



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 17<sup>th</sup> August to 23<sup>rd</sup> August 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)

- Rolls-Royce claim that their initial attempts at reduce NVH in the cabin of the new Ghost were too successful and engineers had to add some noise back in to prevent the experience being too eery. ([Rolls-Royce](#))

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

- Has now updated 500,000 older vehicles with retrofit adaptors that give limited connected features. ([Daimler](#))
  - Significance: Although the modems are unable to offer read/write functionality, the user benefit and data gathering potential at a relatively low cost (c. \$50 / unit) make the Mercedes Me scheme worthwhile.
- Rejected a proposal by German unions to move workers onto a four day week that would have protected jobs but harmed productivity. Unions remain open to fewer hours with a partial reduction in net pay. ([Manager Magazin](#))
- The French government are reportedly suspicious about Ineos's proposed takeover of the Hambach, France, factory and have commissioned consultants Roland Berger to review the plans. ([Consultancy.eu](#))

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

- Recalling around 132,000 cars because component position sensors in the engine might stop working properly and cause the engine to stall. ([FCA](#))

#### **Ferrari**

- Signed a new agreement with F1 governing the commercial rights and revenues between 2021 – 2025. ([Ferrari](#))

#### **Geely (includes Volvo)** (history)

- Kandi is exploring options for a North American plant. ([Kandi](#))

#### **General Motors** (history)

- Said that 40% of forthcoming GM products for China will be electrified, and all will be locally built. GM is excited by the potential for complexity reduction (such as 500 ICE engine and transmission combinations down to 19 – although it isn't clear if this spans the same portfolio size the directional saving is real). ([GM](#))
- Appears committed to making owners pay for long term use of the “Super Cruise” driver assistance suite, but has yet to decide how much it will cost. Owners of older vehicles were granted an additional year of the technology at no cost to give executives breathing room. ([Motor1](#))
- Further rumours that GM could spin off its electric car business rallied shares. ([Bloomberg](#))
  - Significance: Given that GM has no specific all-electric brands, the rationale for, and operational execution of, a divestment remains unclear -- apart from tapping into the market's appetite for electrified vehicle assets. This week's tech day where it was clearly demonstrated that electric vehicles underpin the medium-term business plan

in China. A potential motivation could be to create a GM “good bank” of assets considered undervalued by the markets and leave a rump GM saddled with legacy technologies and obligations; pretty much a repeat of GM’s Chapter 11 bankruptcy...

### Hyundai / Kia (history)

- Reportedly planning a new factory in Singapore to make electric vehicles. ([Straits Times](#))

### Tata (includes JLR) (history)

- JLR is looking at ways to include more recycled content in the aluminium used in car bodies, saying that production CO<sub>2</sub> emission savings of 26% are on offer if they succeed. ([JLR](#))
- Despite recent moves by others, notably Daimler but not BMW, away from using the technology in passenger cars, JLR believes that hydrogen power has a “key place” in the portfolio. ([Autocar](#))
- After last week denying that it was about to sell part of the passenger car division, Tata had to deny that it was looking to sell part of JLR. ([Tata](#))

### Toyota (history)

- Will use Amazon’s cloud computing services to run some of Toyota’s mobility services. ([Toyota](#))

### VW Group (history)

- Agreed to increase the pay of Mexican workers by 5.5%. ([Reuters](#))
- Started production of the ID4 all-electric crossover. ([VW](#))
- Porsche is reportedly reviewing past models for potential problems with engine emissions. ([Reuters](#))

### Other

- Indian start-up **EVage** hopes to launch an all-electric delivery van, and then move on to products as varied as a city car and SUV built from the same architecture. ([Economic Times of India](#))
- **Canoo** plans to list via a merger with a special purpose vehicle that will see the firm valued at \$2.4 billion. ([Canoo](#))
- A US importer is reportedly on the verge of making a takeover offer for **Mahindra’s Ssangyong**. ([Yonhap](#))
- **Bollinger** announced a new headquarters and plans to grow the organisation. ([Bollinger](#))
- Electric commercial vehicle firm **XOS Trucks** (originally Thor) raised \$20 million from investors including supplier **Metalsa’s** parent. ([XOS](#))
- **Nio** plans to offer a battery leasing service, complete with battery swapping, enabling customers to reduce the upfront cost of their vehicle. ([Nio](#)) If the scheme is successful, Nio hopes to expand outside China. ([AP](#))

## News about other companies and trends ...

### Suppliers

- UK tuning business **Mountune** appears to be up for sale. ([Autocar](#))
- **Valmet** will start low volume contract manufacturing in Germany in 2021. ([Valmet](#))
- US president Trump called for a boycott of **Goodyear** after the company said workers would not be allowed to wear baseball caps supporting his campaign (or any other, but that was beside the point). ([MarketWatch](#))

### Dealers

- Indian online used car marketplace **CarDekho** plans to open 1,000 physical sites by 2022. ([Deal Street Asia](#))

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

- A Californian court ruled that people driving for ride hailing services such as **Uber** and **Lyft** were employees rather than contractors. As a result, Uber and Lyft said they would suspend services in the state, but then backtracked after being told the ruling wouldn’t be immediately implemented and should be decided in a referendum instead. ([Lyft](#))

- Multimodal travel start-up **Omio** raised \$100 million. ([TechCrunch](#))

### Driverless / Autonomy (history)

- Lidar developer **Luminar** agreed to list via a merger with a special purpose vehicle that will have a market capitalisation of around \$3.4 billion, and over \$500 million in cash. ([Luminar](#))
- **Aurora's** boss shrugged off suggestions that the firm needs to have large OEMs signed up as partners, after seeing collaborations with several OEMs dissolve. He says the company has more than enough money and is confident that his team will do a better job than rivals of developing self-driving technologies. ([FT](#))
- Former employees of **Zoox** are trying to sue the company, saying that it should have sold itself to **GM's** Cruise unit, rather than **Amazon** who offered more money overall, but less for executives. ([Reuters](#))
- **Ibeo** says its new lidar sensor has a 260m range and is ready for production in a **ZF**-owned plant. ([Ibeo](#))
- **GM** appears committed to making owners pay for long term use of the "Super Cruise" driver assistance suite, but has yet to decide how much it will cost. Owners of older vehicles were granted an additional year of the technology at no cost to give executives breathing room. ([Motor1](#))

### Electrification (history)

- **Nio** plans to offer a battery leasing service, complete with battery swapping, enabling customers to reduce the upfront cost of their vehicle. ([Nio](#)) If the scheme is successful, Nio hopes to expand outside China. ([AP](#))

### Other

- The **Williams** F1 team has been sold to an investment firm. ([The Guardian](#))