



AD PUNCTUM

Autos & Mobility Industry Briefing -- 27th August to 2nd September 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)

- South Korean police raided BMW's headquarters in the country as part of an investigation into engine fires that have been the subject of a massive recall. ([Economic Times of India](#))
- Will unveil the iNext by taking journalists inside a specially equipped cargo aeroplane, showing them the car and then flying off into the sunset. ([BMW](#))
- Requested planning permission for an extension at the Swindon pressings site that supports BMW's UK Mini plant. BMW requested a five year consent before implementation has to take place, rather than the usual three years to provide "flexibility on the potential for investment". ([Insider Media](#))
 - Implication: The planning consent bears all the hallmarks of a Brexit hedge.

Daimler (history)

- Said that Daimler's various mobility brands (excluding companies where Daimler has a small shareholding) have a combined 24.4 million customers. ([Daimler](#))
- StreetScooter revealed that Daimler's benchmarking team had posed as representatives of a nursing home to get hold of a unit for evaluation. ([Der Spiegel](#))

Ford (history)

- Moody's downgraded Ford's credit rating to Baa3, the lowest investment grade, and gave the company a negative outlook saying that a downgrade to junk status could come in mid-2019 without evidence that the company has a plan to improve its competitive position. ([Detroit Free Press](#))
- Will not sell the Focus Active in the US as planned, blaming US tariffs for ruining the business case and saying that since annual volume would be lower than 50,000 units, US production would not be worthwhile. ([Bloomberg](#))
- Tongues were set wagging by newspaper articles saying that Ford's European, and especially UK plants, operations could see drastic job cuts in a bid to improve profitability. ([Sunday Times](#))
 - Implication: The articles mainly collated existing information in the public domain: Ford is planning a massive restructuring program; the factory in Dagenham only makes diesel engines; the Bridgend engine factory only has announced new business that would support around a third of the workforce from 2020 onwards; Ford is dropping the US version of the Mondeo (Fusion) and has sent letters to suppliers indicating the European model will not be renewed circa 2020, but the China model will. Not mentioned in the article, but also relevant to the European business is that the company is openly working towards a disposal of the Bordeaux transmissions plant.
- The scope of Ford and VW's collaboration -- seemingly dubbed Project Cyclone -- reportedly currently covers several sizes of commercial vehicle and light pick-up trucks (Ranger / Amarok). VW insisted that no firm commercial decisions had been taken. ([Handelsblatt](#))

Geely (includes Volvo) (history)

- Will develop driver assistance systems for Geely branded cars with Smart Eye ([Geely](#))
- Unveiled the production version of the Lynk&Co 03. It looks virtually identical to the “concept” version. ([Autocar](#))
- Proton has reportedly signed an agreement with Al Hajj Motors to assemble and sell electric cars in Pakistan. ([Times of Islamabad](#))

General Motors (history)

- Executives said the company will “probably have a different solution” for supply of small diesel engines that are currently sourced from Opel, once the model is upgraded. ([Automotive News](#))
- Said the new 6 cylinder diesel will be followed by smaller engines based on the same modular structure, with an I4 and possibly I3 in the works. GM also thinks that next generation diesel hybrids may help to stabilise the market share of the fuel type. ([Automotive News](#))

Honda (history)

- Had to temporarily stop production at the Marysville, USA plant due to a disgruntled axe-wielding worker. ([WHIO](#))

Hyundai / Kia (history)

- Planning to export large numbers of Chinese-built cars to Southeast Asia to better utilise surplus capacity in the country. Although Hyundai said no final decision had been made, the Chinese JV partner said it has. ([Reuters](#))

PSA (includes Opel/Vauxhall) (history)

- Experienced 308 production stoppages because of a shortage of 6 speed manual gearboxes, a reported 12,000 vehicles have been lost. ([Reuters](#)) CEO Tavares encouraged workers at the Valenciennes plant to lift gearbox production from 1,800 units per day to 3,000, but is receiving pushback from unions. ([France Info](#))
- Confirmed all Groupe PSA passenger cars have completed WLTP certification. ([PSA](#))
- The CO₂ output of PSA vehicles rose between 24% to 31%, depending on the model, under WLTP. ([Les Echos](#))
 - Implication: Following reporting around potential inflation of WLTP test results to provide an easier post-2021 glidepath, the PSA figures appear consistent (albeit slightly higher) with [prior testing by the EU](#) which indicated an average CO₂ increase of 21% for cars and 30% for vans.
- Said it was investigating the potential of manufacturing a new vehicle at Poissy. It seems likely that this would be a B-sized car, based on the plant's current facilities. ([PSA](#))
- Despite PSA's recent efforts to reduce complexity, the Opel Corsa still boasts nine different windscreen and wiper combinations. ([Bloomberg](#))
- Consolidating sales offices and parts warehouses in the UK following the Opel / Vauxhall takeover, a move that affects 200 UK jobs. ([Coventry Telegraph](#))

