



AD PUNCTUM

Autos & Mobility Industry Briefing -- 18th May to 25th May 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

Daimler (history)

- Mercedes's design chief says the all-electric EQS will look radically different to the forthcoming next-generation S-Class with which it shares many of its parts. He says that the brand's production intent concept cars (such as the [EQS](#)) always herald 80% to 90% of the road-going design. ([Autocar](#))
- Mercedes does not believe that synthetic fuels are viable in the medium term and, if it does become a reality, the fuel will become widespread in aviation before it reaches the mass market for vehicles. ([Autocar](#))
- A cybersecurity researcher said he had downloaded the source code used for the Mercedes Van connectivity suite. In a classic blunder, Daimler's software team were using an online tool to store and check code and although people needed to register to access the code, access was automatically granted without checks. ([ZDNet](#))
- Reportedly plans to invest in battery developer Farasis Energy's impending IPO. ([Reuters](#))
- Geely wants to explore deeper collaborations with Daimler. ([Reuters](#))

FCA (history)

- FCA's chairman brushed off suggestions that the intended special dividend payment to shareholders might be at risk, given the large sum the company hopes to borrow from the Italian taxpayer. ([Reuters](#)) Government ministers said FCA would need to invest more in Italy to fully justify the money. ([Reuters](#))

Ferrari

- Raised €650 million in debt at an interest rate that will make Ferrari the envy of automotive treasurers. ([Ferrari](#))

Geely (includes Volvo) (history)

- Geely has commissioned a new design centre in Sweden dubbed the "chamber of secrets" by its architects. New cars can be viewed in natural light via a rooftop courtyard, safe from prying eyes boast the designers, unless would-be spies are equipped with low-cost drones. ([Deezen](#))
- Volvo raised around \$1.3 billion in new credit lines, net of extensions. ([Volvo](#))
- Volvo has now implemented the unilateral 180 km/h speed restriction for all cars in production. ([Volvo](#))
- Geely wants to explore deeper collaborations with Daimler. ([Reuters](#))

General Motors (history)

- GM says that its engineers stand on the cusp of a million-mile battery. ([Reuters](#))

Honda (history)

- Honda's Chinese vehicles will use an infotainment and connectivity suite developed with Tencent. ([Nikkei](#))

Nissan and Mitsubishi (history)

- Mitsubishi reported financial results for the fiscal year ended March 2020. Net sales of 2.27 trillion JPY (about \$21 billion), down (9.7)% on a year-over-year basis. Operating Income of 13 billion JPY (about \$120 million), down (89)% versus prior year. ([Mitsubishi](#))
- American officials arrested two men in connection with Carlos Ghosn's flight from Japan (which is seeking their extradition). It isn't clear whether the move will affect Ghosn himself. ([Economic Times of India](#))
- Unveiled the production version of the limited-edition GT-R 50, produced with ItalDesign. ([ItalDesign](#))
- Further rumours of Nissan's turnaround plan emerged; 20,000 jobs will apparently be lost. ([Reuters](#))
- Spanish authorities reckon it would cost Nissan €1 billion to close the Barcelona factory. ([Reuters](#))

Renault (history)

- France's finance minister worried that Renault might "disappear" without state help. He desperately wants for the firm to improve productivity, provided it doesn't affect French jobs. ([Reuters](#))
- Rumours swirled that Renault's restructuring plan will see the closure of three small plants and that the recently unveiled Mégane won't be replaced. The future of the Flins plant supposedly hangs in the balance. ([Autocar](#))

Tata (includes JLR) (history)

- Jaguar's one-make electric I-Pace racing series (which supports Formula E) will stop at the end of 2020, one year earlier than planned. ([The Verge](#))
- Reportedly hoping to receive a loan of around £1 billion from the UK government. ([Sky News](#))

Tesla (history)

- Expects that the Shanghai factory will reach output of 4,000 vehicles per week by the end of June, implying an installed capacity of around 185,000 units -- higher than the 150,000 announce by Tesla. ([Xinhua](#))
- Panasonic said it was in talks with Tesla to expand capacity at the Nevada Gigafactory. ([Reuters](#))

Toyota (history)

- Recalling 9,500 RAV4 SUVs in the USA because the suspension arms might break. ([Toyota](#))
- Unveiled the all-new Sienna minivan (for North American markets) ([Toyota](#)) and Venza crossover. ([Toyota](#))
- PAVE published a Toyota-sponsored study into attitudes about autonomous vehicles. The main takeaway was, that with no mature examples of autonomous vehicles on the road, respondents are scared of them. ([Toyota](#))

VW Group (history)

- Found itself at the centre of a social media storm over an [Instagram advert](#) that carried several racist cues. After initially prevaricating, VW apologised and withdrew the offending video. ([Handelsblatt](#))
- Porsche has installed some cameras in non-sensitive areas of the factory so that anxious owners can receive a theme park-style photograph of their car in various stages of production. ([Porsche](#))
- Porsche says that publicity from the online launch of the 911 Turbo S (arranged instead of the Geneva show) was far higher than products using press conferences at the show received in 2019. ([Porsche](#))
- Agreed terms with German dealers for the launch of VW sales: dealers will get a flat commission, regardless of whether they or VW found the customer and VW will set all transaction prices and arrange all financing. The brand also appears to have granted infinite floorplan financing. ([VW](#))
- A German court ruled that VW will have to pay damages over dieseldate in a case that was separate to the recently concluded class action suit. ([Reuters](#))

Other

- **Aston Martin's** CEO Palmer is leaving with immediate effect, to be replaced at the beginning of August by Tobias Moers, a recruit from **Mercedes's** AMG division.

