



AD PUNCTUM

Autos & Mobility Industry Briefing -- 26th August to 1st September 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)

- Spending about \$25 million on an expansion to the main parts warehouse in South Korea. ([Chosunilbo](#))

Ford (history)

- Recalling 550,000 large SUVs and pick-up trucks because the seats might be too weak to protect occupants properly in a crash. ([Ford](#))
- CEO Jim Hackett said the average order to delivery time for Ford is an “unacceptable” 81 days. He also wants Ford’s software to take a more expansive role, for instance using the app that can remotely start the car to also control the garage door opening. ([Motor Trend](#))
- Planning for all new battery electric vehicles to be profitable so that it can sell as many of them as there is customer demand for, pointing at waiting lists for competitor products. The firm’s research says that range is targeted to be 300+ miles. ([Autocar](#))
- Ford Europe’s boss wants to give more responsibility to talented young managers. ([Autocar](#))
 - Significance: Ad Punctum’s unscientific survey of Ford employees suggests that, by this yardstick, Ford thinks 40 - 45 years of age counts as “young” -- a worrying attitude if correct.
- Working on a Qashqai fighting C segment crossover for Europe, but the product is unlikely to hit the streets until the mid-2020s, presumably to align with the likely next generation C platform. ([Autocar](#))
- Reportedly will offer a 12 inch touchscreen in the F-150 starting in 2020 to match the Dodge Ram. ([Detroit News](#))

Geely (includes Volvo) (history)

- Geely is apparently suing WM Motor for stealing trade secrets, asking for almost \$300 million in compensation, in a case that goes to trial in September. ([China Daily](#))
- Volvo is adding more cars to the Care all-in two year lease (“subscription”) offering and will sometimes source cars from dealer inventory, rather than always requiring a new order. The CEO of Volvo in North America says the expansion of the scheme is one of his top three priorities. ([Automotive News](#))
- Opened the new Polestar factory in China with a press release highlighting the facility’s Aston Martin-ness. ([Polestar](#))

General Motors (history)

- Cadillac will go all-electric between 2025 - 2029. ([New York Times](#))
- Removed around 330 jobs (about half of which were permanent positions) in Thailand. ([Bangkok Post](#))

Hyundai / Kia (history)

- Hyundai unveiled a fold-up electric scooter with a claimed 20km of range. Unlike some competitors, Hyundai's scooter is a concept without a clear launch date. ([Hyundai](#))
- Concluded a pay agreement with South Korean unions without a strike, a historical rarity. ([Reuters](#))
- Rumoured to be in talks to buy the former GM plant in St Petersburg. ([TASS](#))

Nissan (includes Mitsubishi) (history)

- Nissan's US operations suffered five days of disruption to IT systems, affecting everything from new car ordering to customers attempting to make monthly payments. (Automotive Logistics)

PSA (includes Opel/Vauxhall) (history)

- Completed the transfer of 700 engineering employees to Segula. ([PSA](#)) PSA is reportedly providing €190 million to Segula in several instalments to finance the takeover. ([Handelsblatt](#))
- Told at least 27 holdout employees who didn't want to take either early retirement or the offer of employment with Segula that their positions had been terminated. Unions took the news very badly. ([Handelsblatt](#))
- Said that all PSA's passenger cars now comply with more stringent real driving emissions (RDE) monitoring tests, and that 80% of the products on sale comply with the rules that don't start until 2020. ([PSA](#))

Renault (history)

- Will no longer sell diesel vehicles in India beyond 2020. ([Times of India](#))
- One of the key executives involved in managing the alliance with Nissan resigned, saying he was off to PSA and that CEO Bolloré told him no one liked him anymore. ([FT](#))

Suzuki

- Maruti Suzuki has commissioned a fleet of mobile service vehicles, saying that customers in India may be either too remote, or live in locations with such heavy congestion, for straightforward visits to the dealership. ([India Today](#))
- Maruti Suzuki will continue to invest in new products, and expanded capacity, despite the slump in Indian market sales (although if the capacity isn't required, the company hinted at reduced workforce levels). ([Economic Times of India](#))
- Toyota is buying 4.94% of Suzuki, and in return the smaller company will take a Toyota stake of around 0.2%. As a net result of the deal Suzuki will end up with 48 billion JPY (about \$450 million), which it seems likely to spend on autonomous vehicle research (with Toyota). ([Toyota](#))
- Withdrew the Celerio and Baleno from the UK market, implying that European sales would cease before 2020 emissions regulations kick in. ([Autocar](#))

Tesla (history)

