



AD PUNCTUM

Autos & Mobility Industry Briefing -- 16th December to 22nd 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)

- BMW and Daimler reorganised the mobility joint venture they established at the beginning of the year. Instead of the previous five pillars (multi-modal; ride hailing; car sharing; parking; and charging), there are now three: ride hailing including multi-modal; car sharing; and parking and charging. ([BMW](#))
 - Significance: The rationale of grouping the businesses less by function than by the customer offering: taking a journey, getting hold of a car and destination services for car drivers seems solid. Keeping the car sharing as a separate entity, when an argument could be made that it should sit within the first business unit, implies that BMW and Daimler want to keep their options open for this service which seems relatively successful at gaining customers, but less so at making money from them.
- Joint venture car sharing service Share Now will exit North America and shut down in several European cities including London. In North America competition and poor infrastructure were blamed whereas in Europe the customer adoption (and therefore utilisation) was too low. ([Share Now](#))

Daimler (history)

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- Joint venture car sharing service Share Now will exit North America and shut down in several European cities including London. In North America competition and poor infrastructure were blamed whereas in Europe the customer adoption (and therefore utilisation) was too low. ([Share Now](#))
- Set up a new consulting firm, Mercedes-Benz Applied Science, under the wing of the F1 team. ([Daimler](#))
- Will pay a \$13 million fine to US authorities over the handling of recalls, with a further \$7 million suspended on the condition that Daimler properly complies with a set of corrective actions. ([Reuters](#))

FCA (history)

- FCA and PSA signed a binding merger agreement. The new firm is aiming for substantial synergies, believing that simply reducing the number of platforms (the plan is two mega platforms with over 3 million vehicles annually from each) and implementing best-practice purchasing will save €3 billion every year. Reducing back office staff and merging logistics, IT and marketing is reckoned to save another €700 million annually. The deal is expected to take 12 - 15 months to close. Comau now won't be sold until after the deal close. No word as yet on the new company's name. ([FCA](#))
- Selling the Teksid foundry business to Tupy. ([FCA](#))
- Unions said FCA and PSA had given their word that no plants would be closed, but admitted that didn't preclude shift or other manning reductions. ([Reuters](#))

Ford (history)

- Investing \$1.45 billion to produce the new Bronco and next generation F-150. ([Ford](#))

Geely (includes Volvo) (history)

- Volvo issued 5 billion SEK (about \$530 million) of preference shares to Swedish investors, replacing an earlier issue of the same value. ([Volvo](#))

General Motors (history)

- CEO Barra sees plug-in hybrids as a niche proposition and doesn't want to invest much capital or engineering time in a powertrain choice that isn't the "end game" (fully electric cars). She suggested that rivals who don't pursue a similar path are not customer focused and/or don't believe in global warming. ([Motor Trend](#))
- Cadillac's new Escalade will come with a gigantic 38" inch curved screen. ([GM](#))
- Recalling over 900,000 trucks to fix software and manufacturing issues. ([Reuters](#))

Honda (history)

- Because it has had to build lots of sensors into the steering wheel to enable advanced driver assistance, Honda decided to have a play with the functionality and has added touch gestures such as; turn on the engine, go faster and go slower. You can also use it to go around corners. ([Honda](#))

Mazda

- Recalling over 35,000 Mazda3 in the USA because the emergency brakes might mistakenly activate. ([Mazda](#))

PSA (history)

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- Dongfeng is selling 30.7 million shares in PSA back to PSA and these will be cancelled before the FCA merger closes. After the transaction, Dongfeng will have a 4.5% stake in the combined firm. ([FCA](#))
- Dongfeng and PSA extended their Chinese joint venture agreement. ([Reuters](#))

Renault (history)

- Lada couldn't resist jumping on the trend for rugged SUVs with creature comforts. Following in the footsteps of the new Land Rover Defender and soon-to-be-revealed Ford Bronco, the Russian brand updated its 4X4. ([Lada](#))

Tata (includes JLR) (history)

- Tata unveiled the Nexon, a battery-powered B-sized SUV. Despite the seemingly small 30 kWh pack, Tata claims over 300 km of range (as measured in undefined internal testing). ([Tata](#))
- JLR acquired Bowler, a UK firm that modifies cars for extreme off-road driving, out of administration. ([JLR](#))
- An Indian tribunal ordered holding company Tata Sons to reinstate ousted chairman Cyrus Mistry. ([Reuters](#))

Tesla (history)

- Getting a five-year \$1.4 billion loan from a set of Chinese banks to replace a shorter term facility. ([Reuters](#))
- Reducing the capability of Autopilot driver assistance in Europe, Tesla says this is to comply with regulatory demands. ([Electrek](#))

- Tesla is working on a retrofit infotainment computer for older vehicles to bring them up to the latest level but CEO Musk cautioned that the system might cost \$2,000 and in his opinion wasn't worthwhile. ([Electrek](#))
 - Significance: Tesla is reportedly struggling to balance the expectation that the device can be upgraded (albeit at a cost) with the operating model of continuously revising specifications, rather than bundling them into model years. This isn't to criticise the approach of releasing new technologies as they appear, just to point out that the firm has yet to work out all the kinks.

