



AD PUNCTUM

Autos & Mobility Industry Briefing -- 18th November to 24th November 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)

- Increasing prices in India by up to 6% to partially recoup costs arising from the BS VI emission standard. ([Autocar](#))
- Signed massive battery orders with Samsung SDI and CATL covering production in Europe and China. The combined value is just under €10 billion between 2020 and 2031. ([BMW](#))
- Was fined by German authorities for being part of a steel cartel. ([Reuters](#))

Daimler (history)

- Confirmed that Mercedes will continue to offer V12 engines in the next-generation S-Class. ([GT Spirit](#))
- Daimler Trucks upped its stake in Russian truck maker Kamaz to 15%. ([Xinhua](#))
- Unveiled the production version of the Mercedes-Maybach GLS. ([Daimler](#))
- Was fined by German authorities for being part of a steel cartel. ([Reuters](#))

FCA (history)

- FCA Chairman Elkann expects the merger with PSA to be fully agreed by the end of 2019 and says the combination with PSA will be better than one with Renault because of increased freedom to expand in Asia. ([Torino Oggi](#))
- GM filed a lawsuit against FCA, claiming that the latter's bribery of UAW officials had inflated GM's labour costs and hurt the bottom line to the tune of billions of dollars. FCA was dismissive, pointing to the timing (disrupting both the FCA-PSA merger and FCA's talks with the UAW) as evidence of GM's pettiness. ([FCA](#))
- Maserati confirmed a new high-power engine line-up is under development and set for launch in 2020. ([Maserati](#))
- Recalling about 580,000 SUVs to correct problems with fuel pumps. ([FCA](#))

Ferrari

- Has no plans for a hybrid version of the Roma (even though Ferrari says it would be easy), implying that the technology will appear on the most expensive models first. ([Forbes](#))

Ford (history)

- CEO Hackett says the Mach E electric SUV will be immediately profitable but clarified that this was only on a basis of contribution margin less variable manufacturing costs. ([Bloomberg](#))
- Initial capacity for the Mach E will be capped at 50,000 units because Ford says battery supply is constrained. ([Fox](#))
 - Significance: Since other brands continue to sign massive battery deals, Ford's predicament is more likely the result of the type of battery supply contracts it is pursuing, than a reflection of outright supply constraint.
- Ford was unhappy with Tesla showing the Cybertruck pulling an F-150 uphill, despite the latter's best efforts to drive in the opposite direction. Executives suggested Tesla had used a lower spec model without AWD (it isn't possible to

know the exact price-adjusted comparison at this stage) and offered to repeat the test with the Blue Oval's own all-electric pick-up truck. ([Detroit News](#))

General Motors (history)

- Filed a lawsuit against FCA, claiming that the latter's bribery of UAW officials had inflated GM's labour costs and hurt the bottom line to the tune of billions of dollars. FCA was dismissive. ([Detroit News](#))
- CEO Barra said GM would have an all-electric pick-up truck on sale by autumn 2021. ([GM](#) 12:30)
- GM and Isuzu's joint venture will invest \$175 million to produce machined components for engines. ([GM](#))
 - Significance: Coming at a time when executives are talking about rationalising spending on traditional internal combustion engines, the investment shows: (1) not to believe the hype; (2) a lack of imagination and will power to do things differently since someone, somewhere should have a load of machining centres going for a song (ahem: Ford Bridgend and Romeo) and; (3) when extra capacity is needed for high margin units (heavy trucks in this case), money is thrown at the problem.

PSA (includes Opel/Vauxhall) (history)

- The head of the Vauxhall brand expects the next generation of B cars (e.g. 2025+) will only be offered as all-electric models in Europe. He also ruled out "active" derivatives, preferring to point customers in the direction of different cars in the portfolio with more rugged styling. ([Autocar](#))
- PSA executives expect their small car platforms to be used by the merged group. ([Reuters](#))

Renault (history)

- Renault's former COO Patrick Pelata gave an interview in which he opened the lid on the current state of Nissan and Renault's relationship (presumably based on well-sourced second hand information). He claims that no new joint projects have kicked off for ages; that Ghosn had stopped caring about details -- allowing executives on both sides to squabble; and that Renault had engaged in adversarial transfer pricing and mismanaged the changeover to WLTP, making Nissan shoulder some of the downside. ([Les Echos](#))

Tata (includes JLR) (history)

- JLR's boss says the company can survive alone, but he would like to partner on some components. Although the company firmly believes in the future of the electric car, it sees customer adoption as slower than hoped. ([Reuters](#))

Tesla (history)

- Unveiled the Cybertruck, Tesla's take on the full size pick-up, representing the most lucrative segment of North America's mass market. The vehicle will come in several different power levels and varying prices, but Tesla says the entry level models will be priced at \$39,000. Tesla has chosen an unconventional styling direction, [led partly by the selection of thick gauge stainless steel](#) (about three four times industry standard). ([Tesla](#))
 - Significance: Whilst many pundits believe that the styling of the truck shown will be superseded by a more conventional design at a later date, the angular form will be amongst the simplest vehicles in the world to produce, requiring very little capital spending by doing away with stamping tools and perhaps the paint shop.
- At the Cybertruck's launch, a demonstration of the truck's armoured windows appeared to go wrong when the glass smashed after having a metal ball thrown at it. A few days later, with Musk claiming 200,000 orders, it seemed to have been a blessing. ([The Verge](#))
 - Significance: Tesla have lowered the refundable deposit required to reserve a Cybertruck, to \$100, so it is unclear what percentage of reservation holders will follow through with purchase.
- Pininfarina's CEO finds the Cybertruck so ugly that he is convinced the design is simply a PR stunt. ([Autocar](#))
- Elon Musk says a fold-out set of solar panels that generate sufficient electricity for 30 - 40 miles of range is an option being considered for the Cybertruck. ([Twitter](#))