- Launched, and then almost immediately suspended, an insurance product for Tesla drivers. The company said the hiatus was in order to fine tune algorithms that, customers said, set premiums too high. ([Business Insider](#)) Tesla had said the scheme was "designed to provide Tesla owners with up to 20% lower rates". ([Tesla](#))
- Tesla is quietly ramping up marketing events in China, although it still steers well clear of traditional advertising methods -- preferring launch parties and trackdays. ([Reuters](#))
- The Chinese government will exempt Tesla from the 10% retaliatory tariff on US imports. ([Reuters](#))

Toyota (history)

- Buying 4.94% of Suzuki, and in return the smaller company will take a Toyota stake of around 0.2%. As a net result of the deal Suzuki will end up with 48 billion JPY (about \$450 million), which it seems likely to spend on autonomous vehicle research (with Toyota). ([Toyota](#))
 - Significance: This follows a long-running Toyota strategy of buying minority stakes in fellow Japanese carmakers (e.g. Mazda and Subaru). It appears from Toyota's recent dissolution of its stake in Isuzu that the trend is reversible, but perhaps not for all companies...

- Recalling 191,000 cars to replace faulty airbags that were themselves replacements for units supplied by scandal-ridden Takata. ([Detroit Free Press](#))
- Halting production at the beginning of November at the Burnaston, UK, plant to avoid potential problems stemming from Brexit. ([The Guardian](#))
- Affiliate Toyota Gosei invested in Tryeting, a firm that uses artificial intelligence to develop new types of, and uses for, materials more quickly than traditional methods. ([Toyota Gosei](#))
- Agreed to open a new plant in Ivory Coast, according to the prime minister. ([Reuters](#))

VW Group (history)

- Settled a series of lawsuits in the US by agreeing to pay owners \$96.5 million and restating fuel economy figures to a lower level. ([Detroit News](#))
- Škoda showed a concept for an electric bicycle -- unlike many offerings, it can't be pedalled and relies on battery power alone, with footrests provided for the rider. ([Škoda](#))
- Porsche will expand the all-inclusive Passport and Drive schemes to four more US cities. ([Porsche](#))
- Lamborghini's CEO said half-jokingly that the company will take care of transporting your luggage between destinations should you find the pint-sized trunk too small. ([Bloomberg](#))
- Audi is reportedly in talks with BYD about a battery supply contract. ([Bloomberg](#))
- Appears to be in final negotiations with the Turkish government over a new plant, with VW's only remaining concern being government agreement to change current tax rules that favour very small cars. ([Reuters](#))
- Former CEO and Chairman Ferdinand Piëch died. He was a member of the senior management team from 1988 to 2015 and oversaw a massive expansion in sales, products and brands. ([VW](#))
- Took a stake in 3D holography start-up SeeReal. ([VW](#))
- Planning to invest around \$580 million in its Brazilian operations, according to a local politician. ([Reuters](#))

Other

- **Aston Martin** says that the average trip length for luxury cars is 11 miles and daily usage stretches to 25 miles. On this basis, the CEO thinks that the right combination of electric power, battery capacity and charging network availability will make electric cars attractive to customers. ([Detroit Bureau](#))
- **McLaren** says it takes 3,000 hours to restore an F1 -- fitting the body panels and repainting account for around one third of the time. ([McLaren](#))
- **Sono Motors** showed the interior design for its city car, featuring a swathe of moss that Sono says acts as a filter for cabin air quality -- less clear was how the material will degrade over time, and how easily it can be replaced. ([Sono](#))
- **Weismann** teased a new product with shots of a car under wraps. ([Top Gear](#))

News about other companies and trends ...

Suppliers

- **LG Chem** showed off a new type of LED that emits lights in more directions. The company says it can be used to create supercool shapes, or reduce cost and complexity in rear lights since fewer lenses are needed. ([LG Chem](#))
- **Dana** acquired electric powertrain integration specialist **Nordresa**. Terms weren't disclosed. ([Dana](#))
- **Benteler** shed its distribution division, saying it wanted to concentrate on automotive parts. ([Benteler](#))
- **Marelli** (ex Magneti Marelli and Calsonic) entered into a strategic partnership with **Shanghai Highly**. As part of the deal, Marelli bought into a Highly / **Johnson Controls Hitachi** air conditioning JV. ([Marelli](#))

Dealers

- **Mobiliti** and **carsales.com** are launching a combined used car offering in Australia that will see customers able to select an automatically-created monthly all-inclusive rental price for cars listed on the carsales website, alongside traditional purchase options. ([Mobiliti](#))
- All-inclusive vehicle leasing provider **Fair** raised \$100 million in debt and received an investment from traditional financing company **Ally**. Fair now has around 45,000 customers on the books. ([Fair](#))

- **Porsche** will expand the all-inclusive Passport and Drive schemes to four more US cities. ([Porsche](#))
- **Maruti Suzuki** has commissioned a fleet of mobile service vehicles, saying that customers in India may be either too remote, or live in locations with such heavy congestion, for straightforward visits to the dealership. ([India Today](#))
 - Significance: Mobile servicing appears to be on the rise, and unless some sharing agreement is put in place, this will be yet another lucrative area of the business where dealers could find themselves losing out to either the OEM or third parties.

