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Autos & Mobility Industry Briefing -- 17th June to 23rd June 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 planning a more aggressive electric vehicle strategy that would see 25 models on sale by 2023 (the current target is 25 by 2025) and an annual growth target of 30%. ([FAZ](#))
- Recalling about 560,000 5 and 6 series models to fix corrosion problems. ([Der Spiegel](#))
- The Quandt family representatives on BMW's board gave an interview where they explained the great burden of their family wealth. ([Manager Magazin](#))
- Doesn't plan to replace the 2 Series and is developing a plan to get customers to choose SUVs in future. ([Autocar](#))
- Enlisted the help of synthesiser guru Hans Zimmer (Beverly Hills Cop / Miami Vice theme tunes) to help develop sounds for BMW's all-electric vehicles. ([BMW](#))
 - Significance: Competitors need to get on the phone to Ramin Djawadi's (Iron Man / Pacific Rim / Game of Thrones) agent if they want to have any hope of besting the aural sensation Zimmer must have lined up for us.

Daimler (history)

- Issued a profit warning saying that Group EBIT in 2019 would not be higher than the previous year, blaming a "high three digit million" euro cost for actions related to diesel vehicles. ([Daimler](#))
- Ordered to recall 60,000 diesel powered vehicles by German regulators because of claimed defeat devices. Daimler maintains that it hasn't done anything wrong. ([Reuters](#))
- Signed an MoU for an Egyptian assembly plant with the national government. There will also be an, as yet unnamed, local partner involved. ([Daimler](#))

FCA (history)

- A close confidante of FCA's Chairman has reportedly been spotted in Tokyo making overtures to Nissan about a potential merger with Renault. ([Les Echos](#))

Ford (history)

- A long puff piece suggested Jim Farley is still very much in contention for the CEO position when Jim Hackett leaves and sought to make a virtue of his outsider's perspective. Seasoned Farley-watchers will be interested to discover that he has switched from suede loafers to brogues (for reasons that the article did not explore). ([Detroit Free Press](#))

General Motors (history)

- Comments by GM's president sparked rumours of an electric Hummer. ([Fox News](#))
- GM's electric bikes have gone on sale. ([Cycling Weekly](#))

- Reportedly wants the UAW to agree to a greater amount of temporary workers in order to control costs and preserve benefits for the permanent staff members. Experts believe that the unions may be reluctant to cede to GM's demands in the light of the plant closures / unallocation. ([Bloomberg](#))

Honda (history)

- Wants to cut about 35% of the UK dealer network over the next two years, seeking a minimum of 200 retail sales annually per site. The company is also changing how sales targets and bonuses are set, relying more on historical data and the dealer's view than Honda's sales team. ([Automotive Manager](#))

Hyundai / Kia (history)

- Unveiled the new Kia Seltos compact SUV. ([Kia](#))

Nissan (includes Mitsubishi) (history)

- Announced plans to add Renault's chairman and CEO to two of the new oversight committees. ([Nissan](#))
- Renault and Nissan signed an "exclusive" deal with Waymo for mobility services in France and Japan. ([Renault](#))
- Nissan is being sued by its partner in a Middle East distribution joint venture, who claims that Nissan didn't maintain the level of exclusivity it had initially promised. ([WSJ](#))

PSA (includes Opel/Vauxhall) (history)

- Started production at the new factory in Kenitra, Morocco. ([PSA](#))
- Opel expressed satisfaction with new order levels for the forthcoming electric Corsa but said that exact figures wouldn't be released until a later date. ([FAZ](#))
- Workers at the Kaiserslautern, Germany, plant agreed a series of efficiency actions that will see more early retirements and some new press shop facilities. ([PSA](#))
- PSA's Free2Move brand has started trials of a monthly rental service. Customers can switch cars each month and all running costs are included. Prices seem more reasonable than schemes run by premium brands -- around €300 per month for a B segment car. ([PSA](#))
- Iran Khodro believes it has the right to use Peugeot logos on locally produced cars because the French manufacturer abruptly pulled out of the country, even though PSA disagrees. ([IFP](#))

Renault (history)

