



AD PUNCTUM

Autos & Mobility Industry Briefing -- 9th December to 15th 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)

- Signed a five year contract to buy €540 million of lithium from Ganfeng. BMW says it now has enough raw materials for all the batteries it will use. ([BMW](#))
- Making some of the algorithms that BMW uses to check quality in plants available publicly. ([BMW](#))

Daimler (history)

- BAIC reportedly plans to increase its stake in Daimler to around 10 percent, which would make it the largest shareholder and eclipse local rival Geely's interest. ([Manager Magazin](#))
- Daimler has punted the market launch of the all-electric EQC in North America to 2021 so that it can concentrate on initial sales in Europe. ([The Print](#))
- Announced the electric powertrains will be built at the Untertürkheim, Germany, plant. ([Daimler](#))

FCA (history)

- US unionised employees voted in favour of the new contract negotiated with the UAW. ([FCA](#))
- Revamped the product development organisation, it will now have new “transversal program and execution management functions”. In plain English, it will be just like where they select a team of specialists in Mission: Impossible, but with designing cars, not fighting baddies. ([FCA](#))
- When asked about the potential for electric drive on the forthcoming very small (i.e. sub-Renegade) Jeep, executives said enigmatically that it will have “the electrification we need”. ([Auto Express](#))
- Will use blockchain to audit raw material suppliers. ([FCA](#))

Ferrari

- Announced a new credit line; at €350 million it is smaller than the previous €500 million revolver. ([Ferrari](#))
- Ferrari's CEO says the company won't have a fully electric car until “post 2025”. ([Reuters](#))

Ford (history)

- Ford reckons it can cut down on energy usage in electric vehicles by changing the lighting colour so that occupants feel either cooler (blue) or warmer (red) than they really are and use air conditioning less. ([Ford](#))
- Released the 2020 trend report. ([Ford](#))
- Recalling over 550,000 SuperDuty trucks because the seat belts might set fire to the carpet (in a crash). ([Ford](#))
- Ford is pushing the boundaries of niche segmentation by releasing a Focus Active X Vignale. In Ford's words the vehicle combines the “upscale specification” of the Focus Vignale with the “rugged exterior styling” of the plastic-clad Active X model. Let's see if it catches on. ([Ford](#))
- ArgoAI's revenue will come from licensing its technology for self-driving vehicles on a per-mile basis. ([Reuters](#))

Geely (includes Volvo) (history)

- Proton's CEO hopes the brand will be profitable this year. ([Reuters](#))
- Quanergy and Geely announced a collaboration to develop lidars for use in vehicles and traffic-related infrastructure following a successful pilot scheme in China. ([Quanergy](#))
- Lynk&Co unveiled the 05, a sporty SUV. ([Motor Authority](#))

General Motors (history)

- Confirming [earlier comments \(in August\) implying Cadillac would have an all-electric line-up by around 2030](#), the brand's chief expects to be able to switch to sales of electric cars -- if there is enough demand -- "by the latter part of the decade". ([Detroit News](#))
 - Significance: Cadillac's comments imply that the forthcoming product portfolio will be capable of integrating either battery electric, or combustion engine, powertrains and that the brand will therefore be following an architecture more like BMW / Mercedes than VW / Rivian etc.
- GM will loan the company buying the Lordstown, USA, plant (a sibling of Workhorse) up to \$50 million and has an option to re-purchase the entire factory (although that expires in mid 2020). ([Business Journal of Youngstown](#))
- GM's former president (and now CEO of self-driving subsidiary Cruise) caused a stir by saying that cars are awful and need to change in every way. Showing he had learned from GM's past mistakes of over-promising and under-delivering, he declined to say when things might improve. ([GM](#))
- Investing \$1.5 billion in the next generation of mid-size pickup trucks to be built in Wentzville, USA. ([GM](#))
- Unveiled the next generation Chevrolet Tahoe and Suburban SUVs. ([GM](#))
- CEO Barra said GM had intended to bring a new autonomous car to the CES show in January 2020 but because of the strike it didn't get finished in time. The reveal will be rescheduled for some time later in the year. ([Motor Trend](#))

