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Autos & Mobility Industry Briefing -- 21st January to 27th 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](#))

- Reportedly planning to name the BMW-Daimler mobility joint venture “Jurbey”. ([The Drive](#))
- Invested in roadside assistance firm Urgently. ([BMW](#))
- Reorganising sales regions so that all of Asia (excluding China), non-EU former Soviet bloc countries and Middle East and Africa will fall under a single manager. ([BMW](#))

Daimler ([history](#))

- Building a new factory for batteries in Poland on the site of a newly-launched engine plant. ([Daimler](#))
- Selling its share in electric motor JV EM-motive to partner Bosch. ([Bosch](#))
- Daimler believes that Chinese companies are more advanced than US counterparts in “many areas” of digital technology and connectivity. ([Reuters](#))
- Reportedly planning to name the BMW-Daimler mobility joint venture “Jurbey”. ([The Drive](#))
- Echoing earlier press releases by VW trumpeting their commitment to electrification, Daimler said it had placed orders for €20 billion of battery cells. It also wants suppliers to become more flexible to changes in demand between internal combustion engine and electric vehicles and make greater cost reductions. ([Daimler](#))

FCA ([history](#))

- Magneti Marelli will expand its US headquarters. ([Detroit News](#))

Ford ([history](#))

- Reported Q4 2018 revenue of \$41.8 billion and a net loss of \$(0.1) billion on a GAAP basis (previewed in a conference presentation a week earlier). In the full year, only the North American region was profitable. ([Ford](#))
- Said that the EBIT effect of the \$11 billion of restructuring actions would have almost all been booked by 2020 (i.e. the actions would have been announced) and the \$7 billion cash effects would have largely finished by 2021 (i.e. the affected people would have left the business). ([Ford](#))
- CEO Hackett told employees that he was angry with 2018’s results and would soon be planning the implementation of as yet unannounced actions to markedly improve operating performance and profitability. ([Detroit News](#))
- Analysts didn’t ask Ford how much a hard Brexit would cost it in 2019, so the figures (\$800 million on top of existing sterling devaluation) were leaked, and then confirmed, to media outlets instead. ([Sky News](#))
- The limited edition suicide door equipped \$110,000 Lincoln Continental sold out in 48 hours. ([Detroit Free Press](#))

Geely (includes Volvo) ([history](#))

- The Kandi electric vehicles JV announced a deal to supply 300,000 electric vehicles to deliver ride hailing services in China. The expectation is that they will replace privately owned cars. ([Kandi](#))
- Volvo is recalling about 200,000 cars to fix potential fuel leaks. ([Auto Express](#))

General Motors ([history](#))

- Working towards a revamp of the Cadillac subscription service, but not until it has worked out how to increase the involvement of the dealers. ([Automotive News](#))
- Canadian unions called for a boycott of Mexican-made vehicles in protest at GM's closure of a local plant. GM took the threat seriously enough to issue a press release saying why it thought that was a bad idea. ([GM](#))
- Investing \$22 million in the Spring Hill, USA, plant to introduce an upgraded engine. ([GM](#))

Honda ([history](#))

- At Geneva, Honda will unveil a near-production version of the small all-electric city car that has been developed from the 2017 Urban EV Concept and the car will go on sale in late 2019. ([Honda](#))

Hyundai / Kia ([history](#))

- Hyundai reported Q4 2018 and full year financial results. Q4 revenue of 25.67 trillion KRW (about \$23 billion) was up 4.8% on the same period a year earlier. Operating income of 501 billion KRW (about \$450 million) was down (35.4%). In the full year, revenue was up 0.9% and profit fell (47.1%). ([Hyundai](#))
- KIA reported Q4 2018 and full year financial results. Q4 revenue of 13.47 trillion KRW was 3.5% better than Q4 2017, operating profit of 382 billion KRW was 26% up. Full year revenue of 54.17 trillion KRW (about \$48.3 billion) fell (1.2) on a year earlier. Operating profit of 1.16 trillion KRW (about \$1 billion) was down (74.8%). ([KIA](#))
- Launching a new multi-collision airbag to improve crash performance from secondary impacts. ([Hyundai](#))
- Reportedly implementing a turnaround plan at its Chinese joint venture that will see 1,500 jobs eliminated. ([Reuters](#))

Nissan (includes Mitsubishi) ([history](#))

- The French president reportedly told Japan's prime minister that Nissan and Renault should both have the same chairman (i.e. Renault's recently appointed ex-Michelin boss). ([Les Echos](#))
- Following Nissan's upheaval over executive pay the SEC is said to have started its own investigation. ([Reuters](#))
- Nissan's CEO said he will step down once he has reformed the governance structure. ([Automotive News](#))

Renault ([history](#))

- Avtovaz committed to spend about \$1 billion in Russia over the next ten years, create 2,300 jobs and increase the amount of localisation. ([Renault](#))
- Renault has withdrawn the Twingo from sale in the UK. Falling sales were blamed. ([Autocar](#))
- Carlos Ghosn resigned from Renault and was replaced (exactly as the French government had hoped, coincidentally) with Jean-Dominique Senard as chairman and Thierry Bolloré as CEO. ([Renault](#))
- Senard will continue in his existing role of Michelin CEO until May 2019. ([Michelin](#))

Suzuki

- Maruti Suzuki said India's sales taxes should be reduced to stimulate demand. ([Economic Times of India](#))

Tata (includes JLR) ([history](#))

- JLR factories will close from 8th April to 12th April as a precaution against post-Brexit disruption. ([JLR](#))
 - Significance: Since the scheduling is for the second week of April rather than the first, either JLR are holding at least one week's supply of parts (seemingly in contradiction to industry hand-wringing over just in time supply chains), or reduced demand is also a factor.

