



AD PUNCTUM

Autos & Mobility Industry Briefing -- 23rd September to 29th 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)

- CEO Zipse told labour representatives there won't be any big cuts in staff -- at least until the end of 2020. ([Reuters](#))
- Announced senior executive appointments in production and HR. ([BMW](#))

Daimler (history)

- Said that after agreeing a €870 million fine, German prosecutors had closed the case against Daimler for irregularities in vehicle certification. Daimler had already made a provision for the fine. ([Daimler](#))
- Daimler's sales team is experimenting with ways to remove incentives. ([Autocar](#))

FCA (history)

- Maserati gave a little extra detail on the next product cycle. The all-electric sports car will launch first, followed by the new SUV, and then a gradual replacement of Maserati's existing line-up. Each program appears to be costing the brand around €800 million. Maserati will also start offering a bespoke service and has altered the Modena plant so that customers can watch their car being painted. ([FCA](#))
- Will pay \$40 million to solve a case over inflated US sales results. ([Detroit Free Press](#))
- US prosecutors charged an FCA senior manager over emissions cheating. ([Reuters](#))
- Lost an appeal against a fine given to FCA by the EU for overly-favourable tax breaks. ([Reuters](#))

Ferrari

- Ferrari signed a new labour agreement that will last until 2023. ([Ferrari](#))

Ford (history)

- Recalling 322,000 Mondeo, S-MAX and Galaxy vehicles to fix leaking batteries. ([Reuters](#))

Geely (includes Volvo) (history)

- Buying an additional 21.47% share of Kandi Electric Vehicles from Kandi Technologies for \$72 million. After the deal is completed, Geely will own 78% of the business. ([Kandi](#))

General Motors (history)

- Making Amazon's Alexa voice recognition software available in vehicles during 2020, the feature will be carried back to 2018 models via an over the air update. ([GM](#))
- Reversed an earlier decision to cancel healthcare coverage for striking US hourly workers. ([Detroit Free Press](#))

- Some US dealers are turning away repair work, saying that they can't get the official GM parts needed because of the UAW strike and they have exhausted their own inventories. ([Detroit News](#))
 - Significance: Since spare part supplies are an obvious casualty of strike action, these reports are either: an over-exaggeration; dealers finding an easy target for other problems; or show a lack of proper planning by GM for the eventuality of a strike

Honda (history)

- Announced a massive contract to buy zero emission electricity from wind and solar providers. In 2020 and 2021 it will purchase around 530,000 MWh and by 2022 the figure will be 1.012 million MWh annually. At the higher level, Honda says 80% of US manufacturing electricity needs will come from zero emission sources. ([Honda](#))
- Will stop selling vehicles with a diesel engine in Europe by 2021. Honda has already drastically reduced the number of products available with the fuel type, so confirmation of the end date was merely a formality. ([Reuters](#))

Hyundai / Kia (history)

- Hyundai and Kia are recalling around 42,000 Tucson and Sportage SUVs because of problems with the diesel particulate filter. ([Yonhap](#))
- Hyundai has created an urban air mobility team. ([Hyundai](#))
- Will collaborate with Cummins to develop hydrogen fuel cells. ([Hyundai](#))
- Creating a small-scale grid storage scheme in partnership with South Korean utility KHNP. ([Yonhap](#))

Nissan (includes Mitsubishi) (history)

- Recalling 1.23 million vehicles to fix a problem with the reversing camera. ([CNN](#))
- There are reportedly three candidates in the running to become Nissan's next CEO, one of whom comes from outside the automotive industry. ([WSJ](#))

PSA (includes Opel/Vauxhall) (history)

- Citroën finalised a deal for Axis Bank to provide Citroën-branded financing in India. ([Autocar](#))
- PSA says that it forecasts European fleet CO₂ figures to the nearest 0.1g / km but that the exact method of doing this is a closely-kept secret. ([Les Echos](#))
 - Significance: Ad Punctum can exclusively reveal the special sauce that applies to PSA (and anyone else without an exemption)... The figure is a relatively simple combination of: publicly available figures for NEDC / WLTP performance; vehicle weight; sales figures (excluding certain vehicles such as prototypes) and adjustments for particularly low emitting vehicles or special technologies. The main mystery is whether PSA believes there is a competitive advantage to being able to add this up or the press office simply enjoys pulling journalists' legs.