Honda (history)

- Honda's CEO is rumoured to be planning a big organisational shake-up of the product development function, including taking an axe to the senior management structure. ([Reuters](#))
- Reportedly planning to offer a Level 3 "eyes off" driver assistance system in the Japanese market Legend model, but with an eye-watering option cost of tens of thousands of dollars. ([Nikkei](#))

Mazda

- Plans to invest over \$30 million in the AutoAlliance Thailand plant, jointly owned with Ford to produce a forthcoming vehicle. ([Bangkok Post](#))

Nissan (includes Mitsubishi) (history)

- Japan's market watchdog recommended that Nissan be fined \$22 million for under-reporting Carlos Ghosn's compensation. ([Nissan](#))

Renault (history)

- Rumoured to have offered the CEO job to SEAT's CEO Luca de Meo. ([Economic Times of India](#))
- Despite a recent labour agreement (in June), South Korean workers at Renault-Samsung have got the hump and are going on strike. ([Korea Herald](#))

Tata (includes JLR) (history)

- Tata Motors CEO Butechek says there won't be any more layoffs in India because he wants the company to have capacity ready when the economy rebounds, as he expects it to do soon. ([Business Standard](#))

Toyota (history)

- Toyota executives hinted that the next generation Aygo sub-B car could have substantial electric-only range, and could even be fully electric. ([Automotive News](#))
- Toyota's long-time North American boss is retiring. ([Toyota](#))

- Recalling around 14,000 cars to fix problems with the instruments and seat belts. ([Toyota](#))
- Toyota and Denso formed a joint venture called MIRISE to develop automotive semiconductors. ([Toyota](#))
- UK firm TRB and Toyota Tsusho are opening a US facility for carbon fibre components. ([TRB](#))
 - Significance: Given Toyota Tsusho's close knit relationship with its namesake OEM, the move appears to herald increased usage of carbon fibre in US-built products, with electric vehicles hinted at in TRB's press release.

VW Group (history)

- Orix corporation will offer retail financing on VW vehicles sold in India. ([Autocar](#))
- Porsche's Taycan received an initial US range assessment of 201 miles, far below the best Tesla Model S derivatives (at 373 miles), despite batteries of a similar size. ([Clean Technica](#))
- Although Audi and SAIC refuse to give any concrete details about a future joint venture, [a request for quotation](#) posted on a purchasing website suggested the two parties are planning to build the Audi A7L ([The National](#))
- VW's MOIA unit will operate self-driving vehicles in Qatar. ([VW](#))
- VW is rolling out a new pay for performance model for mid-level managers, based on recent changes for the executive team. ([VW](#))
- Porsche SE invested in lidar firm Aeva. ([Aeva](#))
- Suspended operations at a joint venture plant in Algeria. The plant has reportedly not made any vehicles since October. ([France 24](#))
- Porsche says it has 10,000 binding orders for the Taycan, with another 20,000 deposits. ([Inside EVs](#))

Other

- **Nio** still wants to launch in Europe, but isn't sure when, and whether it will be with current products, or the planned next-generation portfolio, ([Autocar](#))
- **Gordon Murray's** forthcoming T.50 supercar will feature ground-effect aerodynamics enhanced with a fan to improve downforce. ([Gordon Murray](#))
- **SAIC's MG** brand plans to invest over \$420 million in India as it launches a four car range and builds out a 250 dealer footprint. ([Economic Times of India](#))
- The founder of **VinFast's** parent group says the brand needs to sell at least 100,000 cars per year to be sustainable and thinks it will cost \$2 billion to enter the US market. ([Straits Times](#))
- **Sono Motors** received approval to offer future profit sharing to customers in return for deposits on new cars and says that €13 million of a €50 million funding target has been raised but warns that if it doesn't have the full amount by the end of December, the whole company could fold. ([Sono Motors](#))
- **McLaren** have a new model, the 620R; it looks like a 570S but is faster. ([McLaren](#))

News about other companies and trends ...

