



AD PUNCTUM

Autos & Mobility Industry Briefing -- 25th March to 31st March 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)

- Rumoured to be interested in taking on the Honda's Swindon, UK, factory. BMW issued a denial. ([Autocar](#))
- BMW says that to get two million kilometres of representative driving data that can then feed simulations, it needs five million kilometres of data. BMW does not explain how this is sufficient since it is far below the number of miles driven between serious accidents. The fleet of 80 vehicles collects more than 1,500 TB of raw data each day. BMW helpfully confirms that it is impractical to store so much information using either iPhones or CDs. ([BMW](#))
- Will stop purchasing cobalt from the Congo by 2021. ([Automobil Produktion](#))
- BMW and Daimler are said to be discussing a 500,000 annual volume target for a shared electric vehicle platform that would support a BMW i2 model with a sub-€30,000 price point. ([Automotive News](#))

Daimler (history)

- Formed a joint venture with Geely that will own the Smart brand. Production will be based in China at a new factory that will start building cars in 2022. Daimler implied that the Hambach plant in France will only produce Mercedes cars in future. ([Daimler](#))
- Aiming to save 50% of travel costs in the latest austerity drive, blaming a relaxation in approval levels for an explosion in spending. ([Handelsblatt](#))
- Daimler Trucks purchased a majority stake in autonomous driving developer Torc Robotics. Daimler will continue working on proprietary self-driving software, and so will Torc. ([Daimler](#))
 - Significance: Torc has substantial experience in off-highway applications, which could help build credibility with Daimler Trucks customers. The acquisition could also be the beginning of the end for the midfield self-driving efforts as investors choose to sell out whilst the businesses are going concerns rather than continue in a seemingly futile effort to compete with those spending hundreds of millions each year.
- BMW and Daimler are said to be discussing a 500,000 annual volume target for a shared electric vehicle platform that would support small cars with a sub-€30,000 price point. ([Automotive News](#))

FCA (history)

- Following in PSA's footsteps, Renault is rumoured to be interested in FCA, if it can merge with Nissan. ([Reuters](#))
- Reportedly planning to stop Charger and Challenger production to manage inventory levels. ([Automotive News](#))
- Believes that alternative fuels, such as ethanol and natural gas, will be more widely used than electrification in South America as a method of reducing emissions. ([Reuters](#))
- Rumoured to be in talks with PSA about creating a shared platform for small cars. ([Bloomberg](#))
- Extended the €6.25 billion credit line to March 2024. ([FCA](#))
- Cutting a shift at the Windsor, Canada, plant due to falling minivan sales. ([Reuters](#))

Ford (history)

- Announced the cessation of passenger car production and sales in Russia, resulting in the closure of two vehicle plants and an engine plant in the country. Ford will also relinquish control of the joint venture with partner Sollers receiving a 51% share of the restructured entity. Ford said the move will reduce profits by about \$500 million, of which about \$200 million will be cash. ([Ford](#))
- May be close to a deal to sell the Sao Paulo plant, now scheduled for closure. ([Reuters](#))
- Hosting a media event in Amsterdam, Netherlands on 2nd April to reveal new European products. ([Ford](#))
- Reached agreement with unions on the terms for stopping production of the C-MAX and eliminating a shift at the Saarlouis plant. ([Ford](#))

Geely (includes Volvo) (history)

- Formed a joint venture with Daimler that will own the Smart brand. Production will be based in China at a new factory that will start building cars in 2022. ([Daimler](#))

General Motors (history)

- Sold the Gunsan, South Korea factory to Myoungshin. The new owner plans to contract manufacture electric vehicles there. ([Reuters](#))
- Rumoured to have had talks with FCA to sell the Detroit-Hamtramck plant. ([Crains Detroit](#))

Honda (history)

- Took a 10% stake in the MONET mobility joint venture between Toyota and SoftBank. ([Honda](#))

Hyundai / Kia (history)

- Hyundai's Genesis brand will lease cars with servicing and insurance included in a single payment. Shockingly, the scheme, called Spectrum, isn't being referred to as a subscription. ([Hyundai](#))
- Hyundai's forthcoming small SUV will be named the Venue. ([Hyundai](#))

Nissan (includes Mitsubishi) (history)

