



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 22<sup>nd</sup> June to 28<sup>th</sup> 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)

- Opened a new additive manufacturing centre, with plans to make 60,000 parts each year. ([BMW](#))
- Will use a new technology in Apple devices that means a phone can double as a car key. ([BMW](#))
- Workers representatives on BMW's board are pushing for the firm to change strategy and produce a platform dedicated to electric vehicles. ([Reuters](#))

#### **Daimler** (history)

- Shortly after calling off a plan to develop self-driving features with BMW, Daimler announced a deal with chipmaker Nvidia to create an upgradeable driver assistance suite that will launch in 2024. The partners intend to develop SAE L2 and L3 technologies and a fully automated parking assistant. ([Daimler](#))

#### **FCA** (history)

- Received a €6.3 billion credit facility, 80% backed by the Italian government, that will be spent on actions to improve the competitiveness of FCA's plants in Italy. ([FCA](#))
- Hailed the performance of its brands in US quality surveys. Dodge had the (joint) best initial quality (i.e. when the car is still nearly new) in the survey. ([FCA](#))
- A judge ordered FCA CEO Manley and GM CEO Barra meet face-to-face to resolve a civil case brought by GM claiming damages because FCA's relationship with union leaders inflated costs (through the pattern bargaining agreements including things that GM hated but FCA didn't mind). ([Reuters](#))

#### **Ford** (history)

- Unveiled the new F-150 full-size pickup which continues with an aluminium body on a steel frame. There are a host of new features, seemingly aimed at builders and explorers, including a ruler integrated into the plastic of the tailgate (might be useful, costs nothing to implement). The truck will also get Ford's forthcoming hands-off, but eyes-on, driver assistance suite. Ford confirmed a (non plug-in) hybrid version but withheld details on the all-electric model until a later date. ([Ford](#))
- Published its latest sustainability report and announced a goal for all Ford's vehicles and operations to be carbon neutral by 2050. The goal does not imply all cars will have zero emissions (i.e. be fully electric or fuel cell), instead suggesting carbon capture as a possible strategy. Ford has stopped reporting any of the results from its internal employee satisfaction survey. ([Ford](#))
- Thinks that collaboration will be necessary for manufacturers to offer a full range of electric vehicles. ([Autocar](#))
- Recalling slightly under 3,000 SUVs in North America because the headrest on the seats could come loose in an accident and a handful of large pickup trucks because one of the powertrain parts might not be structurally sound after a manufacturing process was missed. ([Ford](#))

- Announced the creation of a new UK 5G network with Vodafone and other partners. Connected vehicle enthusiasts will be disappointed though; the purpose is to connect manufacturing machines rather than cars. ([Vodafone](#))

### Geely (includes Volvo) (history)

- Geely unveiled the Hao Yue large SUV. Available in 5 and 7 seat configurations, the car appears very similar to the Volvo XC90 with different sheet metal. ([Geely](#))
- Volvo announced a deal with Waymo (Google) for L4 self-driving technologies, and that the two companies will partner on an electric taxi. ([Volvo](#))

### General Motors (history)

- Won a contract to supply the US army with new infantry vehicles that cost a cool \$330,000 apiece. ([GM](#))
- A judge ordered FCA CEO Manley and GM CEO Barra meet face-to-face to resolve a civil case brought by GM claiming damages because FCA's relationship with union leaders inflated costs (through the pattern bargaining agreements including things that GM hated but FCA didn't mind). ([Reuters](#))

### Hyundai / Kia (history)

- Hyundai-Kia and LG Chem will collectively fund promising battery start-ups. ([Kia](#))
- Hyundai and LG Chem are reportedly contemplating a battery making JV in Indonesia. ([Reuters](#))

### Mazda

- Recalling around 24,000 Mazda 3 and CX-30 because the bolts that hold the braking system on may not have been tightened properly. ([Mazda](#))

### PSA (history)

- Opel will disband the national sales company in Bulgaria and use an importer instead. ([PSA](#))
- Unveiled the new Mokka compact crossover. The line-up includes an all-electric version but with pricing not yet published it isn't clear whether PSA intend to go head-to-head with similar forthcoming models from VW or the car will be sold selectively (e.g. management scheme). ([PSA](#))
- Unveiled the new Citroën C4, which will come with a range of powertrain options including plug-in hybrid and all-electric. ([Citroën](#))

### Toyota (history)

- Recalling around 270,000 Prius in the USA because the car might overreact to a fault in the hybrid system and shut down the engine. ([Toyota](#))
- Investing in automated forklift company Third Wave. ([Toyota](#))
- Invested in cashless payments company Synqa Holdings. ([Nikkei](#))

