



# AD PUNCTUM

## News Review -- 11<sup>th</sup> September to 17<sup>th</sup> September

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

- Showed an all-electric 4 door grand touring coupe with a 600km range, promising that it would go into production. ([BMW](#))
- BMW's head of purchasing said that company was "extremely concerned that the Brexit talks have been so piecemeal and slow so far". ([Bloomberg](#))
- Under a court ruling, BMW's Leipzig plant will receive less state aid than it had been hoping for, €17 million instead of €45 million. The case had been pending since 2014. BMW can appeal to the ECJ for a final ruling. ([Der Spiegel](#))

#### Daimler

- Held a capital markets day where it said that the future outlook was a tougher business environment and that it would be challenged to meet mid-term margin targets, but that it would increase cost saving efforts in an attempt to do so. ([Daimler](#)) ([CFO presentation here](#))
- Daimler's CEO said that by 2022, electrified versions will be available for all the company's models. ([Reuters](#))
- Said it would invest in StoreDot, taking a seat on the board. Daimler hopes to be able to use StoreDot's fast -charging battery technology in future vans. ([Daimler](#))
- Said that it by the end of 2017 it would have converted 1,350 workers at its Vitoria, Spain plant to permanent contracts due to the success of the small commercial vehicles produced there. ([Europa Press](#))

#### Ford

- Will add a second shift at its Russia joint venture plant in Elabuga, Tartastan due to increasing demand, creating 700 jobs. ([Detroit News](#))
- Revealed that it was behind the scheme to test responses to driverless schemes by having a human driver disguised as a seat. The project wasn't a total success as a journalist spotted the driver's hands in August and their reporting became an internet sensation. Ford revealed that the unfortunate driver had to sit through 150 hours of tests. ([Ford](#))

#### Geely (includes Volvo)

- Proton's CEO will step down at the end of September and Geely will choose their replacement. ([The Star](#))

#### General Motors

- The CEO of GM subsidiary Cruise Automation said that the company's 3<sup>rd</sup> generation product was ready for mass-production. ([Medium](#))
- Labour negotiations in South Korea are reportedly not going well (again), leading to speculation of strikes around the end of the year affecting Hyundai/Kia. Workers are asking for pay rises and a substantial bonus. ([Wards Auto](#))

## Honda

- Showed a compact EV concept at the Frankfurt show and said that a production version would be on sale in Europe by 2019. Honda said that it will offer an electrified version of all models launched in Europe from now on and that by 2025 it expects two thirds of its European sales to be electrified vehicles. By 2030, it expects to reach the same percentage globally. ([Honda](#))

## Hyundai / Kia

- Labour negotiations in South Korea are reportedly not going well (again), leading to speculation of strikes around the end of the year affecting Hyundai/Kia. Workers are asking for pay rises and a substantial bonus. ([Wards Auto](#))

## Mazda

- Is reportedly planning that all its vehicles will be electrified (including the use of hybrids) by the early 2030s -- although the company wouldn't confirm this officially. ([Times of India](#))

## Nissan (includes Mitsubishi)

- Announced an updated set of targets for the Renault-Nissan-Mitsubishi alliance to achieve by 2022: annual sales of 14 million vehicles; €240 billion turnover; €10 billion of synergies (an artificial figure -- €5 billion claimed currently). The group intend to have 12 purely electric vehicles on sale by 2022 and will launch various levels of driverless systems across 40 vehicles, culminating in a fully autonomous vehicle on sale in 2022. The alliance aims to become an operator of robo taxis, without providing further details. ([Nissan](#))

## PSA (includes Opel/Vauxhall)

- Senior executives expressed frustration with the pace of Brexit talks saying that if they had to wait 2-3 years for clarity on the business environment, there was "a big question mark about our future investment" in the UK (i.e. Vauxhall). ([Bloomberg](#))
- Announced an employee-only share sale aiming to raise €25 million. ([PSA](#))

## Renault

- Announced an updated set of targets for the Renault-Nissan-Mitsubishi alliance to achieve by 2022: annual sales of 14 million vehicles; €240 billion turnover; €10 billion of synergies (an artificial figure -- €5 billion claimed currently). The group intend to have 12 purely electric vehicles on sale by 2022 and will launch various levels of driverless systems across 40 vehicles, culminating in a fully autonomous vehicle on sale in 2022. The alliance aims to become an operator of robo taxis, without providing further details. ([Nissan](#))

## Tata (includes JLR)

- Said I-Pace has reached 25,000 orders in a TV interview. Asked about customer reaction to I-Pace he said it was "just another car with a different propulsion system". Explaining the concept shared steering wheel displayed last week he said that he was "convinced" customers would want to own cars but that they might want to share them with friends. ([Bloomberg](#))