Suppliers

- **Brose** says that although the economic outlook isn't great it will invest €1.5 billion - €2 billion between now and 2021 and will start an in-house VC unit. ([Brose](#))
- **Valeo** held an investor day. The company is betting that greater use of electrification and driver assistance will increase Valeo's content per vehicle (and thus profits and revenue). ([Valeo](#))
- UK firm **TRB** and **Toyota Tsusho** are opening a US facility for carbon fibre components. TRB says that the parts are about the same price as aluminium stampings. ([TRB](#))
- Aluminium smelter **GFG Alliance** has put expansion plans for a Scottish plant on hold because of Brexit. ([BBC](#))
- **Toyota** and **Denso** formed a joint venture called MIRISE to develop automotive semiconductors. ([Toyota](#))

Dealers

- Used car website **Carsome** raised \$50 million. ([TechCrunch](#))

Ride-Hailing, Car Sharing & Rental (history)

- Gossiping **Uber** insiders told journalists at the firm's Christmas party that they are confident the ban on operations in London would be overturned and was politically motivated. ([Business Insider](#))
- Lyft has started a car rental service; the firm hopes that offering free taxi rides to and from the rental location will help to sweeten the deal. ([Lyft](#))

Driverless / Autonomy (history)

- A journalist's recent ride in a **Waymo** driverless car in Phoenix convinced them that the firm has become far better at handling difficult scenarios (such as closed off lanes and construction sites) than the last time they tried the service in about 2017. ([The Verge](#))
- **Waymo** bought simulation firm **Latent Logic** and said it would set up an engineering centre in the acquisition's home town of Oxford, UK. ([The Telegraph](#))
- **Uber** is reportedly in talks to acquire simulation firm **Foresight**. ([Business Insider](#))
- A major investor in **Zoox** says the company will have its own self-driving cars on the road in two years. ([The Driven](#))
- **Lyft's** autonomous driving team choose their favourite papers from a machine learning conference. ([Lyft](#))
- Self-driving start-up **Bluespace.ai** raised \$3.5 million. ([FINSMES](#))
- **Porsche SE** invested in lidar firm **Aeva**. Aeva says that its latest design can detect objects 300 metres away and will cost under \$500 per unit (once high production volumes are reached). ([Aeva](#))
- **Quanergy** and **Geely** announced a collaboration to develop lidars for use in vehicles and traffic-related infrastructure following a successful pilot scheme in China. ([Quanergy](#))
- **VW's** MOIA unit will operate self-driving vehicles in Qatar. ([VW](#))
- **ArgoAI's** revenue will come from licensing its technology for self-driving vehicles on a per-mile basis. ([Reuters](#))

Electrification (history)

- **Xpeng** and **Nio** will share their charging infrastructure, and customer information, although it seems that for now they will operate independent branding. ([Bloomberg](#))
- **Continental's** Vitesco powertrain unit unveiled a low-cost series hybrid powertrain that uses electric drive to reduce the complexity of the transmission and reliance on the internal combustion engine. The system saves money through the simpler transmission, and the use of a cheaper port fuel injection engine. ([Vitesco](#))
 - Significance: This solution, hot on the heels of [Mahle's series hybrid](#), shows Tier 1 suppliers are challenging themselves more on the potential for reduced cost, yet capable, hybrid powertrains that focus on the electric motor more than the internal combustion engine, and support the hypothesis of Ad Punctum and Evercore ISI's E-FIRST research paper from late 2018 that such systems will help OEMs design vehicles that can be either battery or ICE powered, without resorting to completely different architectures.
- **BMW** signed a five year contract to buy €540 million of lithium from Ganfeng. BMW says it now has enough raw materials for all the batteries it will use. ([BMW](#))

Connectivity

- **Nokia** said it has entered mediation with **Daimler** (and others) in a dispute over IP. ([Reuters](#))

Other

- **Lime** says electric scooter rental services are profitable in Germany six months after launch -- so long as you look at figures for the (undefined) core business. ([Manager Magazin](#))
- Scooter rental start-up **Neuron Mobility** raised \$18.5 million. ([TechCrunch](#))
- Bicycle sharing firm **Wheels** started installing sharable helmets in the back of the bikes, with removable strips so that users don't have to share bacteria with the previous occupant. ([The Verge](#))