



AD PUNCTUM

Autos & Mobility Industry Briefing -- 31st December 2018 to 6th January 2019

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)

- BMW's product development head hinted that a PHEV supercar was in the works. He also said that, for the foreseeable future, the brand prefers hybrid vehicles to pure electric ones for sporty models because the weight penalty of larger batteries compromises dynamic performance. ([Autocar](#))

Daimler (history)

- Renaming the NuCellSys fuel cell subsidiary to Mercedes-Benz Fuel Cell. ([Daimler](#))

FCA (history)

- Sold 2,235,204 vehicles in the US during 2018, an increase of 9% over 2017. The outlook for the Fiat brand is bleak, with sales down (41)% year-over-year. The Chrysler Pacifica and Dodge Journey and Caravan people carriers, bucked the trend for falling car registrations, with over 364,325 units sold, a rise of 9% on the prior year. ([FCA](#))
- Italian unions called for FCA to take back control of the Termini Imerese plant from Bluetec, which took on the plant with (so far unfulfilled) promises to provide work for the nearly 700 Fiat employees. ([Il Sole 24 Ore](#))

Ford (history)

- Sold 2,497,318 vehicles in the US in 2018, down (3.5)% from 2017, explained by an (18.4)% fall in car sales. ([Ford](#))
- Issued two recalls for around 953,000 vehicles, mainly to correct further Takarta airbag problems. ([Ford](#))
- Will only report sales figures quarterly, as opposed to monthly, going forward, citing GM's experience that monthly sales are too short a snapshot to draw meaningful conclusions about market conditions. ([Reuters](#))

Geely (includes Volvo) (history)

- Volvo sold 642,253 cars in 2018, an increase of 12.4% on 2017 with sales increasing in all major regions. ([Volvo](#))
- Geely and Lynk&Co sold 1,500,838 cars in 2018, some way short of the 1.58 million target for the year -- the 2019 target has been lowered to 1.51 million. Sales of Lynk&Co appear to have stumbled badly in December with the 01 model mysteriously dropping over (80)% from October and the 02 seemingly selling no units at all. ([Geely](#))
- Showed a silhouette of the first Geely-badged model to come from the CMA platform shared with Volvo. ([Geely](#))

General Motors (history)

- Appointed the PD chief as company president; it seems that he will continue in his existing role. ([GM](#))
- Sold 2,954,037 vehicles in the key US market in 2018, with 785,229 in Q4. GM is "bullish" about 2019 sales. ([GM](#))
- Cruise vehicles will trial home food delivery in partnership with DoorDash. ([GM](#))
- One Maven user reports that he is receiving \$800 a month for renting out his car on the platform. Since the owner gets 60% of the total fees, that implies \$1,330 in monthly gross revenues. ([Detroit News](#))

- The UAW union is suing GM, complaining that it is using temporary workers in preference to full-time employees who are out of work at other plants. ([Reuters](#))
- The CTO (and ex-CEO) of Cruise continued to play down rumours that GM might spin-off the self-driving unit saying that it was better to develop the technology alongside vehicle engineers. ([Bloomberg](#))

Hyundai / Kia (history)

- Unveiled a Hyundai concept vehicle featuring wheels on the end of articulated legs. Hyundai says the vehicle offers unparalleled mobility over rough terrain (without explaining the shortcomings of caterpillar tracks). ([Hyundai](#))
- KIA sold 2,812,200 vehicles globally during 2018, a year-over-year increase of 2.4%. The 2019 sales target for the brand is 2.92 million units. ([KIA](#))
- Hyundai reported 2018 sales of 4,586,775 units, an increase of 1.8% versus 2017. The company set a 2019 sales objective of 4.68 million vehicles. ([Hyundai](#))
- Hyundai and KIA aim to have a level 4 vehicle on sale around 2025 and a level 5 car by 2030. The two brands will “commercialise” self-driving vehicles in smart cities from 2021 onwards. ([Hyundai](#))
- Increased long term targets for electric vehicles, between Hyundai and KIA, 44 models are planned for 2025, up from 38 previously, expecting them to account for 1.67 million sales annually. ([Hyundai](#))
- KIA demonstrated a concept cockpit at CES that will analyse the driver’s facial movements to determine the appropriate cabin lighting, smell and temperature, all through a yet-to-be-created AI algorithm. KIA presented no evidence from existing vehicles that vehicle inhabitants frequently change these settings today. ([KIA](#))