Renault (history)

- Renault's big Paris motor show reveal plans fell apart after the concept car was spotted on a photo shoot. ([Motor 1](#))

Tata (includes JLR) (history)

- A UK motor magazine said the F-Type replacement will have a mid-engined layout, with an all-electric version due by the mid 2020s. ([Auto Express](#))

Tesla (history)

- Experienced network connectivity issues with access to some functions, repeating an issue seen a couple of years ago. Driving using the key was not affected, good news for everyone except Model 3 owners. ([Electrek](#))
- Reduced the price difference between specifying driver assistance features before delivery and activating them later to \$500, from \$1,000 previously. The move is supposedly only temporary until the end of September and is surely not an attempt to improve earnings before the quarter end. ([Electrek](#))

- Reportedly struggling to reach the production targets for Model 3 Tesla set after declaring it had reached 5,000 units per week -- and has been unable to even sustain that level. ([Electrek](#)) Unless you believe that the company is comfortably exceeding 5,000 units per week and may be up to 6,000 per week as planned. ([Detroit News](#))
- Added a new pin-to-drive feature to overcome weaknesses in security that allow car thieves to hijack the signal from the key and steal the vehicle. ([Electrek](#))

Toyota (history)

- Invested \$500 million in Uber and announced a collaboration to create purpose-built autonomous vehicles (based on the Toyota Sienna minivan) that will run on Uber's network with an initial fleet in service from 2021. ([Toyota](#))
- Will drop the Auris name in Europe and use Corolla instead when the C-sized hatchback is replaced. ([Toyota](#))
- Unveiled the updated Lexus RC sports car. ([Lexus](#))

VW Group (history)

- Looking at introducing a mandate for managers to choose plug-in or full electric vehicles on the company car scheme with a view to substantial numbers of electrified cars entering the 20,000-strong fleet from 2019 onwards. One alternative is charging managers choosing non-electrified vehicles more. ([Handelsblatt](#))
 - Implication: If the scheme was successful in wholesale changing the behaviour of VW Group managers, it would have quite a profound effect on the German second hand market with tens of thousands of nearly new vehicles looking to find a home.
- Leaked documents reportedly show that all VW automatic transmissions have special test-only shift programs, meaning that gasoline vehicles could also have unrepresentative test results. The real world impact was not quantified and VW's PR team seemed unconcerned by the rumour. ([Handelsblatt](#))
- Will build an assembly plant in Ghana and increase the capacity of existing operations in Nigeria. ([VW](#))
- Ford and VW's collaboration -- seemingly dubbed Project Cyclone -- has worried employees at VW's Hannover factory who do not want to have to compete with Ford's Turkish operations for supply contracts. The project scope is reportedly currently covering several sizes of commercial vehicle and light pick-up trucks (Ranger / Amarok). VW insisted that no firm commercial decisions had been taken. ([Handelsblatt](#))
- Buyers seeking to leapfrog the waiting list for the Bugatti Chiron now have another option, a 1,000,000 piece kit developed with Lego. Performance is reduced with a top speed of only 20 km/h but the plus side is that no glue is required so the blocks can be reused for another project if you tire of it. ([Engadget](#))
- Porsche's rule of thumb is that battery energy density increases 5% each year and the company is working on charging at a higher rate than the already announced 350 kW. ([Porsche](#))
- Škoda executives said the brand was considering building a new car plant and that the UK was one of the possible sites, albeit a rank outsider. ([Autocar](#))
- Said that WLTP certification for VW brand cars will be completed by the end of September, however only half of the models made the cut-off to continue sales without interruptions. ([The Sun](#))
- Production of the Audi e-tron SUV has started even though the car has yet to be (officially) unveiled. ([VW](#))
- Opened a new plant in Tianjin, China with annual capacity of 300,000 units to produce VW and Audi badged SUVs with joint venture partner FAW. ([VW](#))

Other

- **Dyson** submitted a planning request for a new test track at its existing development centre saying the envisaged £200 million investment aimed to create a "world-class" site. ([CNBC](#))
 - Implication: Dyson's development centre seems worrying small for vehicle development (10 miles of test track), as a comparator, the [Ford test centre in Lommel, Belgium, has around 100km of track](#).
- **Aston Martin** published a registration document ahead of its intended IPO. ([Aston Martin](#))
- **Koenigsegg** said **Spyker** had yet to purchase any engines from them under a supply agreement announced last year, implying the company hasn't been making any cars (although there is an outside chance they have just carried on using **Audi** engines). ([Motor 1](#))
- **Koenigsegg** said the unveiling of the Tesla Roadster has motivated the company to explore new ways to improve performance and that the company believes it can reach 250 mph in 14 seconds. ([The Drive](#))