Toyota (history)

- Lexus showed off the brand's first all-electric car. The UX300e is an SUV with a smaller battery than most peers, a 54.3 kWh unit has been fitted where most peers are in the 70 kWh - 95 kWh range. ([Toyota](#))

VW Group (history)

- Audi is in talks with BYD about supplying batteries for China-built cars and says that half of the forthcoming launches will be all-electric models. ([Bloomberg](#))
- Bugatti's boss is contemplating going down market with an entry-level product that could see sales rise to 600 units per year. Don't get your wallets out just yet; it will cost north of €500,000. ([Automotive News](#))
- In the latest chapter in Prevent Group's ongoing feud with VW, the supplier filed a lawsuit claiming it has been prevented from buying smaller rivals by VW's anticompetitive practices. ([Reuters](#))
- The Volkswagen brand is only going to participate in motorsport that uses electric vehicles in future (for the moment, it will still make combustion-powered cars for customer teams). ([VW](#))
- Porsche executives say the 911 will be the last model to go electric. ([Bloomberg](#))
- Lamborghini is using blockchain to validate the credentials of the marque's classic cars. ([Salesforce](#))
- Audi unveiled the e-tron Sportback, a hatchback-like derivative of the e-tron. Sales start in 2020. ([Audi](#))
- CEO Diess said the ID3 is 40% cheaper to build than the outgoing electric Golf. 5% - 10% of the improvement came through scale, the rest is improvements in technology and application. ([Reuters](#))
- VW's software engineering teams will be consolidated into a single structure from the beginning of 2020 as part of a bid to reduce brand-driven complexity and grow VW's share of software development in its cars from 10% today to 60% by 2025. ([VW](#))
- SEAT has created a new business unit to hold its mobility assets including car sharing and scooter rental. ([SEAT](#))
- Was fined by German authorities for being part of a steel cartel. ([Reuters](#))
- Announced a series of management changes, mainly affecting the VW and Audi brands. ([VW](#))

Other

- **Aston Martin** unveiled the DBX SUV. The brand has a lot riding on the car, which it hopes will make up nearly half of annual sales. ([AML](#)) Aston Martin's CEO suggested that customers might have to wait until the next generation DBX to get their hands on an all-electric model. ([Car Advice](#))
- **Workhorse** raised \$41 million in debt. ([Workhorse](#))
- **Karma Automotive** showed off the SC2 concept, nodding towards the brand's next-generation sports car, and hinted at a forthcoming pick-up (which Karma appears less keen on building itself but hopes will attract other users to its engineering platform). ([Karma](#))
- **Neuron EV** released renderings of a three-seat double cab pick-up called T-ONE. ([Neuron](#))
- The **UAW** dumped its president and accused him of corruption. ([Reuters](#))

News about other companies and trends ...

Economic / Political News

- **European** passenger car sales in October of 1,214,989 units rose 8.6% on a year-over-year basis. ([ACEA](#))

Suppliers

- **Hella** is selling off its relay division to **Hongfa**. ([Hella](#))
- **Magna** is acquiring lighting supplier **Wipac**. ([Magna](#))
- **Aptiv** completed its takeover of cable management specialist **gabocom**. ([Aptiv](#))
- **ZF** is creating a joint venture with **Wolong** to make electric motors for the Chinese market. ([ZF](#))
- **Continental** is considering more plant closures, and acting sooner, than previously announced. ([Continental](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Gett** is shutting the Juno ride hailing service in New York in a deal with **Lyft** that will see Gett use Lyft's US network on a whitelabel basis. ([Gett](#)) Despite being based in Belarus (and therefore relatively close to Gett), the Juno software team are transferring to Lyft rather than being absorbed into Gett's efforts, raising the question of whether talent shortages are a thing of the past. ([Business Insider](#))

- **Uber** explained a little bit about how it shares with governments and said that in future it will give updates less frequently. Apparently, this will make the data more accurate. ([Uber](#))

Driverless / Autonomy (history)

- **Lyft** executives suggested passengers were on average more satisfied with riding in the firm's autonomous test vehicles than with a human driver but accepted that it might also be because the cars are nicer. ([Business Insider](#))
- Here are the research papers that **Lyft's** self-driving team thinks are most interesting. ([Lyft](#))
- Sensor developer Vayyar raised \$109 million. ([TechCrunch](#))

Electrification (history)

- **Nikola Motors** reckons it has a battery with a 500 Wh / kg energy density that is nearly production ready. ([Nikola](#))
- The head of **PSA's** Vauxhall brand expects the next generation of B cars (e.g. 2025+) will only be offered as all-electric models in Europe. ([Autocar](#))
- **Electric GT** are selling an electric motor complete with batteries that fits into the same space as a V8. ([IEE Spectrum](#))

Connectivity

- US regulators are thinking about allocating part of the **spectrum** reserved for automobiles to wi-fi users because car companies have failed to produce vehicles that talk to each other (although they keep promising to). ([Reuters](#))
- Telematics firm **Geotab** acquired **Intendia**, a firm that helps business customers integrate telematics into their other IT systems. ([Fleet Europe](#))

Other

- Scooter rental firm **Circ** (formerly Flash) is cutting staff, which the firm says is a sign of success. ([TechCrunch](#))