Mazda

- Dealers will upgrade infotainment systems on cars up to five years old to integrate Apple CarPlay and Android Auto capability, for around £300. ([Motoring Research](#))

Nissan (includes Mitsubishi) (history)

- Carlos Ghosn’s son said the former Nissan CEO will mount a vigorous defence. ([Detroit News](#))
- Created a concept car that features augmented reality to show information that is either in a blind spot or beyond the driver’s visual range. ([Nissan](#))
- Released images of the Infiniti QX concept car to be unveiled at the Detroit show which promises to show the brand’s future direction with an all-electric portfolio. ([Nissan](#))
- Abruptly placed two more senior executives on a leave of absence, apparently related to the probe into Carlos Ghosn’s financial affairs. ([Financial Times](#))

Renault (history)

- Renault’s head sales planner outlined the volume forecast process. Ultimately, because Renault do not work on the basis of a retail customer “pull” (in common with virtually all other brands), the method is a series of checks and second-guessing as market demands are compared to central production flexibility and overlaid with changes in the market between the time the process kicked off and when it ends. ([Automotive Logistics](#))

Tata (includes JLR) (history)

- Recalling 68,828 JLR vehicles in China to fix problems with the crankshaft bearings. ([Xinhua](#))
- The R&D head of Tata Technologies described in an interview how the company approaches material choice for optimum weight reduction and cost optimisation. ([Autocar](#))

Tesla (history)

- Q4 deliveries were 90,700 vehicles, of which 61,394 were Model 3. Model S sales continued to fall on a trend basis as the product ages and, possibly, customers opt for the cheaper Model 3. Model X continues to grow. Tesla also announced a \$2,000 per unit price reduction in the US to partially offset the \$3,750 drop in federal tax credits. The company said the year-end production rate was around 350,000 units annually, implying current Model 3 production of around 5,500 cars per week. ([Tesla](#))

- Tesla's public relations team appears to be shifting towards the same kind of media-grooming expected of mainstream automakers, recently inviting selected journalists to the Alaskan cold weather testing facility it uses in exchange for glowing reviews. ([CNET](#))
- Broke ground on the new Shanghai factory. ([Bloomberg](#))

Toyota (history)

- Showed photographs of the latest-level Toyota self-driving test vehicles. ([Toyota](#))

VW Group (history)

- Said that proposed hardware retrofits in Germany would reduce reliability and change the driving characteristics of vehicles. VW believes that some vehicles will be impossible to retrofit and that even those that can be modified may fall short of the envisaged emissions levels. ([VW](#))
- The Porsche and Piech families, majority owners of VW Group, have declared the performance of Bentley to be unsatisfactory and want a turnaround to yield results within two years. ([FAZ](#))

Other

- **Faraday Future** settled a legal wrangle with major investor Evergrande and said the firm's value had actually increased, to \$3.25 billion, during the disagreement. ([Faraday Future](#))
- Aspiring electric car maker **Laureti** said it has identified a manufacturing location in India that will have an annual capacity for 10,000 cars by 2021 and 20,000 by 2023 and will launch the DionX vehicle in 2019 with a 6,000 km trip between 7 cities. ([Laureti](#))
- **Volvo Trucks** said it will make a provision of 7 billion SEK (about \$780 million) to repair exhaust systems that will degrade over time and ultimately fail to meet emissions rules. The company has yet to work out how to fix the problem. ([Volvo](#))
 - Significance: Without further clarity, it is dangerous to draw firm conclusions but it remains possible that the issue Volvo has could affect other companies that have followed a similar design direction.

News about other companies and trends ...