- Renault and Nissan signed an "exclusive" deal with Waymo for mobility services in France and Japan. ([Renault](#))
- CEO Bollore dismissed recent rumours that Renault could reduce its stake in Nissan. ([Reuters](#))
- Nissan plans to add Renault's chairman and CEO to two of the new oversight committees. ([Nissan](#))

Tata (includes JLR) (history)

- Moody's downgraded Tata Motor's debt rating, with a negative outlook. ([Economic Times of India](#))
- JLR's CEO said the brands are not for sale, scotching recent rumours of interest from PSA. ([Auto Express](#))

Tesla (history)

- Leaked documents apparently show that Tesla won't meet the quarterly production targets CEO Musk set for employees in May, Musk's recent comments imply he still has faith. ([Business Insider](#))
- Reportedly restructuring its Asia Pacific sales operations so that China, Hong Kong and Taiwan will be a distinct division and the other markets will report into head office. ([Bloomberg](#))
- Tesla's Grohmann (manufacturing engineering) division is developing a "giant, giant, giant" machine that will revolutionise manufacturing as we know it, according to the head of automotive. ([Clean Technica](#))

Toyota (history)

- Reportedly concluded that a factory in Saudi Arabia would need a government subsidy covering half the manufacturing costs to be viable. ([Reuters](#))

- Brought forward the date that the Japanese dealer network will be integrated to May 2020. ([Toyota](#))

VW Group (history)

- Plans to write 60% of the software in the car, up from 10% today by forming a team of 5,000 software engineers who will write a “vw.os” that all VW Group cars will use. ([VW](#))
- CEO Herbert Diess says that about half of VW’s engine and gearbox plants will need to close in the next 10 years, but expects battery production to compensate. ([Autocar](#))
 - Significance: It is a startling admission by VW, one very much in line with the findings of the E-FIRST report co-authored with Evercore ISI in late 2018. Diess’s expectation that redundancies will be offset by increases in electric powertrain production seems to be based on Tesla and Panasonic’s labour usage at the Gigafactory, but for this to soak up VW’s surplus labour, the company would need to build a far greater proportion of battery cells in-house than it is currently planning.
- VW’s German car sharing brand WeShare will charge its electric vehicles through exclusive overnight use of the facilities in supermarket car parks. ([VW](#))
- VW’s newest car factory will reportedly be in Turkey, beating rival bids from Romania, Serbia and Bulgaria. The Turkish government has apparently agreed a three digit million euro support package. A firm decision is expected soon, with Bulgarian officials on standby to scupper the deal if they get a chance. VW’s underperformance in the local market seems a partial justification for the move. ([Handelsblatt](#))
- CEO Diess has reportedly told the team delivering the new Golf that he will be very unhappy with them if they don’t start delivering vehicles before the end of 2019. ([Automotive News](#))
- Porsche will offer a three-pronged portfolio of all-electric, hybrid and combustion engine only powertrains for at least the next 10 years. ([USA Today](#))
- Opened a new data centre in Norway that uses hydropower, letting VW claim it is carbon neutral. ([VW](#))

Other

- **SAIC** intends to start manufacturing cars in Egypt through a joint venture. ([China Daily](#))
- Thai firm **Energy Absolute** says there have already been 4,500 orders for the Mine Mobility all-electric hatchback, 3,500 of them came from a group of taxi drivers in Bangkok. ([Electric Drive](#))
- **Aston Martin’s** forthcoming hypercar, thus far dubbed the 003, will be called the Valhalla. CEO Andy Palmer says his company is learning about mid-engined cars from a variety of methods, one of which is osmosis-by-lunchtime-conversation. ([Auto Express](#))

News about other companies and trends ...

Economic / Political News

- **European** passenger car registrations in May of 1,443,708 units were up 0.04% on a year earlier. ([ACEA](#))
- The **Spanish** government intends to review a law passed by the Balearic Islands (a group of islands in the Mediterranean Sea) which bans diesel vehicles by 2025 and all internal combustion engines by 2035. Carmakers hope that the law is found unconstitutional. ([ANFAC](#))
- **Japan** intends to introduce measures that will reduce the number of accidents caused by older drivers after a series of high profile crashes, and might force them to only drive cars with emergency braking. ([Economic Times of India](#))
 - Significance: Carmakers have always struggled to market cars to older owners because although the group have specific needs that feature-rich (higher revenue) cars could solve, they simply don’t like being reminded that they are old. Could government action make a virtue of expensive added equipment and boost margins, or will they encourage people to drive less (and buy fewer cars)?

