



AD PUNCTUM

Autos & Mobility Industry Briefing -- 15th June to 21st June 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)

- Announced an agreement with German unions to encourage older staff to take voluntary redundancy and younger staff to retrain and do something different. Special pay-boosting entitlements for some workers (guaranteed extra hours) will be scaled back through a series of contractual changes. ([BMW](#))
- In addition to permanent staff cuts, around 10,000 temporary production and contract engineering staff are also reportedly set to go. ([Handelsblatt](#))
- Daimler and BMW decided not to deepen their partnership on next generation driver assistance systems after their experts jointly concluded that that had all done such a good job of developing systems before the partnership began that these amazing, yet totally different systems, would not benefit from being combined. ([Daimler](#))
 - Significance: The decision seems odd in the context of an area where both firms are pouring hundreds of millions of research euros without clarity on customer reception, and therefore payback. The most logical explanation is that BMW and Daimler's experts concluded L2+ / L3 systems have only limited commercial viability (because they will be so expensive that few users will take them) and so developing a more comprehensive technology set together was unlikely to payback.

Daimler (history)

- Created a framework for issuing green bonds, assuring investors that more than 50% of the money will be used for zero emission vehicles. ([Daimler](#))
- Daimler and BMW decided not to deepen their partnership on next generation driver assistance systems after their experts jointly concluded that that had all done such a good job of developing systems before the partnership began that these amazing, yet totally different systems, would not benefit from being combined. ([Daimler](#))

FCA (history)

- Plans for all US plants to be operating pre-coronavirus shift patterns from w/c 21st June. ([Detroit News](#))
 - Significance: Ford, FCA and GM are all talking about "operating patterns" rather than production rate. It remains to be seen whether there is no real difference between the two, or if PR hungry executives are telling the media that things are back to normal just because the same number of human beings are making fewer vehicles.
- Recalling over 90,000 vehicles globally to fix transmission problems. ([FCA](#))

Ford (history)

- Rumours surfaced that the next generation Edge SUV is cancelled. Unions called for clarification. Ford's vague answer aspired to continue in the segment, without committing to the Edge nameplate or the Canadian plant that currently produces it. ([Detroit Free Press](#))
- Offered US office workers the chance to work from home full time until at least the end of 2020. ([Detroit Free Press](#))

- Plans for all US plants to be operating pre-coronavirus shift patterns from w/c 21st June. ([Detroit News](#))
- Pushed back the unveiling of the new Bronco after it discovered the previous date coincided with the birthday of infamous Bronco owner O.J. Simpson, testing the limits of the any publicity is good publicity mantra. ([Detroit News](#))
- Following the wave of “active” models seen across passenger car brands (where customers part with extra cash for plain plastic cladding and slight suspension changes), Ford has decided that the commercial vehicle market is ready for its own version. ([Autocar](#))
- Will add hands-free (but not eyes-off) driving assistance on selected highways in North America. Ford plans to charge customers in two stages: there will be a “prep package” (the hardware) that customers need to specify at the time of purchase and then a second purchase for the software itself. ([Ford](#))

Geely (includes Volvo) (history)

- Buying a stake of slightly more than 15% in Chinese truck and bus maker Hualing Xingma. ([Gasgoo](#))

General Motors (history)

- CEO Barra suggested that GM had made all the job cuts needed to survive a downturn. ([Detroit Free Press](#))
- Announced US operations had returned to pre-coronavirus levels. Confusingly, only 90% of the hourly workforce are back at work. ([Detroit News](#))
- Uses additive manufacturing (3D printing) to make up to 75% of the parts for early stage prototypes. ([GM](#))

Hyundai / Kia (history)

- Despite difficulties brought on by coronavirus, Hyundai says 30,000 reservations have been made for the Indian market launch of the Creta. ([Autocar](#))
- Launched a new app which contains car manuals. The clever bit is that, rather than having to look up tyre pressures in the index, drivers can simply point the smartphone camera at the area of interest and the app will identify relevant sections of the manual for them to read. Although this was possible before, the pain of setting it up meant Kia restricted the amount it was used. The firm now says it can roll out across carlines easily. ([KIA](#))

Mazda

- Believes it will take a “long time” for pre-coronavirus crisis industry sales levels to return. ([Mazda](#))
- Unveiled the new BT50 pickup truck, built using Isuzu underpinnings. ([Mazda](#))

Nissan and Mitsubishi (history)