Toyota (history)

- Released the production and sales forecast for 2020. Toyota thinks sales will be very slightly up at 10.77 million units (including the Daihatsu and Hino brands) and production will be 1% higher than 2019; at 10.9 million units. ([Toyota](#))
- Toyota found that collecting parts from suppliers in a "milk run" was 12% more efficient (measured by driver hours) than having them all deliver separately. The company worries that an impending shortage of delivery drivers in Japan over the next decade will inflate logistics costs, unless it can find offsetting efficiencies. ([Toyota](#))
- Launched, Toyota claims, an easy to use IP licencing portal for companies wishing to access Toyota's advanced R&D. Anyone hoping to get their hands on the secrets of fuel cells might be a bit disappointed, the system currently only covers four areas, one of which is special types of paint. ([Toyota](#))
- Thinks geo-fenced driverless vehicles will appear in commercial service long before becoming available as a retail product. ([Reuters](#))

VW Group (history)

- Fined almost \$90 million by an Australian court due to dieseldate. ([BBC](#))
- Australian authorities are taking VW to court, saying the company didn't make proper checks before granting loans to consumers. ([Reuters](#))
- ID3s are reportedly being built without the proper infotainment software and supposedly the problem will have to be corrected manually, rather than via over the air updates. ([Golem](#))

Other

- **Uniti's** boss says the firm will have customer cars on the road before mid-2020. ([Autocar](#))
- **Magna** will help to engineer **Ineos's** forthcoming offroader. ([Autocar](#))
- **Mahindra's Ssangyong** arm said workers had agreed to a set of cost saving measures including lower bonuses and part-paid sabbaticals. ([Ssangyong](#)) Mahindra also announced a senior management reshuffle. ([Mahindra](#))
- **Rivian** raised another \$1.3 billion, **Ford** and **Amazon** stumped up some more cash. ([Rivian](#))

News about other companies and trends ...

Economic / Political News

- November passenger car sales in **Europe** were 1.2 million units, up 4.5% on a year-over-year basis. ([ACEA](#))
- The UK house of commons backed voted in favour of the **Brexit** withdrawal agreement that will see the UK leave the EU on 31st January 2020. Since it was part of the Conservative manifesto, it should pass all parliamentary procedures as a matter of protocol. Also contained within the bill was a commitment that the transition period will end on 31st December 2020, meaning that without a trade deal, there will be a "hard Brexit". ([BBC](#))
- The incoming **UK** government aims to complete enough trade deals that 80% of commerce by 2022. ([Reuters](#))

Suppliers

- **Denso** invested in **PiNTeam**, a German firm writing software for in-car electronics. ([Denso](#))
- **Intel** acquired AI chipmaker **Habana Labs**. ([Intel](#))

Dealers

- German used car website **AutoScout24** is set to be sold to a private equity firm. ([Reuters](#))

Ride-Hailing, Car Sharing & Rental (history)

- A German court ruled that **Uber** didn't have the necessary licences to operate in the country. ([Reuters](#)) Unfortunately, Colombian judges reached a similar conclusion. ([Reuters](#))
- **BMW** and **Daimler** reorganised the mobility joint venture they established at the beginning of the year. Instead of the previous five pillars (multi-modal; ride hailing; car sharing; parking; and charging), there are now three: ride hailing including multi-modal; car sharing; and parking and charging. ([BMW](#))
- **BMW's** and **Daimler's** joint venture car sharing service Share Now will exit North America and shut down in several European cities including London. In North America competition and poor infrastructure were blamed whereas in Europe the customer adoption (and therefore utilisation) was too low. ([Share Now](#))

Driverless / Autonomy (history)

- High resolution radar developer **Arbe** raised \$32 million from investors including VC funds spending **Hyundai's** and **BAIC's** money. ([Arbe](#))
- **Nvidia** reckons that its newest chip is ready for fully autonomous driving and will be in cars from 2022. ([Nvidia](#))
- **Toyota** thinks geo-fenced driverless vehicles will appear in commercial service long before becoming available as a retail product. ([Reuters](#))
- **Tesla** is reducing the capability of Autopilot driver assistance in Europe, Tesla says this is to comply with regulatory demands. ([Electrek](#))

Electrification (history)

- US firm **LS Power** is buying charging network **EVGo**. ([LS Power](#))
- **IBM** is developing a new battery that dispenses with heavy metals. ([ZDNet](#))

Connectivity

- **Mitsubishi Corporation** and **NTT** acquired a 30% ownership stake in mapping company **HERE**. ([HERE](#))
- **Octo Telematics** acquired cloud provider **Nebula Systems**. ([Telematics News](#))

Other

- **Isuzu** and **Volvo Group** announced a strategic collaboration for heavy vehicles that will see the UD Trucks brand transferred to Isuzu. ([Volvo Group](#))
- **Rolls-Royce** unveiled an electric plane, saying it will take to the skies in 2020. ([Reuters](#))