- Completed the sale of Nissan's battery business to Envision. ([Nissan](#))
- Nissan has a reworked approach for determining compensation for directors and executives. ([Nissan](#))
- Renault reportedly wants to give Nissan a short post-Ghosn cooling off period and then resume talks on a full merger within the next 12 months, so that after that the combined entity can take on FCA. ([Reuters](#)) Nissan's CEO said that he doesn't know anything about it. ([Reuters](#))
- Released a report into the Ghosn scandal, saying he had become too powerful. Nissan's CEO was exonerated by findings that he had been tricked into signing documents, and that Ghosn never really stopped being CEO anyway until his arrest. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Will reduce the workforce at the Aspern transmission plant in Austria by about one third. ([Reuters](#))
- Released the 2018 Registration Document. ([PSA](#))
- CEO Tavares wants senior executives who have enough spine to tell him when they disagree with him, and says he works harder than anyone to bring up difficult topics because he is a leader, not a boyfriend. He also says that he receives 1,000 powerpoint slides to read each week, but thinks only 10% of them are useful. ([Les Echos](#))
- Rumoured to be in talks with FCA about creating a shared platform for small cars. ([Bloomberg](#))
- Taking a controlling shareholding in Chinese parts distributor Longstar. ([PSA](#))

Renault (history)

- Renault reportedly wants to give Nissan a short post-Ghosn cooling off period and then resume talks on a full merger within the next 12 months, so that after that the combined entity can take on FCA. ([Reuters](#))
- The Renault-Nissan Alliance owned three private jets that apparently nobody knew about. ([FT](#))

Tata (includes JLR) (history)

- JLR's North American CEO is unsure of how successful the I-Pace electric car will be (although he likes the car) and sees residual values as a major concern saying that they undermine competitive leasing deals. ([CNBC](#))
- JLR confirmed it had made a tidy sum by investing in Lyft at \$32.15 per share. ([JLR](#))

Tesla (history)

- CEO Musk told staff that the firm will continue to open new stores, providing they do enough to advance interest in the brand and sell cars. ([CNBC](#))
- After Musk failed to master the finer points of the new return policy, Tesla decided that it was the policy that was wrong and changed it to come into line with his comments on Twitter. ([The Verge](#))
- Bloomberg thinks Tesla may have built 80,000 Model 3 in Q1 2019, but the model could be wrong because it is experimental, but if it is right then it is totally genius, but if not it's just one of those things. ([Bloomberg](#))

Toyota (history)

- Toyota researchers suggested that battery ageing may have less to do with the charging cycle (the conventional wisdom) and could be more to do with variations in the manufacturing process. The firm sees promise in testing techniques that can grade batteries at the end of the production line and direct the highest performing units to higher revenue applications, plus improve OEM confidence in lifetime capability. ([Toyota](#))
- Honda and Hino took a 10% stake in the MONET mobility joint venture between Toyota and SoftBank. ([Honda](#))
- Believes that sales in South America and the Caribbean will grow less than 1% this year. ([Reuters](#))
- Announced a series of executive changes. ([Toyota](#))
- Suffered a cyber attack which may have affected up to 3.1 million customers. ([IT Pro](#))

VW Group (history)

- CEO Diess isn't interested in making a bid for FCA. ([Reuters](#))
- Audi is planning two eTron GT all-electric saloons, one similarly sized to the A4, and one around A6-size. Audi will use the PPE platform for the A4 eTron but the MEB platform for the Q4 eTron, despite both vehicles being around the same size. ([Autocar](#))
- Executives expressed hope in closing a deal with Ford to buy a stake in Argo AI. ([Reuters](#))
- VW says the Group's cars and trucks account for 2% of global CO₂ emissions. ([Times LIVE](#))
- Scrapped 300,000 German diesel vehicles traded in under an incentive scheme. ([VW](#))
- Although VW will sell electric vehicles in Brazil, it won't make them locally for some time. ([Reuters](#))
- SEAT will develop a smaller version of the MEB all-electric platform, aiming for a starting price below €20,000. ([SEAT](#))

