



AD PUNCTUM

Autos & Mobility Industry Briefing -- 29th January to 4th February 2018

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 (history)

- Acquired full control of car sharing brand DriveNow, buying out Sixt. ([BMW](#))
- Reportedly suspending production of M550i in Europe because BMW hasn't managed to make technical changes to the vehicle necessary to comply with WLTP-based emissions measuring. ([BMW Blog](#))

Daimler (history)

- Reported 2017 full year financial results. Revenue of €164.3 billion was up 7% versus 2016. EBIT of €14.7 billion was up 14%. Daimler expects sales and revenue to increase in 2018 but profits to remain flat. ([Daimler](#))
- Launched the new A-Class. The new compact car uses petrol engines developed with Renault and owners can authorise family members to access and drive the car for limited periods using their smartphones -- avoiding having to hand the key over every time. ([Daimler](#))

FCA (history)

- FCA and Waymo agreed a deal for “thousands” of Chrysler Pacifica minivans for delivery from late 2018 onwards. The number of vehicles wasn't specified but note that thus far Waymo has purchased 700 vehicles, supporting several test fleets and a single town of service provision. ([FCA](#)).
- The US department of justice has told FCA that it wants the company to pay “very substantial” fines to settle charges over diesel emissions cheating. ([Reuters](#))

Ferrari

- Reported 2017 financial results. Revenue of €3.4 billion was up 10% on 2016, with deliveries up 4.8% to 8,398 units. Adjusted EBIT was €775 million. In 2019 the company aims to sell over 9,000 vehicles. ([Ferrari](#))

Ford (history)

- Will launch the Chariot bus service in London, the first European city. A fleet of 14 vehicles will run on four routes, all with snazzy alliterative titles (“Shooters Hill Shot” feels a bit weak; we would have gone for Sprinter, potential trademark disputes with Mercedes-Benz notwithstanding). The service is free for the first two weeks. ([Ford](#))
- Ford's China CEO, an external hire, departed after five months in the role. ([Detroit Free Press](#))
- Launched the Freestyle, a compact sized crossover in India. ([Autocar](#))
 - Implication: Apart from highlighting the meaninglessness of the “crossover” moniker (Ford describes the Ecosport in identical terms), the vehicle shows that Ford is taking a different path from Renault. Whereas the French brand has created value “Kaptur” vehicles that share contemporary western styling, Ford's Figo-based product is clearly not design-led.
- Moody's downgraded the company's rating outlook from stable to negative. ([Detroit Free Press](#))

Geely (includes Volvo)

- Autocar magazine claimed that Volvo's first all-electric car will be a hatchback, similar to the 40.2 concept. ([Autocar](#))
- Lotus's CEO plans to launch two new sports cars by 2020 and an SUV by 2022. ([Car Magazine](#))
- Reportedly secured sufficient shares to take the 5% stake in Daimler mentioned before Christmas. ([Handelsblatt](#))

General Motors (history)

- Being sued over a collision between a motorcycle and a Cruise-operated Chevrolet Bolt. GM (citing the police report) say the motorcyclist is responsible for cutting into the Bolt's lane; he says it was driving erratically. ([Engadget](#))
 - Implication: If the case goes to trial, it will be interesting to watch the arguments around the culpability of the vehicle programmers and safety driver, in addition to the extent of evidence submitted from the car's own sensors and whether behaving unpredictably (if at all) is the AVs fault, or something the following motorist should monitor more carefully.

Honda (history)

- Reported full year 2017 production of 5,236,842 vehicles, up 4.8% on 2016. ([Honda](#))
- Released financial results for Q4 2017 (fiscal third quarter). Revenue and operating profits both improved on a year earlier and Honda raised its full year outlook for both revenue and operating profit. ([Honda](#))

Hyundai / Kia

- Kia says that it will stop selling Diesel variants of Rio and Venga in the UK because of falling volumes. ([Autocar](#))

Mazda

- Reported full year 2017 production figures of 1,607,602 vehicles, 1.4% up on 2016. ([Mazda](#))
- Believes that it can achieve 56% thermal efficiency for the Skyactiv-3 gasoline engine (due sometime in the 2020s), which would reduce CO₂ by a quarter from today's engines. ([Automotive News](#))
 - Implication: Although the numbers might not seem to mean much, this is an ambitious target. [Mercedes say that their F1 engine recently achieved 50% in laboratory conditions](#). Getting an even higher level of performance from a considerably cheaper road car engine that has to be many times more durable will be a significant challenge -- likely to take several years.