### VW Group (history)

- Reportedly contemplating the re-acquisition of rental group Europcar, [which VW sold in 2006](#). ([FAZ](#))
- Bentley has cut spending on new combustion engine models, rather than affect plug-in hybrid and fully electric cars, the plans for which are "full steam ahead". ([Autocar](#))
- Thinks it will take until at least 2022 for car sales to recover. ([Reuters](#))
- Unveiled a minor refresh of the VW Arteon, and a shooting brake version. ([VW](#))

### Other

- Greek firm **Spyros Panopoulos Automotive** is planning a new hypercar called Apeiron with a top speed of over 310 mph. Unusually for new sportscar entries, it will be powered by an internal combustion engine. ([CarBuzz](#))
- **Mahindra** worries about new tariff barriers but thinks that sourcing to multiple suppliers to overcome trade problems could increase costs by 15% - 20%. ([Economic Times of India](#))
- **Aston Martin** announced a £152 million rights issue. ([AML](#))

- The CEO of **Lordstown Motors** says the first year's production is sold out. ([Yahoo](#))

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

### [Economic / Political News](#)

- **European** vehicle manufacturers trade body ACEA expects the passenger car market to drop (25)% in 2019 compared with the prior year. ([ACEA](#))
- The UK trade body, the **SMMT**, worries that one in six car industry jobs (including dealers and servicing centres) could be lost through a combination of a post-coronavirus recession and an unhelpful outcome in the EU-UK trade talks. ([BBC](#))
- **The EU** published provisional data on CO<sub>2</sub> emissions for passenger cars in 2019 showing average emissions of 122 g / km CO<sub>2</sub> – some way above the 95 g / km level that starts to phase in (through a complicated series of rules) this year. Data for vans was also published, showing some work left to do to close the gap to target. ([EU](#))
  - Significance: Ad Punctum's contention is that manufacturers have all the technology to meet 2020 and beyond targets, and the cost of that technology is lower than the fines they will have to pay for breaching the regulations. Therefore compliance makes business sense. Data from early in 2020 suggesting electric vehicle shares were climbing substantially, consistent with this hypothesis. The corollary is that 2019 represented something of a peak for legacy technology.

### [Suppliers](#)

- **Martinrea** says it will still pay a dividend, after agreeing with lenders that Q2 financial performance won't be part of the calculations about its loan covenants. ([Martinrea](#))
- **Adient** said that **Yanfeng** would pay a little bit less for the JV assets it was taking over, and the money would be paid a bit later too. ([Adient](#))

### [Dealers](#)

- UK online used car dealer **Cazoo** raised \$25 million and says it is worth over \$1 billion. ([Cazoo](#))

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

- Chinese high end car rental company **JF Chuxing** raised \$10 million. ([China Money Network](#))

### [Driverless / Autonomy](#) (history)

- As rumoured, **Amazon** acquired **Zoox**, suggesting that the firm will still create vehicles for moving people (just perhaps with packages in the back too). The value wasn't disclosed. ([Amazon](#))
- **Didi Chuxing** is aiming to have one million robotaxis in service by 2030. ([Reuters](#))
- **Oxbotica** is developing AI that will create altered images from photographs taken by test vehicles, so that more variety can be tested, with the aim of accelerating testing times. ([Autocar](#))
  - Significance: Whilst this solution seems neat, computers interpret photographs very differently to human eyes (they use data about the colour, brightness etc of the pixels) so however convincing observers might find the techniques, they may be unsuitable for recreating what a vehicle sensor set detects.
- **DriveU**, which develops communications networks for remote vehicle operation, raised \$4 million. ([DriveU](#))
- **Lyft** released a dataset of traffic movements around autonomous test vehicles, hoping to spur innovation in predicting the movement of fellow road users. ([Lyft](#))
- Driver monitoring start-up **ADAM CogTech** raised \$2 million. ([CTech](#))
- Self-driving truck developer **TuSimple** reportedly hopes to raise \$250 million. ([TechCrunch](#))
- **Volvo** announced a deal with **Waymo** (Google) for L4 self-driving technologies, and that the two companies will partner on an electric taxi. ([Volvo](#))

## Electrification (history)

- Charger creator **Trojan Energy** raised £5 million in grants and new investment. ([Charged EVs](#))

## Other

- **Cummins** and **NPROXX** have formed a joint venture to make hydrogen tanks for truck trailers and rail carriages, anticipating a boom in demand for the gas. ([Cummins](#))