



AD PUNCTUM

Autos & Mobility Industry Briefing -- 13th May to 19th May 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)

- Invested in on-demand manufacturing start-up Xometry. ([FINSMES](#))
- Has simulated 240 million km (150 million miles) of autonomous driving so far. ([BMW](#))
- Called off a plan to sponsor German football club Bayern Munich after Audi refused to end their deal early and then made an improved counteroffer. ([Manager Magazin](#))
- Rumoured to be planning a switch for the next generation i8 to an all-electric powertrain. ([Autocar](#))
- Confirmed that plans for a plant in Debreen, Hungary are unchanged. ([Reuters](#))

Daimler (history)

- Following rumours that he might be planning to reduce Daimler's involvement with Renault and Nissan, incoming CEO Källenius said "the intensity of cooperations will increase" as the company battles against rising product costs associated with electric cars. ([Economic Times of India](#))
- Reorganised the financial services executive team to give more prominence to mobility. ([Daimler](#))

FCA (history)

- Received a credit rating upgrade from Moody's. ([FCA](#))
- Maserati will be the first FCA brand to use self-driving technologies developed together with BMW. ([Business Times](#))
- Maserati will drop Ferrari engines by the end of 2022. ([Motor Authority](#))
- Recalling almost 210,000 vehicles to deal with wiring harness problems. ([FCA](#)) There is also a recall for about 485,000 pick-up trucks to fix tailgates that might open suddenly. ([FCA](#))

Ford (history)

- CEO Hackett sent an email to employees telling them that 7,000 staff would be made redundant by August 2019 (including some job losses already announced), with 20% of senior managers going as part of an effort to reduce the number of management layers from 14 to nine. Hackett's email shed some light on the current inefficiency at Ford as only 35% of managers currently have at least six people reporting directly to them (excluding subordinates of the direct reports), a level Ford sees as "healthy". Even after the reorganisation, that number will only be 80%. ([CNBC](#))
 - Significance: Even though Ford regards nine management layers as an improvement, eight should be enough (assuming the CEO as the top tier) if all managers had 6 or more direct reports. Since many management consultants recommend a direct report ratio of 1:8, some people may question whether Ford has gone far enough. It isn't clear how well Ford will manage the ageing of the remaining workforce.
- Outgoing CFO Shanks said the company was not undergoing a normal restructuring and would very different (and be much stronger) when the task was completed. He believes that a 6% return over the cycle (not just peak year) is possible in Europe and says that since this includes a joint venture, return on invested capital would be great. ([Ford](#))

- Ford will meet the CO₂ targets in Europe for 2020 and beyond with no fines or credit purchases, per outgoing CFO Bob Shanks. ([Ford](#))
- Ford plans to increase the amount of locally produced Lincoln models sold in China. ([Reuters](#))
- Ford-owned Autonomic will partner Fujitsu to develop cloud-based fleet management software and will then offer the service to other carmakers. ([Telematics News](#))
- Ford executives believe that rivals are underestimating the benefit of hybrid vehicles and have become too obsessed with all-electric vehicles. ([Detroit Free Press](#))
- Recalling about 275,000 vehicles in North America for two different gearbox problems. ([Ford](#))
- Unions at Ford's Bridgend plant believe that compulsory job cuts are looming because there are 1,500 employees and (they say) future production plans that support only 550 people. ([Wales Online](#))

Geely (includes Volvo) (history)

- The CEO of Group Lotus says Porsche is the brand's benchmark and target, but is wary of copying everything, for example committing to motorsport for the sake of it. ([Autocar](#))
- Volvo started with a shortlist of 10 battery suppliers before narrowing to two. ([Automotive News](#))
- By 2020, Volvo will have sufficient battery capacity secured for plug-in hybrids to make up 25% of overall production, should there be customer demand. ([Bloomberg](#))
- Geely opened a new development centre in Germany and hopes to employ 500 people there soon. ([Geely](#))
- Volvo and Polestar signed "multi-billion dollar" battery supply agreements with CATL and LG Chem. ([Volvo](#))

General Motors (history)

- The Chevrolet Bolt is apparently selling well in South Korea, despite only being offered in a limited number of dealers. ([Inside EVs](#))
- GM's new electronic platform will be capable of collecting 4.5 TB of data per hour. ([GM](#))

Honda (history)

- Taking orders for the Honda e electric city car, with deliveries set to start in summer 2018. ([Honda](#))
- After earlier announcing a partnership, Honda has now led an £8.6 million investment round in Moixa. ([Electrive](#))

Hyundai / Kia (history)

- Hyundai and Kia will invest a collective €80 million in electric car developer Rimac and will work with the Croatian company on high performance electric and fuel cell vehicles. [Porsche took a 10% stake in Rimac last year](#). ([Kia](#))
- Kia teased images of the new small SUV it plans to unveil in the summer. ([Kia](#))