## Tesla

- CEO Elon Musk tweeted that the company's semi-truck will be unveiled on 26<sup>th</sup> October. ([Business Insider](#))
- Has created a smaller and lower-powered (and cheaper) supercharger for urban areas. With a rating of 72 kW, the units are still more powerful than most other contemporary installations. ([Tesla](#))
- New patents for battery swapping stations have recently been filed by Tesla. These appear to show a battery station that can be moved to different areas. ([Inside EVs](#))

## Toyota

- A senior executive said that the company was becoming increasingly concerned over Brexit. He called the company's future in the UK "a big question mark" and said that although a few months ago the UK government had expressed complete confidence in a tariff-free UK-EU trade deal, "they are not saying that any more". ([The Guardian](#))
- Said that it will add a second style of hybrid to its European line-up, moving beyond fuel economy considerations (the traditional preserve of the hybrid) by offering a version that will increase power. ([Toyota](#))
- Said that it was already close to its 2020 goal of a 50% sales mix of hybrid vehicles in Western Europe. Yaris is at 45%, RAV4 at 52%, Auris at 65% and C-HR at 77%. ([Toyota](#))

## VW Group

- Announced a plan to bring 80 new electrified (not full electric = 50 BEV, 30 PHEV) vehicles to market by 2025 and that by 2030 the entire VW Group product portfolio (~300 nameplates) would be electrified. The company said that this would require €20 billion in investment and that it would need suppliers to provide 150 GWh of battery capacity by 2025 -- forecasting its first phase procurement bill at €50 billion (the figure looks too high for an annual bill). ([VW](#))
  - Implication: Given that earlier this year, VAG were talking about "more than 30" electric vehicles by 2025 ([here](#)), this recent announcement suggests that the company is becoming more bullish on full-electrification as it does further research.
- Said that of the 50 new fully electric vehicles by 2025, 23 of them will be for the VW brand. At Frankfurt, the company showed the ID Crozz, a small crossover/SUV that it said will be launched in 2020, around the same time as the ID C-Car (mini-bus to follow in 2022). The performance specifications for the I.D. Crozz are: 225 kW motor, 180 kmh top speed and 500 km range. VW mentioned that fast charging would get the battery to 80% of capacity in 30 minutes, implying that it is a lower-rated onboard charger than will debut in the Mission E from Porsche. ([VW](#))
- Said that it would be putting autonomous cars on the streets in 2021. ([VW](#))
- Audi's Aicon autonomous vehicle concept pointed towards long-distance driverless travel, with a claimed ability to travel at high speeds and a range of over 700km. Audi majored on the contrast with robo taxis which are "reduced to pure functionality" -- an interesting statement of fact, given that no robo taxis exist! ([Audi](#))
- A spokesman for the Porsche and Piech families waded into the debate about selling off parts of the group saying he saw "no need" for the separation and that the topic had not been discussed at the supervisory board. ([Der Spiegel](#))
- Bentley executives said that they are planning an all-electric, possibly launching in 2019. ([Autocar](#))
- Porsche's Chairman said that the Mission E all-electric sports car would be priced at about the same level as a Panamera, although since it will be offered in different power levels this might only be true for the entry level. ([Car](#))
- Lamborghini executives said that they aren't yet planning all-electric vehicles, although they are working on hybrid electric powertrain. Note that Lamborghini have previously been rumoured to be working on an all-electric product and Bentley and Audi both seem set to release electric sports cars based on the Mission E platform, so Lamborghini would be the only stablemate not to follow suit. ([Reuters](#))

## Other

- The CEO of **Great Wall** suggested that it was investigating whether to create a joint venture factory in the USA with two other unnamed Chinese automakers. ([Les Echos](#))
- **European** OEM group ACEA published a proposal for future EU emissions rules. The group wants 2030 fleet average targets to be 20% lower than the 2021 limits. Since 2021 levels are 95g/km, this suggests 76g/km but the ACEA paper seems at pains to mention no specific figure. The proposal is for a check on progress in 2025 at which point the target could be revised up or down. ([ACEA](#))
  - Implication: OEMs are desperate not to have a 2025 target set. Their proposal appears calculated to offer a substantive looking target for 2030, whilst leaving some theoretical wriggle-room if this looks too difficult by 2025.
- Storied UK sports car brand **TVR** unveiled its first new product post resurrection. The Griffith comes with 500hp and a £90,000 price tag for the first run of 500 units. ([Auto Express](#))
- Vehicle manufacturing resumed in **South Africa** after a 17-day strike by employees at parts suppliers had deprived car plants of the parts they needed. ([Business Report](#))

## News about other companies and trends ...

### Economic / Political News

- European passenger car sales for August were up 5.6% to 865,047 units. Italy, Germany, Spain and France all increased, more than offsetting reductions in the UK. ([ACEA](#))

### Suppliers

- **Autoliv** held a capital markets day and said it was looking at splitting into two businesses: passive safety and electronics. The businesses would have 2020 revenue targets of €10 billion and €3 billion respectively. ([Autoliv](#))
- **Autoliv** and **Adient** are teaming up to develop seats and safety systems for autonomous vehicles that can move around and protect passengers regardless of their position. ([Autoliv](#))
- **Delphi** announced it had made a major step towards the spin-off of its powertrain division by issuing debt for the subsidiary. ([Delphi](#))
- **Continental** purchased German parking app **parkingpocket**. ([Munich Startup](#))
- **Samsung** is launching a \$300 million fund with subsidiary **Harman** to focus on the development of connected and autonomous technologies. ([Samsung](#)).