Suppliers

- **Johnson Matthey’s** boss says that diesel will be around for ages. ([The Telegraph](#))
- **Zenuity** will be the preferred supplier of autonomous driving technology to **Geely** -- not a massive surprise since Zenuity is part owned by **Volvo**. ([Zenuity](#))

- **Axalta** announced a “strategic review” of its business. ([Axalta](#))

Dealers

- Wholesale auctioneer **BCA** is reportedly the target of a £1.9 billion takeover offer. ([FT](#))
- Used car website **Droom** raised \$10 million. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Via** says it has much better utilisation rates than all other competitors in New York because the company’s cars have passengers in them 87% of the time, whilst the nearest rivals are 58% utilised. ([Via](#))
- **Careem’s** CFO suggested that even after the firm is acquired by **Uber** in early 2020, both brands might coexist because it is better for competition -- although it isn’t clear what evidence the logic is based on. ([Reuters](#))
- Ride hailing start-up **OnTime** is launching in Southern China with backing from **Tencent**. ([Tech In Asia](#))
- Ride hailing network **Micab** has a new CEO. ([Tech In Asia](#))
- **Didi Chuxing** started offering rides by third party rivals within its app. ([Tech In Asia](#))
- **VW’s** German car sharing brand WeShare will charge its electric vehicles through exclusive overnight use of the facilities in supermarket car parks. ([VW](#))

Driverless / Autonomy (history)

- Lidar developer **Velodyne** has reportedly recruited investment bankers to prepare for an IPO, with a target valuation in excess of \$1.8 billion. ([Business Insider](#))
- Insurance underwriters **Lloyds of London** expect driverless car technologies to change motor insurance within the next five years. ([Bloomberg](#))
- **Innovusion’s** new lidar unit has a claimed detection range of 200 metres and a \$35,000 price tag. ([Innovusion](#))
- **SafeAI** came out of stealth mode, after raising \$5 million, as a developer of self-driving software for off-highway vehicles. ([TechCrunch](#))
- **ArgoAI** is releasing a public dataset containing map data, object classification and movement patterns of various road users. Since the data covers only 1,000 hours of driving it is unlikely to have a great commercial value. ([ArgoAI](#))
- **Humanising Autonomy** raised \$5 million to develop software that predicts the movements of pedestrians, with the results being fed into a self-driving vehicle’s decision making process. ([TechCrunch](#))
 - Significance: Given the complexity of the task of developing self-driving vehicle brains, it seems possible that companies which become specialist in identifying particular elements of the driving environment could have a role, both because they can sell their technology to multiple platforms and also because, as companies start to think about redundancy, alternative ways of processing the data could be advantageous.
- **Renault** and **Nissan** signed an “exclusive” deal with **Waymo** for mobility services in France and Japan. ([Renault](#))

Electrification (history)

- The **German** government plans to support three battery making alliance. ([Reuters](#))
- Charging operator **ChargePoint** has been acquired by Engie. ([Fleet Europe](#))

Connectivity

- **Clavister** and **Tieto** will collaborate to offer cyber security products for connected vehicles. ([Telematics News](#))

Other

- Scooter rental firm **Vogo** apparently wants to raise \$50 million. ([Live Mint](#))
- Motorbike rental firm **Bounce** raised \$72 million. ([Deal Street Asia](#))
- **SoftBank’s** CEO says most of the investors in the firm’s \$100 billion Vision fund are ready for more and want to join the second mega fund. ([Reuters](#))
- Bicycle rental firm **Yulu** wants to raise about \$20 million and **Bajaj Auto** might become an investor. ([Times of India](#))
- **Bajaj Auto** took a 27% stake in **Maharashtra Scooters**. ([Autocar](#))