Nissan (includes Mitsubishi) (history)

- Nissan reported earnings for the fiscal year ended March 2019. Revenue of 11.6 trillion JPY (about \$105 billion) dropped (3.2)% on a year-over-year basis whilst operating profit of 318 billion JPY (about \$2.9 billion) fell (44.6)% YoY. Nissan believes that in the next fiscal year sales will rise slightly but revenue and operating profit will both be worse. ([Nissan](#))
- Nissan reportedly wants to take a 25% stake in a Chinese electric car brand and has shortlisted WM Motor, Zhejiang Hozon and CHJ Automotive. ([Deal Street Asia](#))
- Said that lidar need further work to be worthwhile, given the relative costs and capabilities of radar and cameras. Unlike Tesla, Nissan appeared to leave the door open for application in future, and has made less extravagant promises about when the technology will be commercially available. ([Reuters](#))
- Announced a plan for Renault's CEO to join the Nissan board, whilst current CEO Saikawa stays in charge of Nissan, despite indicating he might be ready to stand down. ([Nissan](#))
- Standard & Poor's said Nissan had a negative credit rating outlook. ([The Mainichi](#))
- Mitsubishi's current CEO Osamu Masuko will become chairman and Takao Kato will take over as CEO. ([Mitsubishi](#))
- Outgoing CEO Masuko says he will remain in charge of alliance discussions with Renault and Nissan. ([Japan Times](#))
- Will debut hands-off highway driving on the forthcoming Skyline. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Reportedly gave 1,700 Opel engineers a blunt choice: join Segula or take redundancy. ([Handelsblatt](#))
- Creating a new brand for selling used cars called Spoticar. ([PSA](#))
- Said that, despite shared underpinnings with the next-generation Astra, Opel / Vauxhall plants in the UK and Germany would not produce the new Peugeot 308. ([Automotive News](#))

Renault (history)

- Says that Renault Samsung's South Korean operations will remain an important part of the global research and development operations. ([Korea Herald](#))
- Engaged Publicis to create content that, Renault hopes, will make people want to sit in their cars for longer. ([Renault](#))
- Nissan announced a plan for Renault's CEO to join the board, whilst current CEO Saikawa stays in charge, despite indicating he might be ready to stand down. ([Nissan](#))

Tata (includes JLR) (history)

- JLR's CEO said he hadn't been involved in any discussions with PSA about a sale but that he couldn't speak for Tata because he is just "a normal employee in this empire". ([Bloomberg](#))
- Although the economies of scale from sharing vehicle components are attractive JLR's CEO says that, if they mean giving up control of key product or strategy elements, they may not be worthwhile. ([Bloomberg](#))

Tesla (history)

- CEO Musk told employees in a call-to-arms email that the company had only ten months of cash left, at the current burn rate, and announced restrictions on spending. (Reuters)
 - Significance: Whilst many observers agree that Tesla seems to run very lean on cash, what is more surprising is the CEO Musk has only just gone to the market and apparently is conscious of asking for too little. Why not raise more?
- Slightly increased the price of the entry level Model 3 to \$35,400 -- still \$35,000 if you round down. ([CNN](#))
- The US Safety regulator said it was investigating a fatal accident where a Model 3 had been in Autopilot mode leading up to the crash. ([Reuters](#))
- Completed the acquisition of Maxwell Technologies. ([Tesla](#))
- Moved production of superchargers to the under-utilised Gigafactory 2 plant. ([Reuters](#))

Toyota (history)

- Said that the US government's stance again car imports made it feel unwelcome. ([Toyota](#))

VW Group (history)

- Announced a plan to invest almost €1 billion into building a factory for battery cells in Salzgitter, Germany. Unions welcomed the move. ([VW](#))
- Confirmed rumours that it is interested in selling Man Energy and Renk to raise cash. ([VW](#))
- Decided that the IPO for truck division Traton is back on, after deciding in March that market conditions wouldn't deliver the hoped for returns. It should happen before the summer break. ([VW](#))
- The VW ID3 will have a top speed of 160 km/h (100 mph). ([VW](#))
 - Significance: Cutting back on top speeds will significantly improve range and reduces the motor size required (saving weight and therefore adding to range, plus costing less).