Ride-Hailing, Car Sharing & Rental (history)

- **Bide** launched a ride hailing service, saying the algorithms had gone too far in matching drivers and passengers. Eschewing the two-click system favoured by **Uber** and **Lyft**, Bide will let individual drivers set unique bid and will leave the customer to decide what works best for them. ([Bide](#))
- The **Chinese** region of Tianjin has created new regulations that will show the **driver's rating** (out of five stars) in the light that sits on top of the taxi. ([Xinhua](#))
- A survey of drivers suggested **Uber** and **Lyft** were taking around 30% - 35% of gross trip receipts in US cities, a higher amount than the companies themselves claim. Uber and Lyft said the study was not statistically significant, but declined to provide alternative figures. ([Business Insider](#))
- On-demand bus service **Urbvan** raised \$9 million. ([TechCrunch](#))

Driverless / Autonomy (history)

- Autonomous vehicle fleet manager **Bestmile** raised \$16.5 million. ([Bestmile](#))
- **Aurora** complained about the “patchwork” of different regulations for self-driving vehicles, and driving rules, across different parts of the USA. ([Aurora](#))
 - Significance: Although Aurora presumably hopes that someone will step in to intervene, it merely highlights an issue that any company hoping to develop safe vehicles internationally will confront -- and points to why AI that combines clear rules that can be updated with neural net generated driving decisions is probably the minimum level of control that will be accepted by regulators..
- A blog by **Waymo** explained how the firm has developed the passenger user interface. ([Waymo](#))
- A US mayor, invited to contribute to a blog by **Ford**, stressed that whilst he found the machinery under development to be impressive, and was excited about the benefits, local governments would quickly lose patience with companies who tried to do things their own way. ([Ford](#))
- **Zenuity** says that scientists at the **large hadron collider** with spare time on their hands whilst the machine is being rebuilt are helping to create new ways of machine learning (supercomputer owners only need apply). ([Zenuity](#))
- **Didi Chuxing's** forthcoming autonomous vehicle pilot in Shanghai aims to deviate from its competitors by using 30 different types of vehicle. ([Reuters](#))

Electrification (history)

- **Aptera** plans to make a three-wheeled, two seat, electric car with a 1,000 mile range. ([IEEE Spectrum](#))
- **Mahle** announced a new modular engine, purpose built for hybrid use. The firm says that it can fit into vehicles ranging from B cars (e.g. Fiesta) to J segment (e.g. Range Rover Evoque) and claims CO₂ emissions of 18 g / km in an optimised small SUV (under WLTP rules), although Mahle didn't say what electrical system this assumed. Mahle have reduced the unit's cost by using lower technology (e.g. single camshaft, port fuel injection). ([Mahle](#))
- **Volta** has enlisted the services of **Prodrive** to help in developing all-electric trucks. ([Prodrive](#))
- Electric vehicle start-up **Neuron EV** announced another concept product, the firm envisages a luxury electric bus, which Neuron appears to want to run itself, for long distance travel. With must-visit charging hubs. ([Neuron](#))
- **SK Innovation** plans to sue **LG Chem**, claiming patent infringement on battery technologies. ([Reuters](#))
- **India's** government is working on the assumption that battery cell costs will fall to \$76 per kWh within the next three to four years. ([Economic Times of India](#))
- **Deutsche Post** says it had received many expressions of interest in StreetScooter as it explores options for the all-electric vehicle maker. ([Reuters](#))
- **Nio** will collaborate with **ProLogium** to develop solid state batteries. ([Inside EVs](#))
- **Nio** plans to let owners swap batteries for free, waving the prior \$25 per swap fee. ([Green Car Reports](#))

- **South Korea's** president has bought a fleet of fuel cells car to prove how capable the technology is, but will initially only use them for short distance commutes. ([Yonhap](#))
- **LG Chem** says it will try to source fewer components from Japan to preserve stability as a trade dispute between Japan and South Korea threatens to boil over. ([Reuters](#))
- **Ford** is planning for all new battery electric vehicles to be profitable The firm's research says that range is targeted to be 300+ miles. ([Autocar](#))