



AD PUNCTUM

Autos & Mobility Industry Briefing -- 2nd September to 8th 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)

- BMW's top German union representative said that he expects the luxury car market to continue to grow, albeit slowly and that the firm would need two more factories to fulfil its demand outlook. ([Detroit News](#))
- Invested in image recognition developer Cartica. ([BMW](#))
- Mini is rumoured to be planning a small MPV based on the BMW i3. ([Autocar](#))

Daimler (history)

- German media speculated about the reason behind loads of Daimler vehicles stored on a disused airfield. Daimler said it was all part and parcel of normal business. ([FAZ](#))
- The CEO of Daimler Trucks has started a podcast. ([Daimler](#))

FCA (history)

- The UAW said that GM would be the lead company in contract negotiations that will establish the primary terms for the agreements with GM, Ford and FCA. Employees from all three companies approved strikes (should the union deem it necessary) by large majorities. ([Detroit News](#))
- Says that, by applying best practice ergonomic assessment, factory muscle and skeletal injury rates can be reduced to those of office workers. ([Il Sole 24](#))
- Stopping production of the 500 and 500e for North America. FCA says there is enough inventory to last into 2020. It was unclear whether this would affect the launch of the next generation car. ([FCA](#))
- Confirmed union estimates that it will invest around €1 billion in the Pomigliano, Italy, factory to make a new small SUV (rumoured to be the Alfa Romeo Tonale) and Panda hybrid. ([Reuters](#))
- Transatel will provide the European network for FCA's connected vehicles. ([FCA](#))

Ferrari

- Unveiled two convertible versions: the F8 Spider ([Ferrari](#)) and the 812 GTS. ([Ferrari](#))

Ford (history)

- The UAW said that GM would be the lead company in contract negotiations that will establish the primary terms for the agreements with GM, Ford and FCA. Employees from all three companies approved strikes (should the union deem it necessary) by large majorities. ([Detroit News](#))
- New management in China has put a stop to Ford's plan for a single sales operation in China that combined products from different joint ventures. Executives said (on the record) that the previous strategy stemmed from a misunderstanding of market conditions and (off the record) that it had angered the various JV partners. ([Reuters](#))

- Consumer surveys commissioned by Ford showed that many Americans think electric cars will be boring and have low range, admitting that this was in part because of underwhelming first efforts by Ford and its peers. ([Ford](#))
- Ford used a Medium blog post to explain how the case carrying the firm's autonomous sensor set has been designed to reduce the number of insects hitting the sensor screens (and chow the ones that do get cleaned off). ([Ford](#))
- Reached a preliminary agreement to sell the Sao Bernardo, Brazil, factory that Ford has slated for closure to local firm Caoa. ([Reuters](#))
- Saw its credit rating downgraded by Moody's to Ba1, the top junk rating. ([CNBC](#))

Geely (includes Volvo) (history)

- The Polestar 2 all-electric car will cost between €40,000 - €60,000 according to the CEO. ([Manager Magazin](#))
- Volvo is selling a limited edition XC90 (15 units) in India where the front passenger seat has been removed to create extra legroom and a stowable table for one of the rear seat passengers. The price is almost \$200,000. ([Autocar](#))
- Volvo is achieving around 60% localisation for India-built products. ([Autocar](#))
- Will form a JV with flying taxi maker Volocopter, in addition to Geely's Terrafugia stake. ([Reuters](#))

General Motors (history)

- Will use Google as the basis for infotainment systems and navigation. ([GM](#))
- The UAW said that GM would be the lead company in contract negotiations that will establish the primary terms for the agreements with GM, Ford and FCA. Employees from all three companies approved strikes (should the union deem it necessary) by large majorities. ([Detroit News](#))
- GM employees in Korea are striking over stalled wage talks -- the workers are apparently okay to forego pay rises but want more assurances over the future of the business. ([Reuters](#))
- CEO Barra had a face-to-face meeting with US president Trump but wouldn't say what it was about (although off the record sources suggested it was about jobs, tariffs and fuel economy standards). ([Reuters](#))

Honda (history)