- JLR claimed the I-Pace program took only three years. This contradicts conventional industry wisdom and Jaguar's puff piece documentary into the program "Jaguar: Going Electric" which says the project began in 2014 (02:35 in for Amazon Prime subscribers). ([Autocar](#))
- Invested in roadside assistance firm Urgent.ly. ([Porsche](#))

Tesla ([history](#))

- Cutting production hours for Model S and Model X after dropping the 75 kWh derivatives. Tesla also said it was because of improved productivity. ([Reuters](#))
 - Significance: With demand for Model S already appearing to drop off; Model X approaching a plateau; actions from Tesla to distance bottom-end derivatives from Model 3, reductions in sales of the two models seem inevitable unless Tesla undertakes a significant refreshes (either not on the horizon or a very well kept secret).
- Received a fine for safety problems in the "tent" Model 3 assembly area. The citations were for improper permits, training and risk assessment, not because accidents had taken place. Tesla objected. ([Business Insider](#))
- Tesla confirmed that it has been discussing a battery supply contract with Lishen. Although the news was received with horror by some Panasonic-watchers, Elon Musk has repeatedly said that Tesla talks with all the battery suppliers and Samsung have provided batteries for its wall units. ([Reuters](#))

Toyota ([history](#))

- Confirmed the creation of a 49% / 51% battery joint venture with Panasonic. ([Toyota](#))
- Hopes that 2019 sales in China will rise 8% versus the prior year, even as overall industry struggles. ([Reuters](#))

VW Group ([history](#))

- CEO Diess believes that Chinese demand will continue to grow, albeit slowly. ([Reuters](#))
- Bugatti's CEO rejected rumours that the brand will produce an SUV. ([Autocar](#))
- Reportedly plans to build 40,000 Porsche Taycans per year and may add a second factory ([Porsche previously talked about 20,000 units capacity](#)). Audi's e-Tron also looks set for an increase in production rate from 20 to 24 vehicles per hour. ([Automotive News](#))
- Following warning strikes, workers in Audi's Hungarian factory stopped work for a week. ([Bloomberg](#))
- Invested \$10 million in battery developer Forge Nano. ([VW](#))
- Bentley's CEO said a no deal Brexit would pose a "fundamental risk" to the brand's profitability. He set the costs of increased customs checks in perspective saying that he would chose a few million pounds of additional inventory over the risk of disrupted production from running supply chains too lean. ([Reuters](#))
- Porsche invested in roadside assistance firm Urgent.ly. ([Porsche](#))
- Audi is looking to make €15 billion of cost cuts by 2022. Audi believes that natural attrition will reduce the workforce by 14,000 people in a five year period. ([Reuters](#))

Other

- **Subaru** suspended production at the Gunma plant in Japan after discovering defective steering components. The shutdown started on 16th January and is expected to last until 28th January. ([Subaru](#))
- **Subaru** discovered that it had underpaid overtime to around 3,400 employees in Japan -- a contributing factor in a member of staff's suicide. ([Reuters](#))
- **Isuzu's** local partner in the Philippines will stop CKD production of D-MAX pickups at the end of 2019. ([Carmudi](#))
- **NIO's** CEO put 50 million shares into a special trust for owners -- who will get a say on how the economic benefits of the stock should be used. He retains the voting rights. ([NIO](#))
- **Dyson** appointed a new CEO for its car project and says it will spend \$1 billion on the program in 2019. ([Autocar](#))
- **RONN Motor Group** announced a joint venture in China to build several different fuel cell and battery powered vehicles and is scouting for a factory location. ([RONN](#))
- **Henrik Fisker** says his firm will launch a vehicle in 2021 at a starting price of around \$40,000. The team currently numbers 100 people but is rising at a rate of one person per week and the R&D group will stay below 500 people for the medium term. ([Automotive News](#))
- **SAIC's** Maxus commercial van brand will build a new plant in Vietnam. ([China Daily](#))

- **Kaiyun Motors** says it will start selling an all-electric pickup truck in the USA for \$5,000. The low price does come with some drawbacks: top speed is 28 mph and loading capacity is small. ([Detroit News](#))
 - Significance: The vehicle's low price is thanks to three things: Low specification, forgiving build quality and lead acid batteries. The inclusion of this cheaper technology as opposed to lithium ion does beg the question of whether in some applications alternatives to the prevailing trend are being dismissed too quickly.

