



AD PUNCTUM

Autos & Mobility Industry Briefing -- 25th November to 1st December 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)

- Changed the structure of employee bonus payments so that they are lower, linked to dividends and employees with longer contractual hours get the same fixed level as their co-workers. BMW's CEO hopes this will avoid the need for "drastic measures". ([Xinhua](#))
- confirmed the location of the new plant being built in China (in partnership with Great Wall) that will build the forthcoming Mini E. The factory will have capacity for 160,000 units per year. ([BMW](#))

Daimler (history)

- Daimler announced it had reached an agreement with German unions to reduce staff cost and jobs, without providing any details. Although voluntary redundancies appear inevitable, the press release proudly said the 2029 employment guarantee was untouched. The company is asking workers to reduce their hours (e.g. from 40 hour per week contracts) and will let go of temporary staff. ([Daimler](#)) Executives told journalists that the number of redundancies would be in five digits. ([The Guardian](#))

FCA (history)

- Reached a tentative agreement with the UAW. ([FCA](#)) FCA apparently agreed to around 8,000 new jobs in the US and unlike GM and Ford won't close any plants. ([Detroit Free Press](#))
- PSA and FCA have a 50-strong team working to finalise the merger details. ([Reuters](#))
- Reportedly has been asking distressed electric car start-ups (amongst them Faraday Future and Seres / SF Motors) to build demonstration versions of their electric powertrains integrated into FCA models. ([The Verge](#))
- Tried to assuage union concerns about the risk to jobs in Italy arising from the PSA merger by saying 90% of the investments announced in the country were already underway. ([Reuters](#))
- Recalling over 50,000 Fiat 500 cars because the cable that controls the gearshift might come loose. ([FCA](#)) FCA is also recalling 100,000 vans because the air conditioning could catch fire. ([FCA](#))

Ford (history)

- A new Lincoln SUV program will apparently use a Rivian platform. ([Reuters](#))
- Received a fine of approximately \$2.5 million from the South African regulator because Kugas sold in the country kept catching fire. ([Xinhua](#))
- Recalling over 75,000 Ranger pickup trucks to fix problems with the taillights. ([Ford](#))

Honda (history)

- Launched a minor refresh of the Civic in Europe. ([Honda](#))

Hyundai / Kia (history)

- Investing \$1.55 billion to build a new plant in Indonesia and develop a portfolio suited to local tastes. ([Hyundai](#))

Mazda

- Mazda says sportscar customers are changing and that the formula for the MX-5 might need to change with them. The company appears to be struggling with the cost and weight trade-offs of an electric powertrain. ([Autocar](#))

Nissan (includes Mitsubishi) (history)

- The head honchos of Nissan, Renault and Mitsubishi thrashed out a new organisation structure that will see combined activities led by a General Secretary (yet to be appointed). ([Nissan](#))
- Is automating a series of jobs in factories that have traditionally required extensive training or put physical strain on employees such as headliner and powertrain installation on assembly, plus sealant application in the paint shop. Nissan says it has developed special ways to make minute adjustments and detect clips locking in place. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Faurecia held a capital markets day, explaining how the footprint will be reduced to improve profitability and giving an overview of some of the next generation technologies the company will offer. Faurecia confidently predicts that by 2030 fuel cells will have comparable total cost of ownership to all-electric powertrains in commercial vehicles (p63). This analysis forecasts a drop of more than two thirds in the price and operating cost of fuel cells, the justification for this extreme decline wasn't made public. By 2030 Faurecia thinks for commercial vehicles, fuel cell market share might be almost as high as all-electric share. ([Faurecia](#))
- PSA and FCA have a 50-strong team working to finalise the merger details. ([Reuters](#))
- Reportedly closing in on a deal to sell its share in Chinese JV Capsa (with Changan) to Baodeng. The plan would be for the factory to continue producing DS models on a contract manufacturer basis. ([Les Echos](#))
- Has contracts in place that guarantee battery supply for the next three years, but CEO Tavares is concerned about the longer term outlook. ([Automotive News](#))

Renault (history)

- Unveiled a mildly refreshed Espace large MPV. Apparently, 60% of vehicles sold are of the top trim level. ([Renault](#))
- The head honchos of Nissan, Renault and Mitsubishi thrashed out a new organisation structure that will see combined activities led by a General Secretary (yet to be appointed). ([Nissan](#))
- Removing the option to lease the battery for the Zoe in the UK because residual values are stronger than expected, reducing the lease payments for the car itself. ([Fleet News](#))

Tata (includes JLR) (history)

- Revealed an updated version of the F-Type sports car. ([Jaguar](#))
- JLR said all vehicles now being sold are connected and capable of over the air updates. Some owners of recently purchased cars will receive free upgrades to bring their vehicles up to the latest standard. ([JLR](#))

Tesla (history)

- Rumoured to have pulled forward orders for mass production parts to support Model Y to early 2020. ([Electrek](#))
- Now claims 250,000 orders for the Cybertruck. ([Reuters](#))
- Has apparently begun deploying mobile charging stations powered by a whopping 3 MWh battery. ([Electrek](#))
- CEO Musk says the Cybertruck is the last unveiling for "a while". The company still needs to deliver the previously revealed Model Y, Semi Truck, Roadster and Cybertruck into production. ([Electrek](#))
 - Significance: If there is truly no more product forthcoming in the next two to three years, this implies that either Tesla believes the Model S and Model X can continue to hold their own against a swelling cohort of new competition, or the business is resigned to seeing their market share wilt.