Other

- **XPeng's** founder said that \$1 billion isn't enough to start a car company and he now thinks \$4 billion - \$5 billion is a more realistic assessment. ([Detroit News](#))
- Before going public, **NIO** reportedly agreed a yearlong non-compete clause with the investment banks leading the IPO, specifically naming several Chinese EV rivals. ([Reuters](#))
- **Valmet** said **Blackrock** had increased its stake in the firm to 6.5%. ([Valmet](#))
- South Korea's **Songuo Motors** showed off the first set of vehicles for the NeuWai brand. The vehicles will be made in China but exported in semi-knock down kit form, ready for final assembly in local markets. ([Songguo](#))
- Chinese electric vehicle start-up Leap Motor reportedly wants to raise \$372 million. ([Deal Street Asia](#))
- Indian group **JSW Energy** no longer plans to launch an electric vehicle. In 2017, the firm was prepared to commit \$623 million (including charging infrastructure spending) to the project. ([VC Circle](#))
- **Nikola** reportedly purchased the land for the firm's first factory. ([Trucks](#))

News about other companies and trends ...

Economic / Political News

- The **UAW** lost almost 10% of its members in 2018 but said it wasn't bothered. ([Detroit News](#))
- An **IG Metall** negotiator suggested that the union would expect a permanent employee laid off by a Tier 1 or OEM in Germany to receive around €260,000 in compensation. ([IG Metall](#))
- The **European Union** mandated a set of safety features, including automatic speed limiting, from 2022. ([EU](#))

Suppliers

- **Continental** say 10 inch touchscreens are the norm for European cars and it will soon be 14 inches. ([Autocar](#))
- **ZF** agreed terms to acquire **Wabco** in a deal valuing the latter at about \$7 billion. ([ZF](#))
- **Velodyne** has shipped a cumulative \$500 million of lidar sensors. ([Velodyne](#))
- **Hanon** completed the acquisition of **Magna's** fluid pressure and controls division. ([Hanon](#))
- **Johnson Matthey** is building a new plant for electric vehicle batteries in Poland. ([Reuters](#))

Dealers

- **Scout24** is in an acquisitive mood, hoping to pick up pieces of eBay's classifieds business. ([Reuters](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Lyft's** shares went great guns in initial trading, valuing the company at nearly \$30 billion. ([Reuters](#))
- **Ola** plans to enter the short term rental business with a \$500 million war chest. ([Economic Times](#))
- **Uber** acquired **Careem** in a deal worth \$3.1 billion, for the time being the two brands will exist side by side. ([Uber](#))
- **Honda** and **Hino** each took 10% of the **MONET** mobility joint venture between **Toyota** and **SoftBank**. ([Honda](#))

Driverless / Autonomy (history)

- **Waymo's** CTO said that no new breakthroughs were required for self-driving to become a reality; he believes that it is only a matter of time to learn the different permutations of road conditions. ([Inverse](#))
- Lidar developer **Innoviz** raised \$132 million. ([Innoviz](#))
- **Designated Driver** showed off a six screen set up to remotely operate vehicles. ([Wired](#))
- **Aptiv** is releasing a data set that includes labelled photographs and lidar traces, hoping that researchers will find novel ways to analyse the information. ([Aptiv](#))
- **Daimler Trucks** purchased a majority stake in autonomous driving developer **Torc Robotics**. Daimler will continue working on proprietary self-driving software, and so will Torc. ([Daimler](#))

Electrification (history)

- Electric motor developer **Linear Labs** raised \$4.5 million. ([Linear Labs](#))
- **Toyota** researchers suggested that battery ageing may have less to do with the charging cycle (the conventional wisdom) and could be more to do with variations in the manufacturing process. The firm sees promise in testing techniques that can grade batteries at the end of the production line and direct the highest performing units to higher revenue applications, plus improve OEM confidence in lifetime capability. ([Toyota](#))

Connectivity

- **Subaru, Nissan** and **Mazda** joined a Japanese consortium working on an emergency collision reporting system. **Honda** and **Toyota** are already members. ([Honda](#))

Other

- **Bajaj Auto** reportedly seems set to exchange its stake in the motorbike-making arm of **KTM** for a smaller stake in the parent company. ([Autocar](#))
- Bicycle rental firm **VeoRide** says that, rather than being late to the game, it is benefitting by learning from the mistakes of all the failed bicycle rental firms that went before it. ([VeoRide](#))