



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 24<sup>th</sup> June to 30<sup>th</sup> 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)

- Confirmed new targets for electrification (leaked last week) calling for 25 models by 2023 at a special event. From 2020 onwards, BMW will program hybrid vehicles so that only the electric motor powers the car in city centres. Although BMW didn't say this, it seems likely that BMW will submit the scheme to the EU as an eco-innovation to gain credit for CO<sub>2</sub> lowering technologies not fairly represented within the WLTP test cycle. ([BMW](#))
- Showed a concept called Vision M Next, a likely i8 successor. If the concept carries through to production then the car will remain a PHEV, despite earlier rumours that it would be all-electric. ([BMW](#))
- Plans to introduce adaptive cruise control that can stop at red lights. ([BMW](#))
- Believes that diesel engines will continue to be sold for another 20 years and gasoline engines have 30 years left, but not necessarily in all markets. The firm plans to phase out the 1.5 litre diesel used in smaller cars. ([Automotive News](#))
- Says that, if there were sufficient demand, it could launch 100 electrified cars by 2023 as an illustration of the flexibility of BMW's engineering platform. BMW also believes that solid state batteries will not reach maturity until the 2030s. ([Autocar](#))
- CEO Krüger reportedly faces a fight to get his contract extended beyond May 2020, with the board rumoured to be eyeing up two senior executives as potential successors. ([Handelsblatt](#))
- After BMW pulled out of a sponsorship deal, Bayern Munich football club reportedly plans to sue for between €10 million - €20 million -- probably enough for a new centre forward's right shin. ([FAZ](#))
- Plans an initial X5 fuel cell powered car in the early 2020s, and might add more offerings by 2025. BMW says that currently the fuel cell stack alone costs €80,000. ([Forbes](#))

#### **FCA** (history)

- Announced a series of launch partners for the information and payments functions of FCA's Uconnect infotainment system. Only recently-built models will be capable of using it. ([FCA](#))
- Resurrected the Voyager minivan nameplate, but only to use it in place of Pacifica on the cheapest models. There won't be any sheet metal changes. ([Fox](#))

#### **Ford** (history)

- Issued a press release mainly rehashing existing announcements into one place. Ford's manual transmission joint venture (with Getrag, owned by Magna) will sell the Kechnec Transmission plant in Slovakia to Magna -- adding about 1,000 people to the list of those "impacted" by Ford's prior announcements, for about 12,000 in total. ([Ford](#))
- Plans to offer an electrification option (it isn't clear if this means PHEV or just 48V) on all European products and will manufacture a range of all-electric vehicles in Europe too. Ford considers itself on track to meet the 2020 and 2021 EU CO<sub>2</sub> targets without facing fines. ([Ford](#))

- Unveiled the Puma, a small crossover to be produced at the Craiova, Romania plant. Although the new entry will sit alongside Ecosport in Ford's line-up, the company believes that the differences in package and styling are big enough to merit a separate product. ([Ford](#))
- Ford's marketing team believes that driverless cars are "a little bit in the distance". ([Arabian Business Times](#))

### General Motors (history)

- Released its latest sustainability report. ([GM](#))
- Rumoured to have stopped work on a next generation Camaro. ([Muscle Cars & Trucks](#))

### Honda (history)

- Released its most recent sustainability report. ([Honda](#))
- Issued what Honda says will be the last Takata-related airbag recall in the US -- for 1.6 million vehicles. ([Fox](#))

### Hyundai / Kia (history)

- Teaming up with oil giant Saudi Aramco to explore hydrogen production and distribution. ([Hyundai](#))
- Not going ahead with a £20 million mega vanity dealership on the outskirts of London, UK. Hyundai pointed to the existing dealer network and online sales as areas where the money would be better spent. ([Motor Trader](#))

### Mazda

- Wants to do away with touchscreens because Mazda reckons they are too distracting for drivers, preferring a combination of head up display and menu controllers (the latter is distracting in its own right). ([Mazda](#))
- Took a 2% stake in the MONET self-driving technology program led by Toyota. ([Honda](#))

### Nissan (includes Mitsubishi) (history)

- Nissan's CEO said he was postponing talks on further integration between alliance partners, preferring to focus on his firm's financial recovery, warning the alliance could break apart "quickly" if Nissan wasn't happy. ([Reuters](#))
- The Renault-Nissan-Mitsubishi alliance VC unit invested in The Mobility House, a company that uses batteries from electric cars to provide storage for power grids. ([Renault](#))
- Mitsubishi is moving US headquarters from California to Tennessee. ([Mitsubishi](#))

