



AD PUNCTUM

Autos & Mobility Industry Briefing -- 7th October to 13th October 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)

- Delivered 613,361 cars in Q3 2019, up 3.6% on a year-over-year basis. ([BMW](#))
- Despite Daimler's Smart brand going all electric in the next couple of years, Mini will continue with internal combustion engines for the next ten years (although it will also have some all-electric and PHEV models during that time). ([Autocar](#))
- VDL's Nedcar plant is shedding temporary labour, indicating that extra Mini volume isn't moving there in the near future, despite BMW's warnings to UK politicians. ([Dutch News](#))
- Said it is committed to meeting European CO₂ targets without paying fines. ([Bloomberg](#))

Daimler (history)

- Delivered 590,514 cars in Q3 2019, a 12.2% increase on a year-over-year basis. On a year to date basis, sales have only just started to climb above 2018's level, so the quarterly figure represents a significant acceleration. ([Daimler](#))

Ford (history)

- Started production of the Puma small crossover in Craiova, Romania. ([Ford](#))
- Launched updated versions of the S-MAX and Galaxy people movers. ([Ford](#))

Geely (includes Volvo) (history)

- Geely (excluding Volvo) sold 306,430 cars in Q3 2019 (down 17% on a year-over-year basis), of which 33,213 units were from Lynk&Co (down 18% YoY). Geely stopped reporting Lynk&Co's model line breakout. ([Geely](#))

General Motors (history)

- Striking UAW members will receive \$275 per week in strike pay, \$25 more than previously as the union bids to keep them on picket lines. There was also a relaxation of rules around temporary work -- as long as they still picket, it's okay. ([Reuters](#))
- In official statements, the UAW complained about GM's bargaining tactics saying employees wanted to be back at work but the company had not been negotiating in good faith. Despite all this it made a counter proposal late on Friday (but didn't say what was in it). ([UAW](#))
- GM said it had made an upgraded offer on Monday but hadn't hear back all week. ([GM](#)) Details then started to leak out from people familiar with the matter -- \$9 billion of investment, guaranteed permanent positions for temporary workers with more than three years' service and higher signing bonuses all round. ([Bloomberg](#))
- The UAW strike will reportedly delay the market introduction of the new Corvette as GM will prioritise catching up on missed production. ([Detroit Free Press](#))

Hyundai / Kia (history)

- Hyundai sold 1.1 million cars in Q3 2019, a (1.5)% drop on a year-over-year basis. ([Hyundai](#))
- Settled a case brought by US owners over defective engines. The deal will cost about \$760 million. ([Hyundai](#))

Nissan (includes Mitsubishi) (history)

- Announced that Makoto Uchida, the head of Nissan's operations in China, as the new CEO with Mitsubishi's COO, Ashwani Gupta, taking the same role at Nissan. Jun Seki, seen as one of two frontrunners was given a new role as deputy COO, the fate of current interim CEO Yasuhiro Yamauchi is unclear. All the changes will be effective from 1st January 2020. ([Nissan](#))
- Said that a no deal Brexit, with accompanying tariffs on finished vehicles sent between continental Europe and the UK would potentially render the entire European business "unsustainable". ([BBC](#))
- Ending the night shift at the Sunderland, UK, plant but beefing up the line rate so that the factory's output and workforce will remain the same. ([BBC](#))
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PSA (includes Opel/Vauxhall) (history)

- Started production of the next generation Corsa in Zaragoza, Spain. ([PSA](#))

Renault (history)

- Fired CEO Bolloré and installed the CFO as interim chief executive. ([Renault](#)) Bolloré was understandably dismayed by the decision, having only officially [held the job since January](#). Before the decision was officially announced, he told reporters that the move was a "coup". ([Reuters](#))
- Working on plans for enough electric cars to cover all segments of the portfolio. Executives said it was too early to say Renault would be in competition with Tesla, "Renault plans bigger electric car to rival Tesla" boomed the headline. ([Bloomberg](#))
- Renault and Waymo are working with authorities in Paris, France, to start a geofenced robotaxi service that would operate between the airport and city centre. No fixed timeline was given. ([Renault](#))
- Created a new mobility division to house its various car sharing and ride hailing assets, most of which have been held within the finance company up until now. ([Renault](#))

Tesla (history)

- Acquired Hibar Systems, a Canadian firm that makes equipment to produce batteries. ([CNBC](#))
- Revised the pay of US sales staff to increase the regular salary and reduce the sales commission element. ([Electrek](#))
- Reportedly believes that if it opens stores superficially geared towards sales of energy storage products and solar panels then it will be able to get round laws in many US states restricting opening times for car dealerships. ([Electrek](#))

Toyota (history)

- Invested in electric moped rental firm Revel. ([TechCrunch](#))
- Acquired UK leasing firm Inchape Fleet Solutions for £100 million. ([Fleet Europe](#))
- Even Toyota has a place in its heart for diesel -- the latest Japanese market Granace (large MPV) relies on it. ([Toyota](#))
- The LQ concept car suggests that the name Yui might be adopted for Toyota's in-car personal assistant. ([Toyota](#))
- Says that the next generation Mirai fuel car will have a 30% greater range, partly through a bigger tank, but it won't say exactly how much until a later date. ([Toyota](#))

VW Group (history)

- Admitted increasing inventories of finished vehicles in the UK ahead of a potential no deal Brexit. ([Reuters](#))
- Confirmed that VW Groups three passenger car companies in India are now a single legal entity. ([VW](#))
- Porsche is collaborating with Boeing's Aurora Flight Sciences subsidiary on air taxis. ([Porsche](#))
- Denied that it was seriously considering an IPO of the Lamborghini brand. ([Reuters](#))