Toyota (history)

- Toyota Tsusho joined the Series C round of Indian bus aggregator app Shuttl. ([Deal Street Asia](#))
- Dropped non-hybrid versions of the Corolla from the European line-up. ([Autocar](#))

VW Group (history)

- Sold the 100,000th all-electric Golf, a fantastic sales performance from a model most would forget to mention in a line-up of top selling electric cars. Full year 2019 sales are likely to top 30,000 units. ([VW](#))
- Audi reached an agreement with German unions to extend the job guarantee to 2029, but only on the proviso that 9,500 German positions are eliminated by 2025. Capacities at Audi's German plants will be trimmed too, although the firm stresses that it will continue to hire and train younger workers. Audi says the measures will save €6 billion by 2029. ([Audi](#))
- Audi's next product plan calls for €37 billion of R&D and CapEx between 2020 - 2024, €12 billion of this will be for electric vehicles. ([Audi](#))
- The head of VW's component division is looking for a partner to help with the seating business. ([Automotive News](#))
- Audi has discovered some improvements that boost the eTron's range by 25 km (under WLTP). The changes involve new hardware and software. ([Audi](#))
 - Significance: The changes indicate that Audi has taken unflattering comparisons to Tesla seriously.

Other

- **Sono Motors** hopes to raise €50 million in a crowdfunding campaign. If successful, the company hopes to be able to use a similar route to raise further funding as the program progresses. Sono says it has discovered that institutional investors are too focused on short term profits. It's unique approach is to promise early buyers that they will share in the profits made from future sales. ([Sono Motors](#))
- **Bollinger Motors** says the breakeven point for the B1 and B2 program is under 3,000 units per year. Initial orders are around 80% for the SUV version (B1) and 20% pickup. ([Trucks](#))
- **Fisker** aspires to be the number one e-mobility provider on the planet and will offer its entry level product, Ocean, on a flexible \$380 per month lease. The car will have an intriguing "California mode", which supposedly gives the feeling of being in a convertible without having to take the roof off. ([Fisker](#))
- **StreetScooter** says it will start selling electric vans in the USA from early 2020. ([Reuters](#))

News about other companies and trends ...

Suppliers

- **Trelleborg** is acquiring **Tritec Seal**. ([Autocar](#))
- **Panasonic** is selling its semiconductor division to **Nuvoton**. ([Panasonic](#))
- **Autoliv** has a new CFO. ([Autoliv](#))

Dealers

- Indian used car website **Spinny** is finalising a round to raise \$50 million. ([Deal Street Asia](#))
- **CarDekho**, a used car website, acquired **Carmudi Philippines**. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** lost its operating licence in London, again. Uber will appeal the decision but the regulator has pledged to stand firm, citing numerous instances of what it considers to be safety failures. ([BBC](#))
 - Significance: Alongside New York, London has shown a willingness to flex its regulatory muscles regardless of a company's size. The city appears interested in new modes of transport but doesn't view early entry or global reach as a good enough reason for market access to continue if it is unhappy with an operator. So long as alternative providers exist, this seems a viable regulatory model and exponents of first mover advantage would be unwise to discount it.

- An analysis of fare data in **Chicago** suggested that ride hailing companies are increasing the prices for shared rides more than for single user journeys. ([Reuters](#))
- **Shuttl** raised \$18 million from **Toyota Tsusho** and other investors. ([Deal Street Asia](#))

Driverless / Autonomy (history)

- **Cognitive Technologies** and **Sberbank** have formed a joint venture to develop self-driving cars. ([Reuters](#))

Electrification (history)

- **FCA** has reportedly asked distressed electric car start-ups (amongst them **Faraday Future** and **Seres / SF Motors**) to build demonstration versions of their electric powertrains integrated into FCA models. ([The Verge](#))
- **Faurecia** confidently predicts that by 2030 fuel cells will have comparable total cost of ownership to all-electric powertrains in commercial vehicles (p63). This analysis forecasts a drop of more than two thirds in the price and operating cost of fuel cells, the justification for this extreme decline wasn't made public. By 2030 Faurecia thinks for commercial vehicles, fuel cell market share might be almost as high as all-electric share. ([Faurecia](#))
- **Tesla** has apparently begun deploying mobile charging stations powered by a whopping 3 MWh battery. ([Electrek](#))

Connectivity

- **JLR** said all vehicles now being sold are connected and capable of over the air updates. Some owners of recently purchased cars will receive free upgrades to bring their vehicles up to the latest standard. ([JLR](#))

Other

- Good news for would-be buyers of aftermarket keys that have lusted after **Awain's** bejewelled offerings but balked at the asking prices of up to €500,000, or simply didn't want to seem too flashy. They now offer an entry level model which retails at only €10,000. ([Awain](#))
- Indian two-wheeler manufacturer **Bajaj** invested \$8 million in bicycle and scooter rental firm **Yulu**. ([Deal Street Asia](#))
- Bicycle rental firm **Bounce** raised \$150 million. ([Deal Street Asia](#))
- **Airbus** thinks it might have an aeroplane with partial electric power in production by 2035. ([Reuters](#))
- The **Coup** scooter rental service owned by **Bosch** is shutting down. ([TechCrunch](#))