



AD PUNCTUM

News Review -- 14th August to 20th August

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

Company-by-company rundown

BMW

- FCA signed an MoU with the intention of joining the BMW-led consortium developing an autonomous driving platform. As part of the agreement, it is envisaged that FCA will contribute engineering resource, to be located alongside the other partners in Germany. ([BMW](#))

Daimler

- Switching Smart's line-up to all-electric in the US from 2018 onwards reportedly means that the dealer body will be halved in size -- from 58 to 27 sites. ([Autofactil](#))

FCA

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- Automotive News broke a story that FCA had been the target of a bid from a "well-known Chinese automaker" (reportedly rejected as too low). As media jumped on the story, denials emerged from Dongfeng, Guangzhou, Geely, leaving Great Wall as the remaining name on everyone's lips. ([Reuters](#))

Ford

- Held an event in San Francisco where CEO Jim Hackett said that he believed autonomy would not lead to a big reduction in sales or car ownership. He was also non-committal on the current status of Ford's previous commitment to bring a driverless car to market by 2021. ([Detroit News](#))
 - Implication: Hackett's analysis conflicts with Ad Punctum's own research. Our belief is that low costs can only be achieved with individuals opting for subscription taxi services over outright ownership. Without this option, we foresee purchases being limited to the wealthiest consumers. The inherent benefit of Hackett's perspective for an in-house strategy and communications team is that you don't need to plan a way to exit a massive dealer network. As Hackett himself was quoted as saying "I'm not ready to admit that Ford is facing a world where it's losing a lot of personal buyers".
- Showed the all-electric commercial vehicle developed with DHL / StreetScooter. Named the StreetScooter Work XL, the vehicle can be fitted with a range of battery sizes (30 - 90 kWh = 80 - 200km range) and has different payload configurations. ([Ford](#))
- In an interview, the CEO of Argo.ai (in which Ford has a majority stake) talked about how and why his AI philosophy avoids deep learning algorithms and that the plan is have around 200 employees by the end of the year (from around 100 now and virtually none at the beginning of the year). ([The Verge](#))

- Announced that it will host a hackathon-style event in Paris over 25-26 October with a €30,000 prize on offer for the best entries. ([Ford](#))
- Copies of Ford's patent for a removable steering were released. Having previously publicised its plans for a vehicle without a steering wheel by 2021, Ford believe that a removable device is required for a variety of use cases, including: extreme manoeuvre testing of production-intent vehicles and retrofitting steering wheels for users who are put off travelling in a vehicle where they are unable to take control. ([US Patent Office](#))

Geely (includes Volvo)

- Denied it was interested in buying FCA. ([Reuters](#))

General Motors

- Said it will delist from the Toronto stock exchange effective November 30th 2017. ([GM](#))
- Said that its Maven Gig service would expand the number of battery electric Bolt vehicles available in key markets. According to Maven, Bolts are driven on average 30% further each day than comparable ICE vehicles. ([Electrek](#))

Hyundai / Kia

- Said that it had accelerated its plan for rollout of all-electric and fuel cell vehicles. Hyundai and Kia will launch 31 "eco-friendly" vehicles by 2020 (eco-friendly in Hyundai-Kia's nomenclature includes PHEVs, BEVs and fuel cell vehicles) including 8 BEVs and 2 FCEVs. Specific highlights include: a BEV version of its Kona compact SUV with 390km range in 2018, a BEV Genesis luxury saloon in 2021 and a BEV with a 500km range after 2021. ([Hyundai](#))

Tata (includes JLR)

- Tata Motors announced a new CFO, P B Balaji joins the company from Hindustan Unilever. ([Tata](#))

Toyota

- A patent for a "cloaking device" filed by Toyota that uses thin screens and external cameras to embed screens in vehicle A pillars and improve driver visibility invited the internet to speculate about James Bond's Aston Martin Vanish from Die Another Day finally reaching production reality. ([Free Patents Online](#))
- Announced it Sevco Pacific as a partner in its tests to develop the Toyota Mobility Services Platform, which has been developed with help from Getaround. Sevco, a Toyota dealer in Hawaii, will use the in-house developed hardware and software to run a car sharing scheme. ([Toyota](#))