Economic / Political News

- Despite reporting mixed year-end **US** market sales, major brands expressed confidence in the market outlook saying that consumers still had a healthy appetite for car purchases. ([Reuters](#))
- **US** light vehicle sales for 2018 totalled 17.2 million units. ([Wards](#))
- **German** passenger car sales of 237,058 in December were down (6.7)% on a year earlier, the full year total of 3.44 million was (0.2)% worse than 2017. ([KBA](#))
- Passenger car sales in **France** fell (14.5)% in December versus a year earlier to 165,390 units. For 2018 overall, sales of 2,173,481 cars was up 2.6% on a like-for-like basis with 2017. ([CCEA](#))
- December passenger car sales in **Italy** of 124,078 units were up 2% on a year-over-year basis. 2018 sales of 1,910,025 cars dropped (3.1)% versus 2017. ([UNRAE](#))
- **Spanish** passenger car registrations came to 99,291 in December, a (3.5)% fall on a year earlier. On a full year basis, sales were 1,321,438 units, up 7% on 2017. ([ANFAC](#))

Suppliers

- **Samsung** will supply the chips used in **Audi** infotainment system. ([Autocar](#))

Dealers

- India used car site **CarDekho** raised \$110 million. ([Economic Times](#))
- **US** new car transaction prices at the end of 2018 were up versus 2017 but trending lower month-over-month. ([Kelly](#))

- **Youche Yihou**, a website providing car news, purchase information and discounts, raised \$29 million from investors including **Tencent**. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- Changes in ride hailing permit regulations in **China** may cause a reduction in vehicles available. ([TechCrunch](#))

Driverless / Autonomy (history)

- **Ouster** said it would start selling a 128 line lidar unit for \$18,000 in mid-2019 and implied that rival devices are currently retailing at over \$100,000 each. The new unit is claimed to have equal power consumption to the existing 64 line model, thanks to improvements in the electronics. ([Ouster](#))
- **Velodyne** launched new short range, low resolution lidar units aimed at driver assistance applications that currently use cameras and radar. No price was mentioned but a “quantum leap” in performance is claimed. ([Velodyne](#))
- **Robosense** said its M1 model would retail for \$200 and five units would be enough to provide 360o visibility with a range of 200m for autonomous cars. ([Robosense](#))
- **Uber** has reportedly commissioned **McLaren** to provide back-up safety systems for the firm’s autonomous driving program. ([Telegraph](#))
- Start-up **Imagry** is developing a driverless vehicle that does not require HD mapping. ([Imagry](#))
- Design firm **Aprilli** showed a concept autonomous vehicle that boasts a lounge-like interior that could function as a valet vehicle and hotel room extension. The idea is that the pod would be provided for travellers, moving them between cities and then docking into purpose-built hotel rooms for a more comfortable sleep. ([Futurism](#))
 - Significance: Although the footprint of the proposed vehicle seems outlandish, could this be the start of an idea for autonomous vehicles that dock in transit to provide greater space or additional amenities?
- Lidar developer **Baraja** raised \$32 million. ([Baraja](#))
- **GM’s** Cruise vehicles will trial home food delivery in partnership with **DoorDash**. ([GM](#))
- **Toyota** showed photographs of their latest-level self-driving test vehicles. ([Toyota](#))

Electrification (history)

- **Tesla** CEO Elon Musk said **Singapore** was not supportive of electric vehicles. ([Straits Times](#))
- **BMW** prefers hybrid vehicles to pure electric ones for sporty models because the weight penalty of larger batteries compromises dynamic performance. ([Autocar](#))

Connectivity

- Data analysis firm **Carmen Automotive** raised \$730,000. ([Deal Street Asia](#))
- **Delphi** and **TomTom** will work together to integrate real-time mapping data into vehicle controls so that the system can provide feedback and advice to the driver. ([Delphi](#))
- **Continental** has won its first customer project for a 5G vehicle to everything network that uses both existing mobile phone communications and dedicated infrastructure. ([Continental](#))
- **Upstream Security** and **Arilou** will partner to create cloud-based cyber security for connected cars. ([Upstream](#))
- **Hyundai** has joined the **Automotive Grade Linux** group. ([Linux](#))
- **Amazon** has sold 100 million Alexa devices. ([The Verge](#))
 - Significance: Although the user experience of Alexa - in common with other voice activated assistants - remains patchy, the sales volume implies that large numbers of consumer will expect to have at least basic levels of voice interaction and connectivity with their vehicles (e.g. “tell the car to warm up” or “how much fuel is left in the tank?”). Sales of Alexa are more significant in this respect than mobile phones with personal assistant because these are devices where the customer has explicitly chosen voice activation capabilities.