- **McLaren's** recovery efforts hit a problem when existing bond holders complained that assets underpinning a proposed new debt issue was already security for their loans. ([FT](#)) The firm subsequently announced 1,200 job losses across the car making and racing divisions. ([Sky](#))
- **Faraday Future's** founder agreed a bankruptcy plan that saw him hand over his stake in the company to creditors, a move the firm hopes will help it raise further funding. ([Faraday Future](#)) Faraday's CEO says the firm is in talk with several car makers about sharing technology. ([Bloomberg](#))

News about other companies and trends ...

Economic / Political News

- **European** passenger car registrations in April of 1.345 million vehicles fell (78)% versus prior year. ([ACEA](#))
- A leaked document purporting to outline a massive **EU stimulus programme** -- with up to €80 billion targeted at clean mobility (split between vehicle purchases and grants) -- set tongues wagging. ([EURACTIV](#))
- The **UK government** set out proposed tariffs on imports to apply after the transition period with the EU ceases at the end of 2020. It confirmed that cars will attract a 10% tariff, the same as non-EU imports without a trade deal attract today. Tariffs for parts are still present, although reduced in some cases. The parts attracting zero tariffs (e.g. wing mirrors) suggest a degree of industry lobbying has been considered. ([UK Government](#))
 - Significance: Although the government said it was protecting the automotive sector, the mix of vehicles produced locally (mainly luxury cars) doesn't reflect the wider market, so the tariffs, if they came into force on EU imports, would be likely to have a distorting effect on sales. The published tariffs suggest a producer of vehicles using knock-down kits would save ~7% of the vehicle value over importers. Contact us for more details.

Suppliers

- **Benteler** reckons that plans by many European OEMs to have output at pre-lockdown levels by the summer are "ambitious". ([Autocar](#))
- Battery producer **Exide** entered Chapter 11 bankruptcy. ([Exide](#))
- **Gestamp** reported Q1 2020 revenue of €2.17 billion and EBIT of €110 million. ([Gestamp](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Hertz** filed for chapter 11 bankruptcy after lenders would not agree to extend re-payment deadlines. ([Detroit News](#))
- **Uber** cut a further 3,000 jobs, bringing the total to almost 7,000 in the last few weeks (about 25% of the global workforce). The CEO says the firm needs to become profitable and will withdraw from non-core activities, without fully describing what they are. ([Business Insider](#))
- Ride hailing operator **Ola** cut 1,400 jobs, saying revenue fell (95)% in the last two months. ([TechCrunch](#))
- Ride hailing service **Bolt** raised €100 million. ([Reuters](#))
- The owner of ride hailing firm **Tada** raised around \$5 million. ([Deal Street Asia](#))

Driverless / Autonomy (history)

- The CEO of **Intel's Mobileye** reckons there will be massive consolidation amongst companies developing self-driving technology because (he thinks) specialists will find it too hard to collaborate. ([Reuters](#))
- **Lumotive** says it will have a new lidar sensor in customer's hands by the end of 2020. With a range of around 120 metres -- far less than some boast -- the main selling point will be "competitive" cost. ([Lumotive](#))
- Labelling company **Scale AI** and lidar developer **Hesai** launched an open source dataset of lidar traces that can be used to train systems on object recognition. ([TechCrunch](#))
- Autonomous technology developer **Hongjing Drive** said it had raised millions of dollars. ([TechNode](#))

Electrification (history)

- British battery start-ups **AMTE Power** and **Britishvolt** want to build a factory with a capacity of 30 GWh (or more), which would make it one of the World's largest facilities. The scheme appears to have government backing. ([AMTE](#))

- **SVOLT** says 2021 will see the debut of its cobalt-free batteries in vehicles made by Great Wall. ([Autocar](#))
- Suspension supplier **KYB** signed a deal with in-wheel motor developer **REE**, enabling REE to develop packages incorporating wheel hub, power, braking and suspension. ([REE](#))
- **InoBat** acquired a site in Slovakia for a low-volume battery production line and R&D centre, with plans to expand to a 10 GWh facility by mid-decade. ([Green Car Congress](#))
- Media behemoth **Liberty Global** plans to start a high speed charging network in the UK using power from the kerbside cabinets that house its broadband equipment. ([Bloomberg](#))

Connectivity

- **HERE** signed deals with address database **Loqate** and parking provider **APCOA** to embed its maps in other software ([HERE](#)) and map out European parking lots. ([HERE](#))
- **Alpine** and **Telenav** are launching a usb stick that will upgrade an infotainment unit with smartphone integration so that it can access media streaming services and send vehicle data to the cloud. The device sounds in principle like a smartphone without a screen. ([Telenav](#))

Other

- University researchers in Japan are trialling an **inflatable electric scooter** which bears a passing resemblance to a child's [Trunki](#) rideable suitcase. Although the prototype has several drawbacks, the idea could develop into something that would be suitable for integration into a vehicle's boot space. ([IEEE Spectrum](#))
- Electric rickshaw developer **Euler Motors** raised an additional 20 Cr INR (about \$2.7 million). ([Autocar](#))
- Electric scooter rental service **Tier** has launched foldable helmets stored within the scooter. ([Tier](#))
- **By Miles**, a mileage-based insurance company backed by **JLR's** InMotion VC fund raised £15 million, but JLR did not participate. ([By Miles](#))
- Autonomous drone developer **Xwing** raised \$10 million. ([Alven](#))
- A majority stake in bicycle rental service **CityBike** was sold to a private equity firm. ([PE News](#))