- Unveiled the production version of the Honda e electric city car. ([Honda](#))
- Will stop making cars at the El Salto, Mexico, plant (which will still make motorbikes and power products) and transfer production to the Celeya factory, also in Mexico. ([Honda](#))

Hyundai / Kia (history)

- Despite diesel shrinking to only 10% of sales for some model lines, Hyundai still believes that the fuel type has a future in the Indian market. ([Autocar](#))
- Hyundai cars in Europe will use Lear's Xevo marketplace to help customers receive loyalty offers and discounts from 3rd party vendors. ([Lear](#))
- Kia says it already has 7,000 orders for the Mohave large SUV. ([Korea Herald](#))
- Hyundai and Kia are buying into the Ionity European fast charging consortium, taking an equal share to the existing OEM owners. The announcement suggested the new money is going towards reducing the investment from the other partners, rather than increasing the network. ([Kia](#))
- Hyundai will start selling the robotically assisted exoskeletons it has developed for assembly workers. ([Kia](#))

Nissan (includes Mitsubishi) (history)

- Nissan unveiled the next generation Juke B-sized crossover. ([Nissan](#))
- After an audit that revealed several Nissan executives, including CEO Saikawa had [received inflated compensation](#), which [Saikawa admitted to reporters](#) several days before Nissan published the findings, Saikawa resigned, effective 16th September, the COO will become interim CEO. ([Nissan](#))
- Nissan reportedly has a list of 10 candidates to succeed outgoing CEO Saikawa. ([Reuters](#))
- Reportedly planning to pull out of South Korea amid dwindling sales due to heavy competition and consumer boycotts of Japanese products. ([Korea Herald](#))
- Alliance Ventures invested in design outsourcing company Superside ([TechCrunch](#)) and Sanity.io. ([Sanity](#))

PSA (includes Opel/Vauxhall) (history)

- Confirmed plans to restructure the Chinese JV with Dongfeng by first shrinking the cost base so the business can break even at around 150,000 vehicles per year, before increasing sales to 250,000 units in the early 2020s and ultimately reach around 400,000 units by 2025. ([Reuters](#))
- Executives said PSA isn't interested in acquiring GM's Holden brand in Australia, although it hopes that contracts for rebranded Opel C and CD sized cars will be renewed. ([Autocar](#))
- CEO Tavares said a no deal Brexit would destroy the lives of the next generation in the UK and that if Boris Johnson and Michel Barnier worked for him he would tell them that they were smart enough to do better. ([SP Global](#))
- Opel has launched the OpelConnect live operator and telematics service, replacing GM's OnStar which was swiftly axed after PSA took over. ([Opel](#))

Renault (history)

- CEO Bolloré says that an all-electric car costing €10,000 will be on sale within the next five years. He thinks that diesel is finished as a technology for passenger cars, but that there is a future for commercial vehicles. ([Handelsblatt](#))
- Alliance Ventures invested in design outsourcing company Superside ([TechCrunch](#)) and Sanity.io. ([Sanity](#))
- Renault Master production restarted late after the summer shutdown because of a fire in the paint shop that took around a week to repair. ([Usine Nouvelle](#))
- Fired several employees in Morocco after discovery of a fraud. ([Morocco World News](#))

Suzuki

- Maruti Suzuki says its Indian cars are built with over 90% local content and believes the remainder of the vehicle can only be localised with greater R&D investment from Indian suppliers. ([Bloomberg](#))
- Maruti Suzuki scheduled further down days at two Indian plants due to weak demand. ([India Today](#))
- Maruti Suzuki intends to defer around 10% of its budgeted CapEx if demand remains sluggish. ([LiveMint](#))

Tata (includes JLR) (history)

- JLR will use Blackberry's software for future vehicles and has engaged the firm's consulting arm to help with developing artificial intelligence and cyber security. ([Blackberry](#))

Tesla (history)