News about other companies and trends ...

Economic / Political News

- European light commercial vehicle sales in 2018 of 2.13 million units rose 3.1% from 2017. Total commercial vehicle sales were 2.57 million vehicles. ([ACEA](#))

Suppliers

- The owners of interiors supplier **Novem** is reportedly looking at a sale or IPO. ([Reuters](#))
- **Continental** were apparently interested in taking on a “four digit” number of Opel engineers before **PSA** announced a deal with **Segula** to do something similar. ([Handelsblatt](#))
- **Lear** reported financial results for full year 2018. Although revenue of \$21.1 billion was up versus 2017, net income fell and in Q4 both sales and net income were lower than a year earlier. ([Lear](#))
- **Magna** will help **Waymo** run its facility to fit self-driving hardware to cars. ([Waymo](#))
- **Mahle** is buying powertrain engineering specialist **ZG-Zahnräder und Getriebe**. ([Evertiq](#))
- **TomTom** is selling its telematics units to **Bridgestone** for €910 million. ([TomTom](#))
- **Johnson Controls** said it had seen a slowdown in orders for lead acid batteries in China (a unit that it is in the process of selling). ([Reuters](#))
- **Nidec** reported financial results for Q4 2018. Net sales dropped (3.4)% but profit was down (28.5)%. ([Nidec](#)) From the start of 2019, Nidec will consolidate **CCI** (in which Nidec holds a 48% stake) in financial reporting. ([Nidec](#))
- **Plastic Omnium** and **Hella** are collaborating in integrated lighting. ([Plastic Omnium](#))
- **Delphi** is stopping its dividend and repurchasing shares instead. ([Delphi](#))
- **Bosch** is buying **Daimler** out of the EM-motive electric motor JV. ([Bosch](#)) Bosch also announced an investment in connected vehicle firm **AutoAI**. ([Bosch](#))

Dealers

- On-demand repair service **GoMechanic** raised \$5 million. ([Deal Street Asia](#))
- **Porsche**, **BMW** and **JLR** invested in roadside assistance firm Urgently as part of a \$21 million round. ([JLR](#))
- Peer to peer used car sales website **Motorist.sg** raised an undisclosed sum. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- Vietnamese ride hailing firm **FastGo** wants to raise \$50 million and expand into the USA and Brazil. ([Nikkei](#))
- **Ola** reportedly plans to cut investment in meal delivery service **Foodpanda**. ([Deal Street Asia](#))
- **Didi** and **BAIC** created a joint venture to work on connected cars. ([CNBC](#))
- **Zipcar** is pulling out of Brussels, Paris and Barcelona. ([Auto Rental News](#))
- **BMW** and **Daimler's** mobility joint venture will reportedly be named “Jurbey”. ([The Drive](#))

Driverless / Autonomy (history)

- **Apple** fired 200 people from its self-driving program. ([CNBC](#))
- **Waymo** is opening a facility in Michigan, USA to fit self-driving hardware to **FCA** and **JLR** vehicles. **Magna** will help to run the operation. ([Waymo](#))
- **Jaguar Land Rover** says that vehicles should communicate their intention to pedestrians by projecting the proposed path onto the road in front of them. ([JLR](#))
- **Uber** is rumoured to be working on a range of autonomous scooters and bikes that would be able to reposition and recharge themselves. ([TechRadar](#))

Electrification ([history](#))

- BP invested in Chinese charging provider **PowerShare**. ([Deal Street Asia](#))
- A comparison in charging between a **Mercedes** EQC, **Audi** e-tron and **Jaguar** I-Pace showed varying approaches to protecting the battery. Both the maximum charging rate and relationship between charging rate and state of charge varied across the three. The Audi charges quickest. ([Inside EVs](#))
- **VW's** Electrify America charging network had to shut down several high-power charging stations due to problems with cooling. ([VW](#)) At the same time, the supplier of the affected part said that it has experienced short circuits in test parts. ([Huber+Suhner](#))
- **Kaiyun Motors** says it will start selling an all-electric pickup truck in the USA for \$5,000. The low price does come with some drawbacks: top speed is 28 mph and loading capacity is small. ([Detroit News](#))
- **Toyota** confirmed the creation of a 49% / 51% battery joint venture with **Panasonic**. ([Toyota](#))

Connectivity

- **TomTom** is selling its telematics units to **Bridgestone** for €910 million. ([TomTom](#))
- **Daimler** believes that Chinese companies are more advanced than US counterparts in “many areas” of digital technology and connectivity. ([Reuters](#))
- **Didi** and **BAIC** created a joint venture to work on connected cars. ([CNBC](#))

Other

- Bicycle rental company **Mobike** is changing its name to **Meituan Bike**. ([TechCrunch](#))
- **Amazon** has started trials of small delivery robots. ([ZDNet](#))
- **Boeing's** flying car had its first successful test flight. ([Reuters](#))
- Electric bicycle rental firm **Wheels** raised \$37 million. ([TechCrunch](#))
- Electric bicycle rental firm **Zoov** raised €6 million. ([Zoov](#))