- **Faraday Future** said pre-production builds were underway at its new factory. ([Faraday](#))
- Chinese brand **GAC Motor** said it will launch in **Russia** during 2019. ([GAC Motor](#))
- Unlike the US president's bespoke Cadillac, Vladimir Putin's new state limousine, the **Aurus Senat**, is now on sale and will be available to oligarchs and proletariat alike. Lenin would surely have approved. ([Autocar](#))
- **SSC** unveiled the Tuatara supercar. Powered by an engine with a claimed output of 1,750 hp, the company has set a top speed goal of greater than 300 mph. Production will be limited to 100 units. ([SSC](#))

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

[Economic / Political News](#)

- **French** August passenger car registrations of 150,391 vehicles were up a whopping 40% versus a year earlier. ([CCFA](#))
- **Italy** registered 91,551 passenger cars in August, up 9.5% on a year earlier. ([UNRAE](#))
- **Spanish** passenger car registrations in August were 107,692 units, up 48.7% on a year earlier. ([ANFAC](#))
- The **US** government said it had agreed a new trade deal with **Mexico** to replace NAFTA and will proceed on a bilateral basis if talks with **Canada** about the terms fail. ([Detroit Free Press](#))
- The **EU's** chief **Brexit** negotiator said he was opposed to the **UK's** proposal for a common rulebook that is outside the single market. His concerns centre on the fact that the EU would be obliged to offer such a deal to any third country willing to accept the terms, an issue that the UK appears to have ignored. ([The Guardian](#))
- **EU** chief Juncker said that his recent agreement with **US** president Donald Trump was a "kind of ceasefire" and that the EU would retaliate with **tariffs** if the US government did so. Trump reportedly rejected a proposal to remove all tariffs on cars shipped between the EU and USA because of "consumer habits". ([Times of India](#))
- **Japan's** government said it intends to stop sales of all non-electrified models by 2050 and will prepare draft legislation to that effect. ([Argus](#))
- **UK** dealers blamed **WLTP** for a reported a fall in orders for September versus a year earlier. ([Motor Trader](#))

[Suppliers](#)

- Sensor supplier **Murata** will build a new plant in Finland, opening in 2019 and creating 150-200 jobs. ([Murata](#))
- **Continental** is opening a new plant in Changshu, China for turbocharger hoses. ([Continental](#))

[Ride-Hailing, Car Sharing & Rental \(history\)](#)

- **Uber** is reportedly designing its own electric scooter for subsidiary Jump to use in preference to buying them from external suppliers. ([Bloomberg](#))
 - Implication: Uber's entry into hardware might inform the company's approach to vehicles, particularly if this project does not go well.

[Driverless / Autonomy \(history\)](#)

- Russian ride hailing firm **Yandex** has begun an on-road pilot of autonomous vehicles. The two car fleet runs between set destinations; the customer experience is therefore more like an on-demand bus. ([Yandex](#))
- Lidar developer **Blickfeld** reportedly raised an additional \$6 million. ([Evertiq](#))
- A crash test report by **Apple** confirmed that the company's test fleet is being used in autonomous mode on public roads. ([California DMV](#))
- **Waymo's** test fleet is getting rave reviews from its users but drivers who encounter the vehicles frequently are being driven to distraction -- and in some cases illegal evasion manoeuvres. ([The Information](#))
- **Waymo's** fleet completed its nine millionth mile of testing. ([Waymo](#))
 - Implication: The fleet is now accruing around one million miles of autonomous driving each month -- it remains to be seen how the company intends to demonstrate sufficient safety to be able to use all the vehicles it has signed supply agreements for.
- A UK consortium including **JLR** have been testing autonomous pods with big eyes. ([Mashable](#))

- **Toyota** invested \$500 million in **Uber** and announced a collaboration to create purpose-built autonomous vehicles (based on the Sienna minivan) that will run on Uber's network with an initial fleet in service from 2021. ([Toyota](#))
 - Implication: It isn't clear how this will affect Uber's previous announcement to buy a fleet of **Volvo XC90** SUVs, potentially the two will be separate, with Uber mounting its own technology on the Volvo vehicles whilst Toyota provides more of a turnkey solution.

Electrification (history)

- **Exide Industries** and **Leclanché** are establishing a joint venture in India to make batteries for electric vehicles and stationary storage. ([Inside EVs](#))
- Battery developer **Sila Nanotechnologies** raised \$70 million. ([Inside EVs](#))
- **Faraday Future** said pre-production builds were underway at its new factory. ([Faraday](#))
- **Porsche's** rule of thumb is that battery energy density increases 5% each year and the company is working on charging at a higher rate than the already announced 350 kW. ([Porsche](#))

Connectivity

- **NavInfo** will supply **Daimler** with digital maps in China. ([FutureCar](#))

Other

- San Francisco said electric scooter rental companies can return to its streets, but it is only letting two companies in: **Scoot** and **Skip**. ([The Verge](#))
 - Implication: Although permits for scooters are relatively small beer compared with other transport modes, the city's decision reflects a continuing trend for regulators to quite happily pull the rug from under the feet of companies that, up until that moment, assumed a laissez-faire licencing approach.