Other

- **Aston Martin** reported Q1 2019 revenue of £196 million on wholesales of 1,057 cars. An operating loss of £(2.2) million was considerably worse than prior year. Aston Martin said that planned fixed cost increases were responsible for the loss (with the positive news yet to come). ([Aston Martin](#))
- **McLaren** unveiled a new mid-engined GT car. ([McLaren](#))
- **Ineos** might make a fuel cell powered version of the Grenadier. ([Autocar](#))

- The CEO of **WM Motor** said that new brands aiming for the premium end of the market will struggle against established marques, and it is better to focus on mainstream customers. He concedes however that even though this is what WM is doing, it isn't yet profitable. ([Autocar](#))
- **Bolt Mobility** unveiled its purpose-built two seater car sharing vehicle called the Nano. Prices start at \$9,999. ([Bolt](#))
- **Piëch** is aiming to create a three car portfolio with a four seat GT and an SUV joining the sports car already unveiled as a concept. ([Auto Express](#))
- **Ace EV** wants to start building electric vehicles in Australia from next year onwards with a mini car, a four seat hatchback and small commercial vehicle on offer. ([Which Car](#))
- **Pininfarina** workers loaned out to support the **Bolloré** BlueCar program are getting nervous about job security after the French firm declined to confirm ongoing production plans. ([Torino Oggi](#))

News about other companies and trends ...

Economic / Political News

- The **US** government said that car imports were a national security risk but that it would defer taking any specific actions for six months to allow time for negotiations with trading partners. ([CNBC](#))
 - Significance: the linkage between automotive sales and the ability to invest in defence technologies was surely higher in the days of GM owning Hughes, but that's none of our business...
- **European** passenger car sales in April of 1,351,352 units fell (0.5)% year-over-year. ([ACEA](#))

Suppliers

- **Denso** and **Aisin** are in talks that could see Aisin take over parts of Denso's powertrain components business, with Denso taking a larger stake in Aisin, possibly through buying shares from **Toyota**. ([Denso](#))
- **Aisin** invested in lidar developer **AEye**. ([Aisin](#))
- **Toyota Gosei** invested in optics firm **Imuzak**, partly to help with developing vehicle materials that do not interfere with lidar signals. ([Toyota Gosei](#))
- **Grammer** reported Q1 2019 revenue of €534 million and EBIT of €24 million. ([Grammer](#))

Dealers

- Indian used car website **Cars24** is reportedly in line to receive \$80 million from investors. ([Economic Times of India](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Ola's** international operations have been growing rapidly and are now apparently responsible for one third of company revenues. ([Economic Times of India](#))
- Non-emergency ambulance service **Uzurv** raised \$5 million. ([FINSMES](#))
- **Xpeng** started a limited ride hailing pilot in Guangzhou, China. ([TechCrunch](#))

Driverless / Autonomy (history)

- **AEye** said (sensibly enough) that although detection range was often cited as a lidar metric, a better measure would be the range at which objects were detected (i.e. the system understands that they are things rather than erroneous results). AEye said it can detect objects at up to 1 km. ([AEye](#))
- **Nissan** said that lidar need further work to be worthwhile, given the relative costs and capabilities of radar and cameras. Unlike **Tesla**, Nissan appeared to leave the door open for application in future, and has made less extravagant promises about when the technology will be commercially available. ([Reuters](#))
- **BMW** has simulated 240 million km (150 million miles) of autonomous driving so far. ([BMW](#))
- **Nissan** will debut hands-off highway driving on the forthcoming Skyline. ([Nissan](#))

Electrification (history)

- **Samsung** is reportedly offering a battery cell with an energy density of 500wh/L to top carmakers. ([ET News](#))
- **CATL** and **LG Chem** will supply batteries for all-electric vehicles to **Volvo**. ([Volvo](#))
- Incoming **Daimler** CEO Källenius sees a 8:1:1 ratio of nickel, manganese and cobalt becoming the standard in the next generation, with some suppliers moving to 9:0.5:0.5. ([Economic Times of India](#))
- **China** says it has found a way to dramatically reduce the cost of extracting lithium, a key raw material in electric vehicle batteries. ([SCMP](#))
- **Northvolt** has signed a battery supply deal with **VW Group's Scania**. ([Reuters](#))

Connectivity

- **Stratio** hopes to launch AI-based condition monitoring that will improve vehicle availability. ([Stratio](#))
- **HERE** and **Mitsubishi Electric** will offer a real-time road hazard alert system to automakers that combines HERE's maps and Mitsubishi's precision position sensors. ([HERE](#))
- **Michelin** is acquiring telematics provider **Masternaut**. ([Michelin](#))
- A **UK** think tank has released a stages of connectivity matrix that the UK government hopes will in time become as widely referenced as the **SAE** model for autonomy. ([Telematics News](#))
- **Ford**-owned Autonomic will partner **Fujitsu** to develop cloud-based fleet management software and will then offer the service to other carmakers. ([Telematics News](#))
- **GM's** new electronic platform will be capable of collecting 4.5 TB of data per hour. ([GM](#))

Other

- Air taxi developer **Lilium** has started test flights of its all-electric aircraft. ([The Verge](#))
- Electric scooter company **VOI** said customers have logged 2 million rides and the firm intends to expand into 150 European cities. ([Reuters](#))