- Allies of Nissan’s COO are rumoured to be manoeuvring in an attempt to have him promoted to co-CEO. How such a change would promote stability at the company is anyone’s guess. ([Reuters](#))

Renault (history)

- Stopped selling the value-engineered Captur crossover in India. High prices and cannibalisation from other models in Renault’s Indian range were blamed. ([Autocar](#))
- Renault’s chairman denied that the company had any problem with the timing of EU emissions rules. ([Reuters](#))
- Renault’s incoming CEO addressed shareholders (he hasn’t officially started work yet but the pay will presumably be sorted out later), saying he was looking forward to the challenge of turning the business around. Despite Renault’s recent restructuring announcements, he plans on revealing his own strategy at the end of the year. ([Reuters](#))

Suzuki

- Urged Maruti-Suzuki suppliers to prepare contingency plans for a second wave of coronavirus (mainly by building more inventory) and apologised for the firm’s slow and inconsistent production since restarting in May. ([Autocar](#))

Tata (includes JLR) (history)

- Reported financial results for the fiscal year ended 31st March 2020. Wholes of 1.006 million units fell (23)% on a year over year basis, whilst revenue of 261,068 Cr INR (about \$34.5 billion) dropped (14)% (of which JLR was £23 billion,

about \$28.7 billion). The before tax loss was (10,580) Cr INR (about \$1.4 billion), but Tata Motors was declared “near breakeven” on an EBIT basis. JLR’s PBT was £(422) million (about \$530 million). In response, both Tata Motors and JLR will go on a diet; in JLR’s case this is incremental to the already announced plan and will see a further £1.5 billion of cost actions and an axe being taken to (unspecified) parts of the product plan. JLR thinks that coronavirus cost the business £599 million and without it the brand would have made a full year profit. ([Tata](#))

- The move to increase JLR’s cost savings target seems inevitable. Even excluding coronavirus the business was barely profitable, yet says cost actions have improved profit by £1 billion since 2018 (plus lower investment). ([Tata](#)) Part of the savings will come from further redundancies; (1,100) UK staff will go. ([Reuters](#))
- Moody’s downgraded Tata Motors’s debt to B1 (deeper into junk territory). ([Economic Times of India](#))

Tesla (history)

- Reportedly signed a lithium supply deal for up to 6,000 tones per year with Glencore. ([Bloomberg](#))
- Firms that advise many shareholders recommended that they reject Tesla’s proposal to re-elect chairwoman Denholm, saying she was insufficiently independent from CEO Musk. ([Reuters](#))
- Panasonic and Tesla expanded their long term supply agreements. ([Reuters](#))
- A deal to buy a 2,100 acre site in Austin, USA suggests that Tesla may have made up its mind about the location of the factory for the Cybertruck. ([Electrek](#))

Toyota (history)

- Will make its human body simulation tool (for crash and ergonomics) free for all users. Although it was previously openly available, there was a licence fee. ([Toyota](#))
- Toyota and MIT are releasing a set of videos taken by cars developing self-driving technology, in the hope that it will spur development of object recognition. ([Toyota](#))
- Invested in industrial engineering startup Drishti, which uses remote cameras and (ahem) artificial intelligence (definitely not human data labellers sitting in dark rooms) to conduct the sort of time and motion studies shopfloor workers often resent. ([Toyota](#))
- Participated in a further fund raising round for AI company SLAMcore. ([FINSMES](#))

VW Group (history)

- SEAT unveiled a refreshed Ateca mid-size SUV. ([Autocar](#))
- Plans to scale down the Hannover, Germany, plant that builds commercial vehicles from around 15,000 employees to nearer 10,000. VW believes natural attrition will be sufficient. ([Handelsblatt](#))
- Photographs sent to the Chinese government purported to show the production version of the ID4. ([Autocar](#))
- Audi opened a new R&D centre in San Jose, USA, where staff will work on driver assistance systems. ([TechCrunch](#))
- Agreed to invest an additional sum, up to \$200 million, in solid state battery developer QuantumScape. VW previously put \$100 million into the company. ([VW](#))
- Inviting VW eGolf (the all-electric version) buyers to help build their car; they will be able to tell friends and family all about installing front and rear badges and the tail lights -- and they will have paid €215 for the privilege. ([VW](#))
- VW declared itself open to working with rivals on vehicle software. Although many executives might be interested in VW’s declarations of an open source approach, their technical teams may well be put off by VW’s intention to “define its core” themselves (see Daimler and BMW’s self-driving technology dissolution). ([Reuters](#))
- Audi’s CEO took on a plethora of new roles: he will head the brand’s efforts in China and be responsible for engineering. To help, the brand has restructured the way product programs are delivered. The planning organisation will be separated from engineering. Audi announced a COO to help with the workload. There will also be a chief transition architect helping to manage the engineering side of things. ([Audi](#))