### PSA (includes Opel/Vauxhall) (history)

- Announced (as rumoured) that the next generation Astra will be produced at the Rüsselsheim, Germany factory. PSA said it will make the car at two locations -- the other will be Ellesmere Port, UK, if there isn't a no deal Brexit. ([PSA](#))
- German unions worry that -- even with the new Astra alongside Insignia production -- Rüsselsheim will not be safe until there is enough volume to justify three shift production. ([FAZ](#))
- Opel has written to around 500 German engineers telling them to transfer to Segula's newly-formed engineering operations or risk dismissal. Employees appear concerned that Segula's like-for-like job guarantees may not be all they seem, citing a works council made up of workers without an Opel legacy and implied wriggle room for Segula if the new business has fewer employees than expected. ([Handelsblatt](#))
- New vehicles from the DS brand will have a powertrain option that offers 300 hp or more. ([Autocar](#))

### Renault (history)

- French president Macron said that nothing would justify changing Renault's ownership stake in Nissan, or the French government's shareholding in Renault and told managers to get on with running the alliance instead of trying to change it. ([Bloomberg](#))
- Nissan's CEO said he was postponing talks on further integration between alliance partners, preferring to focus on his firm's financial recovery, warning the alliance could break apart "quickly" if Nissan wasn't happy. ([Reuters](#))
- The Renault-Nissan-Mitsubishi alliance VC unit invested in The Mobility House, a company that uses batteries from electric cars to provide storage for power grids. ([Renault](#))

## Suzuki

- Took a 2% stake in the MONET self-driving technology program led by Toyota. ([Honda](#))

## Tata (includes JLR) (history)

- Reportedly planning to confirm production of an all-electric XJ replacement in Castle Bromwich, UK. ([Telegraph](#))
- Unsure whether there will be any potential to price for Bharat Stage VI emissions standards in India (due to be implemented from April 2020 onwards) to recover technology costs. ([Autocar](#))
- JLR wants UK dealers to have an average of around 900 sales per site (including fleet) annually once it has completed a program to reduce dealer numbers to about 125. ([Automotive Manager](#))

## Tesla (history)

- News media picked up on a Tesla team dedicated to advanced battery research and questioned Tesla's commitment to its long-term relationship with Panasonic. It wasn't clear whether the work in question was any different to the normal type of advanced R&D that most OEMs do, which often overlaps with products that are externally supplied once mass production begins (or indeed, if it relates to cars at all). ([CNBC](#))
- Tesla's head of production left (to work down the road for Lucid). ([Electrek](#))

## Toyota (history)

- Plans to spend \$2 billion on developing and building electric cars in Indonesia. ([Reuters](#))
- Let some other automakers buy into the MONET self-driving partnership, including Toyota's own subsidiary Daihatsu, leaving Toyota with a ~37% stake. ([Honda](#))
- On a year-to-date basis, 57.5% of Toyotas sold in the UK are hybrids. ([Toyota](#))

## VW Group (history)

- Reportedly will present plans to expand the strategic alliance with Ford at the July board meeting. ([Bloomberg](#))
- Truck unit Traton had its IPO without much fanfare. ([Reuters](#))
- Workers at VW's much-rumoured new plant in Turkey would likely be paid between €1.40 - €2.40 per hour, according to local unions. ([FAZ](#))
- Launched an all-electric car sharing service in Berlin, Germany, with plans to expand into other European cities during 2020. ([VW](#))
  - Significance: With a 2,000-strong fleet planned for the German capital, plus other cities, the new scheme looks to be a method for creating a used supply of electric cars -- especially once the ID3 enters production.

## Other

- **Subaru** and **Isuzu** joined the MONET self-driving partnership alongside **Toyota**, **SoftBank**, **Honda**, **Suzuki**, **Mazda** and **Hino**. ([Honda](#))
- **Lightyear** unveiled the One, a €149,000 all-electric car augmented with solar panels across much of the body that will help it achieve a claimed range of between 500km and 800km most of the time. ([Lightyear](#))
- **Faraday Future** has reportedly undergone another wave of staff cuts. The company now claims 350 US employees -- down from around 1,000 -- but some of them are on unpaid leave. ([The Verge](#))

## [News about other companies and trends ...](#)

### Economic / Political News

- Provisional **EU 2018 fleet CO<sub>2</sub>** data showed an increase in fleet average emissions for both cars and vans. ([EEA](#)) The trade body complained that tough rules risked putting carmakers at a major disadvantage, but it wasn't entirely clear what this meant since the advantage would surely lie with... other carmakers. ([ACEA](#))
- The **EU** finalised a trade deal with the **Mercosur** block. ([EU](#))