- CEO Musk said the pick-up truck unveiling would "most likely" be in November. ([Twitter](#))
- At the moment, Tesla's insurance product calculates premiums using standard data of age, driving experience, safety record and annual mileage, bolted together with data about Tesla's fleet performance versus competitors but the company hopes to create individual profiles, if the owners give permission for the required data collection. ([Reuters](#))
- The US road safety board is investigating a collision between a Model S and a firetruck where Autopilot was engaged, but the driver was repeatedly taking their hands off the wheel. ([Reuters](#))
- Tesla owners who had purchased full self-driving were left confused about whether they would be able to beta test updated Autopilot software with CEO Musk suggesting there would be two levels of test users, but without clearly explaining who would be in each group. ([Electrek](#))

Toyota (history)

- Japan's prime minister said Toyota will invest a further \$300 million in its Russian operations by 2028. ([TASS](#))
- Invested in image recognition developer Cartica. ([Toyota](#))

VW Group (history)

- Lamborghini unveiled the limited edition Sián supercar. Badged as a hybrid, the car uses 48V motors for torque in-fill and a supercapacitor in lieu of a battery for more rapid charge and discharge, plus higher power density (and therefore weight). ([Lamborghini](#))
- Will start production of a new MQB-based small "urban coupe" (ie style-led crossover) in Brazil in 2020, with European production to start in 2021. ([VW](#))

- Porsche unveiled the production version of the Taycan all-electric sports car. ([Porsche](#))
- Finalised a joint venture with Northvolt that will lead to a 16 GWh capacity factory in Germany. The company estimates that by 2025 it will be using 300 GWh of batteries annually. ([VW](#))
- Porsche upped its stake in Rimac to 15.5%. ([Porsche](#))
- VW expects electric cars to have maintenance costs 20% - 30% lower than conventionally powered vehicles. To offset the revenue losses the company hopes to keep customers using official parts and franchised dealers for longer (many drop out of the OEM ecosystem when the vehicle is 3 - 5 years old). VW also has efficiency measures in mind, saying the average workshop job generates 80 minutes of paperwork. VW wants to improve this to 15 minutes. ([VW](#))
- SEAT showed off a new concept for a dynamically styled all-electric SUV. Based on VW's MEB platform, SEAT's concept has a 77 kWh battery pack. It isn't clear whether this is an indicator of where VW believe battery capacities will head, even for mass market products. ([SEAT](#))
- Evasive answers from VW's COO led reporters to the conclusion that VW was paying less than \$100 per kWh for batteries used in the ID3. ([New York Times](#))

Other

- **StreetScooter** and **Chery** created a joint venture to build and sell electric vans in China. ([Xinhua](#))
- **Faraday Future** has a new CEO, Carsten Breitfeld, formerly of **BMW** and **Byton**. ([Autocar](#))
- **Nio** raised \$200 million in convertible debt from **Tencent** and Tencent's CEO. ([Nio](#))
- An article highlighted the reduced presence of automakers at the **Frankfurt** show, saying some companies had previously budgeted €60 million - €80 million for show stands. ([Manager Magazin](#))
- **Evergrande** will use **Benteler's** electric drive system as the basis for its new electric vehicles. ([Autocar](#))
- The newest limited edition **Aston Martin** emerged: the Vanquish 25 is a re-skinned Vanquish (itself based on the DB9). It is the second officially sanctioned project by R-Reforged, an offshoot of the company that run Aston Martins in the German DTM race series. ([R-Reforged](#))
 - Significance: The emergence of a second project this year -- following a series of new-build V12 Zagatos -- implies a new strategy by Aston Martin to create off-the-books limited edition cars to reduce accusations of saturation. It might not work.

News about other companies and trends ...