Other

- **Dyson** stopped working on electric cars, saying that the business case didn't add up. The company apparently tried to sell the vehicle, but couldn't find any buyers. ([BBC](#))
 - Significance: The Dyson electric car program looked odd in a number of ways: A £1 billion budget for the car itself (part of a larger figure that included batteries), yet a firm plan only for a model with ambitions to sell [10,000 units](#); a test track that seemed [far too small](#); ambitions for a 700 strong development team, yet still far below that two years later. Dyson's automotive squad included many experienced hands (and a few friends of Ad Punctum) and at least the program appears to have been realistic about the potential market reception.
- **Nio** reported Q3 2019 deliveries of 4,799 cars, a 35% increase on the year earlier. ([NIO](#))
 - Significance: Although the announcement was taken positively by the markets, volume of around 20,000 units per year at mass market prices is unlikely to sustain the costs associated with a two model portfolio in the longer term.
- **Subaru** suffered stoppages at its Indiana, USA, plant after a nearby supplier was subjected to a ransomware attack and couldn't provide enough parts to keep the assembly line going. ([Journal & Courier](#))
- US factory workers at **Volvo Group's** Mack Trucks division have gone on strike over pay. ([Detroit Free Press](#))
- **BYD** started a new technology investment fund in partnership with a property company. ([Deal Street Asia](#))
- **Airbus** and **Local Motors** created a joint venture to 3D print parts for cars. ([Local Motors](#))

News about other companies and trends ...

Suppliers

- **Schaeffler** plans to make further job cuts in Germany, eliminating around 1,300 positions. ([Handelsblatt](#))
- **Michelin** will close the La Roche-sur-Yon, France, plant at a cost of €120 million. ([20 Minutes](#))
- **Minda** is buying lighting supplier **Delvis**. ([Deal Street Asia](#))
- It took **Denso** seven years to create an electric power steering system with in-built redundancy. ([Denso](#))
 - Significance: This example serves to illustrate that new automotive technologies often take a long time to develop as solutions must be found that advance the concept (in this case, small enough motors that two can fit in what was previously the space for one); preserve quality and meet cost targets. Companies planning aggressive development targets for entire vehicle may want to read about Denso's experience.

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** is buying a majority stake in online grocer **Cornershop**. ([Uber](#))
- **Renault** created a new mobility division to house its various car sharing and ride hailing assets, most of which have been held within the finance company up until now. ([Renault](#))

Driverless / Autonomy (history)

- Autonomous delivery vehicle developer **Einride** raised \$25 million. ([TechCrunch](#))
- **CATL** will supply batteries for **VW's** South American truck business. ([CATL](#))
- **Abu Dhabi** and **Dubai** unveiled plans to test learner drivers using an array of driver monitoring systems, checking whether they are using mirrors correctly and assessing the quality of their manoeuvring. ([The National](#))
 - Significance: Although there is still uncertain timing over the advent of fully autonomous vehicles, what is already known categorically is that driver assistance systems reduce accident rate and severity. By also acknowledging that computers can be better than humans at monitoring driving (because, correctly calibrated, they miss less), drivers tests under such conditions are likely to be more comfortable that, because they are so good at **watching**, computers might be better at driving too.
- **Comma.ai** has around 1,000 active users for its open source driver assistance product. ([Comma](#))
- Self-driving truck developer **Ike Robotics** released a safety report. ([Ike](#))
 - Significance: Ike's chosen examples demonstrate that there are areas where the firm (and its peers) are presently making their own assessments of safety, such as on page 61 where Ike judge that the vehicle is operating safely

provided the localisation error is less than 0.3m. Without a standardised approach (driven by regulatory blessing), Ike and its competitors run the risk that their systems could later be judged unsafe and, if they have followed a neural net learning approach rather than using a rules-based method, it could take a long time to update the driving artificial intelligence to meet the new criteria. This is an acute risk when looking to use the vehicles in new regulatory territories. Ike suggests that it has a substantial rules-based approach by declaring that it can encode laws directly into the vehicle behaviour (page 78). Ike point out that certain existing licensing considerations, such as occupant protection, are irrelevant if there is no truck driver. Reading between the lines, the firm could be implying that it will design its vehicles to crash by leaving the road in certain circumstances rather than risk collision with other road users. ([Ike](#))

- Chipmaker **ARM** (owned by SoftBank) created a working group, along with **Bosch, Continental, DENSO, GM, Nvidia, NXP** and **Toyota** to develop common architectures for self-driving vehicle hardware. ([AVCC](#))
 - Significance: The creation of this group, the second such entity Toyota and GM have joined this year following an effort spearheaded by the SAE, suggests that either no one involved feels they have a good solution at present, or they are very happy to bin it if someone else has a better idea.
- **Renault** and **Waymo** are working with authorities in Paris, France, to start a geofenced robotaxi service that would operate between the airport and city centre. No fixed timeline was given. ([Renault](#))

Electrification (history)

- **Hanergy Glory** says that a car with solar panels fit for 20km of range will virtually never need to be charged (1.6 KWh by their maths). It has developed such a vehicle and hopes to raise \$25 million to bring it into production. It says that it already has a contract to supply 140,000 units to a delivery company. ([Hanergy Glory](#))

Other

- Electric moped rental firm **Revel** raised \$28 million. ([TechCrunch](#))
- German electric scooter rental start-up **Tier** raised €55 million. ([EU Startups](#))
- Flying taxi developer **Lilium** apparently reckons it will need \$500 million to realise its products. ([TechCrunch](#))