Tata (includes JLR) (history)

- Here is what JLR's VC team are telling the executives about micro mobility players. ([JLR](#))
- Executives say that a souped-up performance version of the I-Pace is on the cards. ([Autocar](#))
- JLR has reportedly told suppliers that it plans to cut production at the Halewood plant. ([Coventry Telegraph](#))
- JLR is stopping production for the first week of November, just after the (currently) scheduled Brexit date of 31st October. ([Reuters](#))
 - Significance: Although JLR drew attention to the complexity of the firm's supply chain, the slim likelihood that the problems could be resolved within a week points to weak demand being a factor too.

Tesla (history)

- In a "leaked" email, CEO Musk told Tesla employees the company might be able to deliver 100,000 cars in the third quarter. Musk also said there had been a net 110,000 new orders in the quarter. ([Electrek](#))
- The US labour relations board said Tesla had broken laws through the company's treatment of workers who wanted to unionise the Fremont, USA, plant. Tesla appears likely to appeal the decision. ([Bloomberg](#))

Toyota (history)

- Toyota will increase its shareholding in Subaru to achieve 20% of the voting rights. At the same time, Subaru will gain enough Toyota shares to have a stake of around 0.3%. ([Subaru](#)) Subaru said that there had been no discussions about an ultimate takeover. ([Reuters](#))
- Toyota's current localisation level in India is between 60% - 85%, a figure the company hopes to improve on by encouraging more global suppliers to set up shop in the country. ([Economic Times of India](#))

VW Group (history)

- VW executives confirmed that the company was in the final stages of talks to establish a new plant in Turkey saying that a final announcement could be only a few weeks away. ([Handelsblatt](#))
- Opened a new low volume battery manufacturing facility in Salzgitter, Germany. ([VW](#))
- Although VW's chairman and CEO have been charged by German prosecutors with market manipulation, the company hasn't asked them to step down, consistent with earlier briefings to the German press. ([VW](#)) VW said that it had been consistent with prior approaches to dealing with regulatory concerns and that US authorities had caught the board out by going public whilst still in discussion with VW. ([VW](#))
- VW will no longer engage in advanced research; all such activities must now be called innovation. ([VW](#))
- Manufacturing cost savings are ahead of target and likely to deliver a 6% year-over-year improvement in 2019, which VW says is equivalent to €500 million. Cost per vehicle has apparently fallen for the first time since 2013, showing how slippery analytical measures of performance can be (given that VW has trumpeted similar improvements in the past). ([VW](#))
- Audi published the results of a study into consumer attitudes about autonomous vehicles. ([VW](#))
- Reportedly has several potential bidders willing to meet a €700 million price tag for heavy vehicle transmissions division Renk. ([Reuters](#))
- Škoda's digital assistant is called Laura. ([Škoda](#))
- VW said the German government should avoid heavier taxes on diesel and petrol, invoking the civil unrest caused by France's yellow vests as an example of what might happen. ([VW](#))