### Dealers

- Research by Santander Consumer Finance showed that **UK dealers** are becoming concerned about the rise of “click to buy” websites from manufacturers -- with 1/3 citing it as a substantial future threat. Dealers appeared slightly confused about what to do next though: 55% of them believe the competition are doing a better job. ([Automotive Management](#))

### Ride-Hailing, Car Sharing & Rental

- French car rental start-up **Virtuo** said that it had raised €7.5 million to fund expansion into European cities outside France. ([Journal Auto](#))
- **Alphabet** (Google) is reportedly looking at making a \$1 billion investment in **Lyft**. ([TechCrunch](#))
- Dutch car sharing company **SnappCar** has taken over German rival **Tamyca**. ([Fleet Europe](#))

### Driverless / Autonomy

- **Audi** and **Samsung's** new fund made an investment in **TTTech**, a connected car company. ([Samsung](#))
- A consortium involving 13 OEMs will run a 4 year research project called **L3Pilot** to investigate autonomous driving technologies and consumer behaviour in European cities and on highways. The project has a budget of €68 million (with nearly half of this coming from an EU grant). ([VW](#))
- Court documents released as a part of the **Waymo-Uber** court case say that Google/Alphabet spent \$1.1 billion on its driverless program between 2009 and 2015. ([IEEE](#))
- European not-for-profit safety tester **NCAP** issued an outline of a 2025 safety testing regime that calls for standard fitment of autonomous technologies that can reduce accidents, including vehicle-to-vehicle communication and emergency steering. ([Autocar](#))
  - Implication: Although it isn't the official safety body, NCAP's ratings have become the de facto standard of safety. When they make technologies mandatory for a 5 star (top) rating, as they have in the past, manufacturers follow (good news for suppliers).
- **Waymo's** CEO said that he thinks self-driving trucks are vying with robot taxis for the first widespread implementation and that the company is still trying to get OEMs to sign up to its platform. ([Bloomberg](#))
- Self-driving start-up **Zoox** is reportedly in talks with **SoftBank** about a sizeable investment ([TechCrunch](#))
- The **Renault-Nissan-Mitsubishi** alliance intends to have a fully autonomous vehicle on sale in 2022 and to become an operator of robo taxis, without providing further details. ([Nissan](#))
- **VW** said that it would be putting autonomous cars on the streets in 2021. ([VW](#))

- **Audi's** Aicon autonomous vehicle concept pointed towards long-distance driverless travel, with a claimed ability to travel at high speeds and a range of over 700km. Audi majored on the contrast with robo taxis which are “reduced to pure functionality” -- an interesting statement of fact, given that no robo taxis exist! ([Audi](#))

## Electrification

- **Borgward** executives talking at Frankfurt said that the brand is making progress towards launching its first vehicle and stated lofty ambitions: aims for 800k in 2020, 1.6 million in 2025. ([Car](#))
- **Porsche's** Chairman said that the Mission E all-electric sports car would be priced at about the same level as a Panamera, although since it will be offered in different power levels this might only be true for the entry level. ([Car](#))
- Media were agog at the **Aspark Owl** unveiling, with the company making claims about a sub 2 second 0-60 time. ([Top Gear](#))
- **NanoFlowCell** demonstrated their Quant fuel cell car. Of more interest that the fuel cell technology is perhaps that the entire electric system (including batteries and drivetrain) is a 48V system -- the same level being installed as ICE augmentation now. ([NanoFlowTech](#))
  - Implication: The concept shows that there is plenty of scope within a 48V system -- assuming further development -- to achieve capabilities that are currently forecast as being the exclusive reserve of higher voltage systems.
- Chinese state-owned energy supplier **State Grid Corporation of China** is reportedly finalising plans for a network of 167,000 charging points throughout the country. ([Faconauto](#))
- **Daimler** said it would invest in **StoreDot**, taking a seat on the board. Daimler hopes to be able to use StoreDot's fast-charging battery technology in future vans. ([Daimler](#))
- The **Renault-Nissan-Mitsubishi** alliance is targeting 12 purely electric vehicles on sale by 2022. ([Nissan](#))
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