VW Group

- Announced that it would put an all-electric microbus, modelled after the ID Buzz concept, into serial production by 2022 ([VW](#))
- Highlighted in an in-house magazine article how it was reducing costs on its Indian products, in particular by changing material specifications because Indian suppliers cannot provide the same range as VW's traditional European supply base. Although this increases regional complexity, VW believes it leads to reduced costs. ([VW](#))

Other

- **McLaren** is reportedly planning an all-electric model to arrive sometime after 2018, although with supposed production volume of five units, "production model" may simply be semantics. ([Autocar](#))
- **BAIC's** electric vehicle subsidiary BAIC BJEV raised \$1.6 billion in Series B funding to expand its line-up and production facilities. Following the funding, BAIC will own 41.19% of the venture. ([China Money Network](#))
- **German** dealers reported that Euro 5 and older diesels were starting to show a significantly longer average time in industry than newer Euro 6 diesels and gasoline engines. ([Autohaus](#))
- The **German** manufacturers association the VDA calculated the benefit of the software update measures agreed at the recent diesel summit as a 14% reduction in emissions. The figure was however challenged by environmental groups who said the impact would be near zero and even a 14% reduction would be insufficient to avoid city bans. ([Manager Magazin](#))

- The recruitment of a second former Aston Martin executive, plus reference to an electric car program in UK government documents, led to speculation about the increasing maturity of an electric vehicle program from **Dyson**. ([Bloomberg](#))
 - Memo: If true, this wouldn't be the first time that a vacuum cleaning expertise has been enlisted on a vehicle. Hoover were the servicing partner for the Sinclair C5.

And now for the other news...

Economic / Political News

- **German** chancellor Angela Merkel said that she approved of the approach taken by British and French authorities to outline likely timelines for an end to sales of internal combustion engine vehicles (with legislation intended to follow) but wouldn't be drawn on what the right end date for Germany would be. ([Autocar](#)). She also said that the target of putting 1 million electric vehicles on German roads had not been abandoned and more must be done to reach it. ([Reuters](#))
 - Implication: Germany's existing commitment under the COP21 environmental agreement was for "almost greenhouse gas-neutral transport by 2050" -- indicating an end to ICE vehicles by then. ([Clean Energy](#))
- **Lookers**, one of the **UK's** largest dealer groups, said that it expected the market to contract 3% in 2017. Rival dealer **Marshall Motors** said it was cautious. ([Reuters](#))
- Concerns emerged in the **UK** press over the enablers needed for a wholesale switch from internal combustion engines to electric vehicles, namely a considerable increase in electricity generating capacity -- which could mean more nuclear power stations. Well-to-wheel data enthusiasts may finally have their day. ([Telegraph](#))
- **UK** trade body the **SMMT** welcomed the UK Government's proposals for post-Brexit frictionless borders ([see here](#)) but repeated its call for a transition period with membership of the customs union and single market. The EU is not currently negotiating either item, preferring to concentrate on the financial penalties of separation. ([SMMT](#))

Suppliers

- **Autoliv** announced a partnership with **Seeing Machines** to develop driver monitoring systems (seeing aimed at L3 autonomous cars). ([Autoliv](#))
- **Delphi** announced a partnership with **Innoviz** to use the latter's LIDAR technology in driverless systems that Delphi is developing. ([Delphi](#))

Dealers

- UK dealership group **Pentagon Motor Holdings** has been taken over by South Africa's **Motus Corporation** (which already has a CV franchise presence in the UK). The 21 site group has been sold for around £28.5 million. ([Automotive Manager](#))

Ride-Hailing, Car Sharing & Rental

- **Uber's** chief product officer indicated that the company was targeting 2023 (memo: testing will apparently start in 2020) for a mass rollout of a flying taxi service and was interested in operating in Australian cities Melbourne and Sydney. ([Herald Sun](#))
- **Uber** agreed to a 20-year monitoring period in order to settle a case with the US's FTC over its "God View" data collection platform. ([BBC](#))
- **Uber** had its licence to operate in the Philippines suspended for one month because of the number of drivers operating on the service who are not fully registered with the government. ([TechCrunch](#))
- **Uber** has revised its Uber for Business interface to make it easier for companies to set limits on how employees can use the platform. The update comes after **Lyft** has made a raft of changes to its business offering in order to become more appealing. ([TechCrunch](#))