Nissan (includes Mitsubishi)

- Announced a collaboration with carpooling app Hych where by Nissan will sponsor a system of reward payments made to both drivers and passengers who choose carpooling instead of separate journeys. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Reached a five year labour agreement with unions at the Zaragoza, Spain plant. Wages will be frozen in 2018 and shift premiums and holiday bonuses will be slightly reduced. ([PSA](#))
- Free2Move will run a bicycle sharing pilot in Singapore that uses electrically assisted bikes. ([PSA](#))
- Opel announced new importers in Morocco, where it aims to get 5% market share by 2025, and Tunisia. ([Opel](#))

Suzuki

- Released its annual CSR and environmental report. ([Suzuki](#))
- Produced 3,302,336 vehicles globally in 2017, 12.1% up on 2016. ([Suzuki](#))
- Will launch EVs for the Indian market in 2020 based on technology developed in-house by Suzuki before the start of its electric vehicle agreement with Toyota. ([Times of India](#))

Tata (includes JLR)

- Confirmed that it had an extended Christmas shutdown at Castle Bromwich plant (which makes almost all Jaguar models) and that further downtime was scheduled in the near future. ([Coventry Telegraph](#))

Tesla (history)

- Teardown company Munro Associates gave the Model 3 a poor review for a number of design elements. ([Inquisitr](#))

Toyota (history)

- Announced full year global production of 10,466,451 vehicles, a 2.5% increase on 2016. ([Toyota](#))
- Agreed a series of projects with Chubu Electric Power on use of second-life vehicle batteries in stationary storage facilities and battery recycling. The companies hope to have a 10,000 battery system by 2020. ([Toyota](#))
 - Implication: Although this is firmly at the unexciting end of the battery electric ecosystem, batteries will be unable in vehicles long before they reach the end of their life (they will probably have to be removed when at circa 80% of new capacity). Re-using them in a cost efficient manner (e.g. without extensive re-processing) and creating improved recycling processes (thus far, lithium ion recycling is much more expensive than for lead acid batteries) will help improve the battery electric business case.
- Is recalling 49,000 hybrid vehicles to correct a problem that prevents the airbags working correctly. ([Toyota](#))
- Made an investment in flying taxi company Joby Aviation. ([Toyota](#))

VW Group (history)

- Launched Cupra as a standalone sporty sub-brand within SEAT. ([SEAT](#))
- Porsche executives talked about plans for the all-electric Mission E sports car, saying that although annual production was planned at 20,000 units there is “a little leeway” to produce more; that they were investigating additional derivatives and that Porsche are seeing “a trend towards shorter lifecycles” than the traditional 5-7 years. ([VW](#))

Other

- **Subaru** reported global production of 1,073, 057 vehicles in 2017. ([Subaru](#))
- In addition to performing emissions testing on monkeys, it turned out that researchers funded by **BMW**, **Daimler** and **VW** also used humans. Daimler and VW suspended senior managers as a result. ([The Guardian](#))
- As negotiations between German employers and unions continued, workers increased their walkouts to periods of 24 hours -- **Ford**, **Daimler** and **Porsche** were affected. ([Economic Times of India](#))
- **Aston Martin** said it was aiming for £600 million in sales to China over the next five years. It also announced a collaboration on electric vehicles with **Sinomach Automobiles** (a distributor). ([Aston Martin](#))
- **Zenvo** said that it will reveal a new car at Geneva. ([CAR](#))
- **Scuderia Cameron Glickenhaus** says it will build an off-road car called the Boot. ([Autoblog](#))

[News about other companies and trends ...](#)

Economic / Political News

- **German** coalition talks indicated that **diesel** vehicles with high emissions should be retrofitted rather than scrapped. Carmakers anxiously await further details since an SCR system could cost upwards of \$1,500 per vehicle. ([Reuters](#))
- **California's** governor signed an executive order mandating 5 million BEVs and FCEVs by 2030. To do its part, the state will spend \$2.5 billion on charging infrastructure by 2025. ([Climate Action](#))
- **US** light vehicle sales in January of 1.15 million units, represented a SAAR of 17.07 million, down 2.5% on a year-over-year basis. ([Wards](#))
- The **French** passenger car market grew 2.5% on a year over year basis in January, to 156,851 units. ([CCFA](#))
- The **Italian** passenger car market grew in January by 3.4% on a year-over-year basis to 177,822 units. ([UNRAE](#))
- The **Spanish** passenger car market grew by 20.3% in January on a year-over-year basis, to 101,661 units. ([ANFAC](#))
- **European** trade body **ACEA** said that it believes the EU's long-term CO2 targets are not “technology neutral” and “impose a technology choice... effectively pushing for pure battery electric vehicles”. ([ACEA](#))