Other

- **Ssangyong** has retained an agent to sell **Mahindra’s** stake to a partner with deeper pockets. ([Reuters](#))
- **BYD’s** semiconductor unit raised \$113 million -- after recently taking in about \$270 million. ([Deal Street Asia](#))
- Electric vehicle developer **Arrival** unveiled a bus. Although no timing for launch was mentioned in the press release, there were some videos of prototype units driving on a test track. ([Arrival](#))

- **Aston Martin** appointed a new CFO, who previously held the same position at **JLR**. ([Reuters](#))
- **McLaren** is mulling a sale of part of the F1 team. ([Sky News](#))

[News about other companies and trends ...](#)

[Economic / Political News](#)

- **European** passenger car sales in May of 1,444,173 units fell (57)% on a year-over-year basis. ([ACEA](#))
- The **UK** government admitted that if talks haven't made good progress by October, the chance of a **UK-EU trade deal** before the **Brexit** transition period expires are slim. ([Reuters](#)) The **EU** said it wanted a deal, but only if the UK was reasonable. ([Reuters](#))

[Dealers](#)

- Chinese aftermarket parts marketplace **CassTime** raised \$50 million. ([Deal Street Asia](#))

[Ride-Hailing, Car Sharing & Rental](#) (history)

- Multimodal app **Splyt** raised \$19.5 million from investors including SoftBank. ([SoftBank](#))
- **Lyft** said that by 2030, every car on its ride hailing platform will have zero tailpipe emissions. ([Lyft](#))
- **Hertz** is no longer planning to issue new shares and instead hopes to raise a bankruptcy loan. ([WSJ](#))

[Driverless / Autonomy](#) (history)

- The **US** government unveiled an initiative to collect testing data from companies developing self-driving vehicles. Critics said the data would be so thin as to be meaningless. ([The Verge](#))
- Self-driving software firm **Almotive** raised \$20 million, ([VentureBeat](#))
- **Toyota** and **MIT** are releasing a set of videos taken by cars developing self-driving technology, in the hope that it will spur development of object recognition. ([Toyota](#))
- **Ford** will add hands-free (but not eyes-off) driving assistance on selected highways in North America. Ford plans to charge customers in two stages: there will be a "prep package" (the hardware) that customers need to specify at the time of purchase and then a second purchase for the software itself. ([Ford](#))
- **Daimler** and **BMW** decided not to deepen their partnership on next generation driver assistance systems after their experts jointly concluded that that had all done such a good job of developing systems before the partnership began that these amazing, yet totally different systems, would not benefit from being combined. ([Daimler](#))

[Electrification](#) (history)

- Telecoms firm **Telenor** will offer Swedish customers charging bundled with their TV and broadband. ([Charged EVs](#))
- **Hyundai Mobis** reckons it has cracked the problem that many electric cars have with the artificial sounds manufacturers fit them with to meet pedestrian safety laws: what sounds great in the studio is often distorted when played through a speaker mounted in the engine bay. Hyundai Mobis makes the front grille part of the speaker (a solution which is dependent to a degree on grille design), dramatically reducing distortion. ([Hyundai Mobis](#))
- **VW** agreed to invest an additional sum, up to \$200 million, in solid state battery developer **QuantumScape**. VW previously put \$100 million into the company. ([VW](#))

[Connectivity](#)

- **Delphi** and **TomTom** think that using mapping data to change a car's engine settings in real time can improve fuel economy by 10%. Tests apparently showed that this was true across a range of driving styles. ([Delphi](#))

[Other](#)

- Truckmaker **Volvo Group** plans to cut 4,100 staff jobs. ([Volvo](#))
- **Quantron** plans to offer a fuel cell powered heavy truck in Europe from 2022 onwards. ([Quantron](#))

- Bicycle rental firm **Bird** and **Trailze** launched a mapping service that plans optimum routes for bicycle and electric scooters. The company spies a gap in the market since current offerings are aimed at cars or pedestrians. ([Bird](#))
- Electric motorcycle maker **Altenet Systems (AYLI)** raised \$25 million. ([AYLI](#))