Economic / Political News

- **Argentina's** government imposed capital controls. ([Reuters](#))
 - Significance: The impacts for carmakers will likely be similar to those seen when Greece implemented emergency measures, plus some linkage to a harder currency than the peso. With inventory already in the country, and likely cash hoarding by consumers, OEM should have plenty of time before they have to start making tough calls on whether to put incremental cash at risk. Some will dust off operations manuals setting out rules for bartering from the last time ([such as Porsche's cars-for-wine scheme](#)).
- The **European trade body** published a document calling on politicians to find ways to ensure cars remained cheap even as emissions technology increases and explicitly asking for an industrial strategy. ([ACEA](#))
- **US** light vehicle SAAR for August of 16.99 million units, 2.3% higher than prior year. ([Wards](#))
- **German** passenger car registrations of 313,748 units in August, down (0.6)% versus prior year. ([KBA](#))
- **Italian** passenger car sales in August of 88,939 units were down (3.11)% on a year-over-year basis. ([UNRAE](#))
- **Spanish** registrations of passenger cars in August of 74,490 units fell (30.8)% from prior year. ([ANFAC](#))
- **French** passenger car sales of 129,259 units in August fell (14.1)% from prior year. ([CCFA](#))
- **UK** registrations of 92,573 passenger cars in August were (1.6)% on a year earlier. ([SMMT](#))
- **Indian** ministers said that whilst the government might introduce incentives to encourage uptake of partial and full electrification, it wouldn't ban purely combustion engine powered cars at any point. ([Economic Times of India](#))
- **US** carmakers will install systems to combat child deaths from heatstroke in locked cars, but they won't become standard until around 2024. ([Reuters](#))

Suppliers

- Having already separated its powertrain activities into a separate division, **Continental** said it might completely spin off the new entity, rather than just having a partial listing. ([Continental](#))
- **CATL** took an 8.5% stake in lithium mine operator **PilbaraMinerals**. ([Deal Street Asia](#))
- **Continental** invested in image recognition developer **Cartica**. ([Continental](#))
- **Dana** renewed its credit line, it has a \$1 billion agreed until 2024. ([Dana](#))
- **Toyota Boshoku** lost almost \$40 million in an email scam after the payables department were convinced to transfer money to an outside party. The fraud may affect full year earnings. ([Forbes](#))

Dealers

- UK online used car dealer **Spotawheel** raised €5 million. ([Fleet Europe](#))

Driverless / Autonomy (history)

- **Zenzic**, the UK government-sponsored body encouraging adoption of autonomous vehicle technology unveiled a roadmap for widespread deployment by 2030. Zenzic's belief is that around 2025 commercial scaling of autonomous vehicles will begin in earnest. ([Zenzic](#))
- Spy shots of what was claimed to be **Apple's** latest effort at a self-driving car emerged, leading to speculation that the company might have abandoned **lidar**, without any clear proof. ([9to5Mac](#))
- **Ford** used a Medium blog post to explain how the case carrying the firm's autonomous sensor set has been designed to reduce the number of insects hitting the sensor screens (and chow the ones that do get cleaned off). ([Ford](#))

Electrification (history)

- **Bosch** will source battery cells for 48V applications from **CATL**. ([CATL](#))
- **CATL** took an 8.5% stake in lithium mine operator **PilbaraMinerals**. ([Deal Street Asia](#))
- **Germany** has reportedly agreed in principle to create a European EV battery consortium. ([Reuters](#))
- **Delta Motorsports** showed off an electric vehicle platform it has developed. Unusually, the company has avoided the flat-topped skateboard philosophy of most non-unibody electric vehicles. ([Inside EVs](#))
- **StreetScooter** and **Chery** created a joint venture to build and sell electric vans in China. ([Xinhua](#))
- Consumer surveys commissioned by **Ford** showed that many Americans think electric cars will be boring and have low range, admitting that this was in part because of underwhelming first efforts by Ford and its peers. ([Ford](#))
- **VW** expects electric cars to have maintenance costs 20% - 30% lower than conventionally powered vehicles. ([VW](#))
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- Evasive answers from **VW's** COO led reporters to the conclusion that VW was paying less than \$100 per kWh for batteries used in the ID3. ([New York Times](#))

Connectivity

- **Hyundai** cars in Europe will use Lear's Xevo marketplace to help customers receive loyalty offers and discounts from 3rd party vendors. ([Lear](#))
- **JLR** will use **Blackberry's** software for future vehicles and has engaged the firm's consulting arm to help with developing artificial intelligence and cyber security. ([Blackberry](#))
- **GM** will use **Google** as the basis for infotainment systems and navigation. ([GM](#))
- **Transatel** will provide the European network for **FCA's** connected vehicles. ([FCA](#))

Other

- **CNH** will spin off its truck, bus and engine division. The firm also announced a partnership with fuel cell electric truck developer **Nikola**, taking a \$250 million stake. ([Reuters](#))