- The **European** car maker's body now expects a (1)% year-over-year fall in sales for 2019. The previous forecast was for 1% growth. ([ACEA](#))
- **ACEA** published an updated fact book covering the European automotive industry. ([ACEA](#))
- **Sino-US** trade talks are back on, according to Donald Trump, and new tariffs are suspended (for now). ([Reuters](#))

## Suppliers

- **Cummins** is buying fuel cell company **Hydrogenics** in a \$290 million deal. ([Cummins](#))
- **Wabco** shareholders approved **ZF's** takeover offer. ([ZF](#))

## Dealers

- UK used car site **Motorway** raised £11 million. ([TechCrunch](#))
- Remarketing firm **KAR** is relaunching its recently acquired European arm (formerly CarsOnTheWeb) as ADESA ([KAR](#)) and completed the separation of salvage division **IAA**. ([KAR](#))
- Chinese online used car site **Renrenche** is reportedly sacking 60% of staff. ([Reuters](#))
- Spanish firm **Bipi** raised €6.5 million to offer all-in monthly vehicle rentals. ([Europa Press](#))

## Ride-Hailing, Car Sharing & Rental (history)

- Uber has been talking with regulators in Senegal and Ivory Coast about market entry. ([Reuters](#))
- **Grab** invested in UK multi-modal app **SPLYT** as part of an \$8 million round. ([Auto Rental News](#))
- **VW** launched an all-electric car sharing service in Berlin, Germany, with plans to expand into other European cities during 2020. ([VW](#))

## Driverless / Autonomy (history)

- Researchers showed that by hijacking the **GPS** signal sent to a car they could make it perform dangerous manoeuvres (e.g. by telling the car that it was a few metres to the left or right of the real position). The tests were performed using a **Tesla** but the company said any car using similar technology would be affected in the same way. The attack highlights the importance of redundancy through multiple pieces of information, including ground truth (where the car works out its position from data such as the location of kerbs and road signs). ([Computing](#))
- **Uber** now has 1,300 employees working on advanced technologies (e.g. driverless cars and air taxis). ([TechCrunch](#)) This week the firm acquired AI training firm **Mighty AI**. ([GeekWire](#))
- **Drive.ai** collapsed, with **Apple** picking up the pieces by hiring some of the 90-strong team. ([SF Chronicle](#))
- Autonomous bus developer **Navya** raised \$20 million in bonds from Korean supplier **ESMO**, who will gain exclusive distribution rights for selected Asian companies. ([Navya](#))
- **Brightway Vision**, developers of an image sensor with claimed benefits in poor weather and low light conditions, raised \$25 million from investors including lighting company **Koito**. ([Brightway](#))
- **Suzuki**, **Subaru**, **Isuzu** and **Mazda** joined the MONET self-driving partnership alongside **Toyota**, **SoftBank**, **Honda** and **Hino**. Each of the new companies will take a 2% stake. ([Honda](#))
- **Starsky Robotics** started operating trucks without drivers inside in San Francisco. The vehicles still have people monitoring them to ensure safe driving, but they sit in drone-esque remote locations. ([Business Insider](#))

## Electrification (history)

- Indian delivery firm **Flipkart** wants electric vehicles to make up 40% of its fleet by March 2020. ([Reuters](#))
  - Significance: This merits attention for two reasons: Firstly, Flipkart is adopting a more ambitious target than most Western companies, despite affordability arguments for electrification surely mattering more in a poorer country (although many of the vehicles in question will not be two wheelers and quadricycles); secondly, Flipkart is owned by **Walmart** -- who might take a close interest in the outcome.
- Electric car firms in China might need to revisit their cashflow assumptions. **Kandi** (part owned by **Geely**) has only just received government subsidies relating to vehicle sales between 2015 and 2017 -- a not insignificant figure of almost \$130 million. ([Kandi](#))
- South Korean **battery** firms welcomed moves by the Chinese government to stop "recommending" native battery suppliers for electric vehicles over foreign rivals. ([ET News](#))

- Charger supplier **Wallbox** raised €15 million in a round led by Spanish power firm **Iberdrola**. ([Iberdrola](#))
- The **Renault-Nissan-Mitsubishi** alliance VC unit invested in **The Mobility House**, a company that uses batteries from electric cars to provide storage for power grids. ([Renault](#))
- **BMW** believes that solid state batteries will not reach maturity until the 2030s. ([Autocar](#))

### Connectivity

- **Hyundai Autron** and **Wind River** are jointly developing a connected vehicle software suite. ([Wind River](#))

### Other

- **Google's** Sidewalk Labs released a master plan for a section of Toronto, Canada, giving an indication of the way the company believes technology could affect city planning and transport. ([Sidewalk Labs](#))
- Mobile refuelling service **Booster** raised \$56 million with investments from **Total and Enterprise**. ([Auto Rental](#))