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Autos & Mobility Industry Briefing -- 23rd March to 29th March 2020

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)

- Confirmed that the iNext SUV will be offered with a fuel cell powertrain, as well as an all-electric model. ([BMW](#))

Daimler (history)

- The Smart brand is apparently readying an all-electric SUV for launch in 2022. ([Manager Magazin](#))
- Still believes that traditional auto shows have a useful role to play. ([Autocar](#))
- CEO Källenius doesn't intend to apply for aid from the German government (apart from paying the wages of furloughed staff), carrying on with the dividend and says all its suppliers have enough cash to stay in business. Although Daimler has heard rumours of manufacturers asking for the EU's 2020 CO₂ rules to be watered down, Daimler isn't one of them. ([Handelsblatt](#))
- Reportedly trying to arrange an €11 billion credit line. ([Bloomberg](#))

FCA (history)

- Declared that production would resume at several US plants beginning 14th April. ([Detroit Free Press](#))
- Aims to make 1 million face masks per month for use in North America. ([FCA](#))
- Moody's placed FCA's credit rating under review. ([FCA](#))
- Negotiated an incremental €3.5 billion credit facility, taking the total to €11.2 billion. FCA has started drawing on the first €1.5 billion. ([FCA](#))

Ferrari

- Believes it can restart production on 14th April. ([Ferrari](#))

Ford (history)

- Told US workers that it might reduce their pay whilst operations are suspended. In solidarity, Ford's top 300 executives will see part of their salaries deferred. ([Detroit Free Press](#))
- The yet-to-be launched Bronco Sport SUV (a more rugged version of the Kuga / Escape) features a mystery option called "roof conversion - low opening". ([Fox News](#))
- Recalling 268,000 cars to fix door locks that might not keep the door closed, 54,000 cars for a problem with the brakes and 3,500 for fragile wiring harnesses. ([Ford](#))
- Plans to resume production in Mexico on 6th April and several US plants on 14th April. ([Ford](#))
- Fitch downgraded Ford's rating to BBB- saying the company could burn \$14 billion in cash if there is a severe recession. ([Detroit News](#))

Geely (includes Volvo) (history)

- Volvo said that customers in China were returning, making it confident of a recovery in the market and although it isn't sure about 2020 results it will go ahead with a dividend based on 2019's results. ([Volvo](#))
- Volvo announced an executive reorganisation that will see four areas reporting into the CEO: sales and marketing; manufacturing, logistics and procurement; product creation; and back office functions (excluding legal and finance teams, which will remain independent). ([Volvo](#))
 - Significance: The reorganisation appears linked to the impending merger with Geely's Chinese operations.

General Motors (history)

- Drawing \$16 billion of credit lines to weather coronavirus. ([GM](#))
- Will reduce the pay of US salaried staff by 20% to help with cash, but promises to pay back the money, with interest, later in 2020 (or early 2021). ([Detroit News](#))
- Reached a settlement worth \$120 million with owners of vehicles with defective ignition switches. ([Reuters](#))
- Ended up in Donald Trump's crosshairs over problems with an emergency plan to build ventilators. Frustrated by an apparently slow ramp up and high prices, he invoked a US law to compel GM to do what the company said it was going to do anyway. ([Detroit Free Press](#))
- Finally reached an agreement with South Korean unions on pay changes for 2019. Workers won't get a raise, but will receive vouchers with extra-large discounts on GM vehicles. ([Yonhap](#))
- Reckons it can make 100,000 surgical masks per day at a shuttered US factory. ([Detroit News](#))

Honda (history)

- Undergoing a slight reorganisation in China that will see the Honda Automobile (China) factory absorbed into the main GAC-Honda joint venture (which owned it anyway). ([Honda](#))

Hyundai / Kia (history)

- Kia appointed a new president, Ho-sung, Song, the former head of global operations. ([Kia](#))

Nissan and Mitsubishi (history)

- Mitsubishi could reportedly take a stake in Renault as part of a bid to strengthen the alliance. ([Reuters](#))

PSA (history)

- PSA's attempt to restart limited production in France was shot down by unions. Intended additional precautions such as distancing between workers, increased washing of workstations and leaving components for three hours before anyone else could touch them. ([Reuters](#))
 - Significance: Regardless of how poorly received they are now, such measures point the way towards likely working methods when production resumes -- lower productivity is inevitable if they are in force.

