at launch are intended to be heavily geo-fenced, including specific pick-up and drop-off locations. ([More...](#))

Electrification

- **BMW** released a report covering the learnings from its ChargeForward V2G charging experiment run with US utility PG&E. The report reveals how BMW split battery capacity between a stationery storage facility and parked vehicles and the extent to which they helped manage grid load (about 80% stationery / 20% vehicle in practice). Part of the learning was the time from experiment inception to final reporting -- 4 years in this case. ([More...](#))
- Chinese start-up **CHJ Automotive** said that it plans to release a \$7,800 ultra-compact electric car, seeing the vehicle as a logical upgrade from widely used electric scooters (a similar rationale to the Tata Nano). The vehicle is scheduled for launch in March 2018 but few details were shared. ([More...](#))
- **BMW** said that current government policy in **India** does not support take-up of all-electric vehicles as well as it could. ([More...](#))
- **Audi** announced that it will make its 2nd electric product -- the e-tron Sportback at its plant in Brussels with production starting in 2019. ([More...](#))
- **Daimler's Smart brand** will reportedly become electric-only from 2020. ([More...](#))
- German battery cell supplier **EAS** has reportedly filed for bankruptcy after failing to win new contracts in the automotive industry. ([More...](#))
- **Porsche** is reportedly targeting for 50% of its sales to be electrified vehicles by 2023. ([More...](#))
- **Mitsubishi** said that electric vehicles will be a major part of their strategic plan and that they had changed their thinking, having previously been of the opinion that EVs were "promising, but the price was too big and the range was limited. ([More...](#))

Other

- Chinese bike sharing company **Ofo** increased its security deposit on bikes from RMB99 to RMB199. An Ofo investor declared that currently the company was recouping its investment in new bikes within three months -- partly due to the cheap cost of the company's chosen bike design. ([More...](#))
- Chinese bike sharing company **Wukong Bikes** has gone bust. The company's failure was attributed to it not fitting any GPS or similar devices, leading to the theft of most of its bicycles within five months. Other problems were that its bikes were easily damaged and it gave most rides away for free. ([More...](#))