Driverless / Autonomy

- **NuTonomy** said that it hopes to begin operating a paid-for service in Singapore using driverless vehicles from Q2 2018 onwards. The company intends to partner with Grab to offer the new service. ([Reuters](#))
- Autonomous truck startup **TuSimple** has raised \$20 million from a group of investors including **Nvidia**. ([TechCrunch](#))
- **3M** is testing transparent stickers that can be placed onto existing street signs in order to give autonomous vehicles additional information and reduce the need for cameras to use visual recognition (for instance, QR barcodes can be embedded in the stickers). ([Business Insider](#))
- Patent pictures appeared to show the design of **Waymo / Google's** intended driverless car dashboard. The image features prominent "Go" and "Stop Now" buttons and appears configured for independent passengers. ([Business Insider](#))
- In an interview, the CEO of **Argo.ai** (in which **Ford** has a majority stake) talked about how and why his AI philosophy avoids deep learning algorithms and that the plan is have around 200 employees by the end of the year (from around 100 now and virtually none at the beginning of the year). ([The Verge](#))
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- South Korea will purchase up to 200 autonomous pods from UK sportscar manufacturer **Westfield** in a £30 million deal. The pods are the same type that are undergoing trials in London. ([The Manufacturer](#))
- **Lyft's** director of product said in an interview that he believes drivers will continue to be core to the company's offering, even with the advent of autonomous vehicles, although he does believe that they will not be required for all journeys. ([Recode](#))
 - Implication: consistent with Ad Punctum's own analysis, Lyft foresee mixed fleets of driven and driverless vehicles as being more adaptable to changes in the environment.

Electrification

- **BAIC's** electric vehicle subsidiary BAIC BJEV raised \$1.6 billion in Series B funding to expand its line-up and production facilities. Following the funding, BAIC will own 41.19% of the venture. ([China Money Network](#))
- **Hyundai / Kia** said that it had accelerated its plan for rollout of all-electric and fuel cell vehicles. Hyundai and Kia will launch 31 "eco-friendly" vehicles by 2020 (eco-friendly in Hyundai-Kia's nomenclature includes PHEVs, BEVs and fuel cell vehicles) including 8 BEVs and 2 FCEVs. Specific highlights include: a BEV version of its Kona compact SUV with 390km range in 2018, a BEV Genesis luxury saloon in 2021 and a BEV with a 500km range after 2021. ([Hyundai](#))
- **Future Mobility** raised an additional \$200 million, valuing the company at \$750 million. ([China Money Network](#))
- **Ford** showed the all-electric commercial vehicle developed with **DHL / StreetScooter**. Named the StreetScooter Work XL, the vehicle can be fitted with a range of battery sizes (30 - 90 kWh = 80 - 200km range) and has different payload configurations. ([Ford](#))
- Erstwhile electric truck developer **Nikola Motors** unveiled the Zero, an all-terrain four-seater BEV with a range of up to 200 miles and a price tag of \$35,000. ([Nikola Motors](#))
- A pilot vehicle-to-grid scheme in **Denmark** operated by **Nissan** and **Enel** is paying a company €1,300 per vehicle per year to allow its plugged in vehicles to be used for grid management. It isn't clear if this is a special incentive to participate in the scheme or the energy company genuinely believe V2G systems are profitable at this level. ([Bloomberg](#))

Connectivity

- **Naver Labs** unveiled the production version of its in-car-entertainment platform called Away and an aftermarket fit head unit that uses the service. It is trialling the product in vehicles owned by car sharing company **Green Car**. ([ET News](#))
- Researchers said that inherent vulnerabilities in the CAN architecture used to connect systems inside the car meant car systems could be attacked in a way that existing security systems may not detect. The hack they presented doesn't allow control to be taken over but it can shut the vehicle down by overwhelming it with requests. At present, this is near impossible to do in production vehicles because it requires a direct link into CAN (which is normally only available by physically plugging in). ([Wired](#))

Other

- **DeLorean Aerospace** (founded by the nephew of the stainless-steel car making visionary) showed off his design for a flying car named DR-7, with a planned range of 120 miles. ([Wired](#))
- Bicycle rental company **oBike** has raised \$45 million in a series B round ([oBike](#))
- Bicycle rental company **Youon** raised \$87 million in its IPO. The company operates a mix of dockless bikes and more traditional docking stations so could be an interesting bellweather of operational trends. ([China Money Network](#))