Renault (history)

- Mitsubishi could reportedly take a stake in Renault as part of a bid to strengthen the alliance. ([Reuters](#))

Suzuki

- Will open a new factory in Myanmar in 2021. ([Suzuki](#))

Tata (includes JLR) (history)

- Plans to separate the commercial and passenger vehicle arms of Tata Motors sometime in 2021, although certain back office functions will still be shared. The aim is to enable as-yet unspecified plans for strategic alliances with other carmakers. ([Tata](#))
- Moody's placed Tata Motors credit rating under review for downgrade. ([Nikkei](#))

Tesla (history)

- CEO Musk wants to reopen facilities as soon as possible, hoping to produce ventilators. ([Reuters](#))

Toyota (history)

- Will develop a Hino-badged fuel cell powered heavy truck. ([Toyota](#))
- Toyota Tsusho invested in multimodal app Velocia. ([Toyota Tsusho](#))
- Reportedly seeking a 1 trillion JPY (about \$9.2 billion) credit line. ([Reuters](#))

VW Group (history)

- Reportedly preparing for a court battle with Gett (in which VW has a 20% stake) over the mobility startup's claims for a three-digit million euro sum over VW's failure to stump up further investment that Gett needed, and because VW used experience from its cooperation with Get to launch similar services. ([Handelsblatt](#))
- Giving dealers an increased credit line, covering 270 days, and allowing them to take payment holidays. ([VW](#))
- CEO Diess said VW is spending about €2 billion per week on fixed costs, but it hasn't yet drawn on any credit lines and hopes not to need state aid (although VW's definition excludes subsidies for laid off workers). ([Autoblog](#))
- Expects the German car market to recover by the summer. ([Reuters](#))

Other

- **Mahindra's** chairman says we can look forward to an impending global mega-recession. ([Autocar](#))
- **Aston Martin** released some details of the forthcoming V6 engine which will have its first application in the Valhalla. The firm also appeared to push back the car's launch to 2022 (from late 2021). Over time the powertrain is expected to supplant the Daimler-supplied V8. ([AMI](#))
- **Pininfarina's** CEO has left. ([Autocar](#))

News about other companies and trends ...

Economic / Political News

- **European** carmakers asked for relief from incoming CO₂ rules because the coronavirus was causing problems with developing new vehicles. ([ACEA](#))
- The **Detroit** auto show was cancelled so that the venue can be used as a hospital. ([Engadget](#))
- The **US** administration is reportedly set to unveil fuel emission standards to 2026. The rumour is that they will be easier for manufacturers to meet than Obama-era rules, but still require improvements from today. ([Reuters](#))

Suppliers

- **EDAG** says it has developed an aluminium alloy that can be 3D printed and is suitable for crash structures. ([Autocar](#))
- **ZF** reported 2019 FY revenue of €36.5 billion and adjusted EBIT of €1.5 billion. Although the declined to offer a forecast for 2020 results, the takeover of **Wabco** will go ahead as planned. ([ZF](#))
- **LG Chem** received a €480 million loan from the European Investment Bank to build a new (previously announced) battery factory in Poland. ([Yonhap](#))
- **Nexteer** reported 2019 FY revenue of \$3.6 billion and profit of \$232 million. ([Nexteer](#))

Dealers

- As a result of coronavirus, the Indian arm of **MG** has completely digitised the sales process so that customers don't have to step into a dealership, or even meet another human being, to buy a car. They can specify, order and pay for the vehicle online and then have it delivered to their doorstep. ([India Today](#))
- Used car trader **Cazoo** raised £100 million. ([TechCrunch](#))
- **Group 1** will lay off 2,800 staff in the UK and 3,000 in the USA due to falling sales. ([Reuters](#))

Ride-Hailing, Car Sharing & Rental (history)

- White label ride sharing technology firm **Wunder Mobility** acquired Australian rival **KEAZ**. ([Wunder](#))
- Peer to peer car rental firm **Getaround** is reportedly casting around for a buyer. ([Bloomberg](#))

Driverless / Autonomy (history)

- Lidar developer **Blickfeld** closed an unspecified investment from Continental (who also have their own inhouse lidar capability) and others, saying the cash will help the firm scale up production. ([Blickfeld](#))
- **SoftBank** is reportedly on the verge of investing \$300 million in **Didi's** self-driving unit. ([The Information](#))
- Self-driving car simulation firm **Helm.ai** raised \$13 million. ([TechCrunch](#))

Electrification (history)

- **BYD** says its new “blade” design of battery cell can improve pack space utilization (but not necessarily density) by 50% over conventional designs and is better in crashes. ([BYD](#))
- Researchers looking into the **CO₂ emissions** of different powertrain types say that electric cars have lower emissions than conventionally powered cars in all but the most coal-dependent nations. ([BBC](#))
- Battery management software firm **Twaice** raised €11 million. ([TechCrunch](#))

Other

- Air taxi developer **Lilium** raised \$240 million. ([Deal Street Asia](#))