Suppliers

- **Denso** announced financial results for Q4 2017 (Q3 of its fiscal year). Full year revenue and profit forecasts were revised up, to \$44.5 billion and \$3.5 billion respectively. ([Denso](#)) The company said it will open a new office in Tokyo dedicated to research on self-driving cars. ([Denso](#))
- **Bosch** reported 2017 financial results. Overall revenue of €78 billion was up 6.7% versus 2016. Sales of the mobility solutions business were up 7.8% to €47.4 billion. EBIT was €5.3 billion ([Bosch](#))
- **Adient** fiscal first quarter revenue increased 4% to \$4.2 billion but EBIT fell. ([Adient](#))
- **Autoliv** reported financial results for 2017. Revenues of \$10.4 billion were up 3.1% versus 2016, adjusted operating income of \$892 million was slightly up. ([Autoliv](#)) The company also said that it would name the spin off electronics unit “**Veoneer**” and trading in the new company will begin in Q3 2018. ([Autoliv](#))
- **Schaeffler** reported 2017 financial results. Revenue increased 5.9% to €14 billion but profits fell. ([Schaeffler](#))
- **Honeywell** reported financial results for 2017. Revenue of \$40.5 billion was up 3% year-over-year. ([Honeywell](#))
- **Mahle** appointed a new CEO. The previous incumbent was recruited by **ZF**. ([Mahle](#))
- US payouts from the **Takata** compensation fund were approved by a court. **GM**, **Ford** and **FCA** will receive \$189 million in total. The largest payout goes to **Honda** (\$126 million). ([Detroit News](#))

Dealers

- **Honda** expects its **Spanish** dealers to make 1.5% profit on turnover in 2018, slightly above 2017. ([Europa Press](#))
- **Mazda's** UK dealer average profits rose to 1.4% of sales in 2017, the top quartile hit 3.3%. ([Automotive Manager](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** said it will team up with bicycle sharing company **Jump** to run a scheme in San Francisco where users can choose to rent a bike, rather than hail a car, from Uber's app. ([The Verge](#))
- **Grab** and **Samsung** will partner on initiatives around “digital inclusion”, such as improving ride hailing services and mobile payments. ([Samsung](#))
- **BMW** acquired full control of car sharing brand DriveNow, buying out **Sixt**. ([BMW](#))
- **Ford** will launch the Chariot bus service in London, the first European city. A fleet of 14 vehicles will run on four routes, all with snazzy alliterative titles. ([Ford](#))

Driverless / Autonomy (history)

- **California's DMV** released reports from companies authorised to test autonomous vehicles in the state (newcomers are exempt). The reports cover the period to November 2016. Notably, **Faraday Future** failed to submit a report on time. Analysts quickly crowned **Waymo** as the champion of the self-driving space, with **Cruise** getting an honourable mention for the level of improvement in the last 12 months. Drawing deep conclusions from the data is becoming increasingly dangerous. Many OEMs with testing licences run very small fleets in California, rarely putting their vehicles on the road (**Tesla** is one). Even Waymo's fleet is shrinking (but miles per car are going up). ([Ars Technica](#))
- **Lyft** is opening a European office, but it isn't aimed at running ride sharing yet. Instead, it is creating an autonomous vehicle centre in Munich, Germany. ([Bloomberg](#))
- Autonomous delivery van company **Nuro** raised \$92 million. Its concept vehicle has slots for different customer grocery orders, enabling it to drive to your door (carrying them in is your job). ([Reuters](#))
- **Udelv** announced the start of public trials with its autonomous delivery vehicle. ([Golem](#))

Electrification (history)

- Electric vehicle start-up **Xiaopeng (XPENG)** has investors for a \$350 million series B round; **Foxconn** is joining existing investor **Alibaba** (said to own 10% of the company). Xpeng has raised \$800 million in total. ([XPENG](#))
- **BP** invested \$5 million in electric charging company **FreeWire** and plans to use the company's charging equipment at petrol stations in Europe. ([Reuters](#))
- European EV charging operators **Allego** and **Fortnum** will create interoperability between their sites. ([Charged EVs](#))
- **Faraday Future** filed a lawsuit against **Evelozcity**, founded by Faraday's ex-CFO, accusing it of stealing trade secrets by recruiting Faraday employees. Evelozcity called the allegations “recklessly inaccurate”. ([China Money Network](#))

- Autocar magazine claimed that **Volvo's** first all-electric car will be a hatchback, similar to the 40.2 concept. ([Autocar](#))
- **Toyota** agreed a series of projects with **Chubu Electric Power** on use of second-life vehicle batteries in stationary storage facilities and battery recycling. The companies hope to have a 10,000 battery system by 2020. ([Toyota](#))

Connectivity

- **LG** and **Honeywell** signed an MoU to develop automotive cybersecurity solutions. ([LG](#))

Other

- **Airbus** said that the Varhana flying taxi had made its first flight. ([The Verge](#))
- **Toyota** made an investment in flying taxi company **Joby Aviation**. ([Toyota](#))