Other

- **NIO** reported Q2 2019 financial results. Deliveries of 3,553 units fell (11)% on a quarter-over-quarter basis whilst revenue fell (8)% to about \$206 million. The loss from operations was \$(470) million. ([NIO](#))
- **Aston Martin's** CEO says the \$150 million in debt the company has raised is enough to get the DBX to production regardless of global uncertainties and that investors should stop worrying about the cash position. ([Reuters](#)) Others worried about the cost of the debt -- 12%. ([The Guardian](#))
- **Bollinger** unveiled the B1 and B2 models and some of the preliminary production-intent specification, including a 4.5 second 0-60 mph time. ([Bollinger](#))
- **Faraday Future** says if it can get hold of \$850 million then it will be able to launch the FF91 within nine months and will have an IPO within 12-15 months. The vehicle's sourcing is 92% complete ([Faraday Future](#))
- The makers of the **Polarity** electric motorcycle aim to launch an economical electric sports car in 2021. ([Autocar](#))
- **Pix Moving** claims that **Honda** and **Volvo** have been taking an interest in the company. ([Nikkei](#))
- **BYD** would like to start making cars in India, both for the local market and export. ([Autocar](#)). The firm is also reportedly thinking about an IPO for a division that makes switches for power electronics. ([Bloomberg](#))
- **Fox Automotive** wants to raise between \$3 million - \$9 million to finish a 12,000 cars per year factory in Hungary to make MIA electric city cars. ([Market Screener](#))
- **Evergrande** announced a series of engineering service providers who are working on programs for the company. The Chinese firm says it will release 15 different products and is recruiting 8,000 staff. ([Evergrande](#))
- **Canoo** unveiled their launch product, a seven-seat minivan with bench seating that will only be available through a monthly subscription. The plan is for production to begin in 2021. ([Canoo](#))
- **Lightning** is in merger talks with an unnamed automotive technology business. ([Lightning](#))

News about other companies and trends ...

Economic / Political News

- The **UK** Labour party said, should they win a majority at the next election, they would offer up £5 billion for electric car development and battery factories -- provided the state got a share in the businesses. ([Reuters](#))
- **Japan** and the **USA** unveiled a new trade agreement, but it didn't cover vehicles. ([Reuters](#))

Suppliers

- **Continental** announced a restructuring program aimed at improving profitability and planning for the reduction in workload related to internal combustion engines as the transition to electrification begins in earnest. Continental says 20,000 jobs will ultimately be affected by 2029 -- some workers will be made redundant and some retrained -- and that the firm aims to have reduced annual costs by around €500 million in 2023. Some of the affected plants have already been identified; the restructuring is set to cost €1.1 billion. ([Continental](#))
- **Visteon's** CFO resigned ([Visteon](#)), as did **Autoliv's** interim CFO ([Autoliv](#)). **Lesjöfors** got a new CEO. ([Lesjöfors](#))
- **Michelin** is closing a factory in Germany. ([Michelin](#))

Dealers

- **Cluno**, which offers all-inclusive leasing, raised €80 million of new debt and €25 million in equity. ([TechCrunch](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** had its licence extended in London... but only by two months. ([The Guardian](#))
- **WhistleDrive**, a company providing transport of people and goods for businesses in India, raised around \$10 million to fund an expansion. ([Deal Street Asia](#))
- **BlaBlaCar** made an offer to acquire ticketing firm **Busfor**. ([EU Startups](#))

Driverless / Autonomy (history)

- Mobility evangelists **Morgan Stanley** cut their assessment of **Waymo's** valuation from \$175 billion to \$105 billion, citing concerns over the length of time it will take for self-driving technology to mature, and how much human supervision will cost operators. ([CNBC](#))
- Chinese self-driving car developer **DeepRoute.ai** raised \$50 million. ([Deal Street Asia](#))
- **Robosense** says its lidar sensors will cost "only hundreds of dollars" once they are in serial production. The company hopes a recent tie-up with Chinese automaker **FAW** will help them scale up. ([Robosense](#))
- Self-driving truck developer **Embark** raised \$70 million. ([Embark](#))
- **Bosch** invested in off-highway autonomous truck developer **Trunk**. ([Bosch](#))
- **Hyundai Mobis** has developed a back-up braking system for autonomous cars. ([Hyundai Mobis](#))
- Radar developer **Echodyne** raised \$20 million. ([Echodyne](#))
- **Audi** published the results of a study into consumer attitudes about autonomous vehicles. ([VW](#))

Electrification (history)

- **Hyundai** will collaborate with **Cummins** to develop hydrogen fuel cells. ([Hyundai](#))

Other

- **Hongji Bike** wants to shake up the electric scooter rental market by offering a new \$299 model. ([Hongji](#))
- Hackers stole data about 4.9 million customers from delivery service **DoorDash**. ([DoorDash](#))