



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 31<sup>st</sup> August to 6<sup>th</sup> September 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)

- Unveiled the new Rolls-Royce Ghost. Plutocrats' chauffeurs will be relieved to know that the days of rushing round to the back of the car are over -- the Ghost is equipped with power opening doors. ([Rolls-Royce](#))
- Rolls-Royce's CEO says that the brand is set to be profitable in 2020, thanks to massive pricing power, and will set up a second shift to deal with the anticipated demand for Ghost. He isn't sure yet whether the new limousine or the Cullinan SUV will emerge as the brand's biggest seller. ([Automotive News](#))

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

- Unveiled the new S-Class. The car comes with all the usual mod-cons, plus new occupant monitoring sensors which enable gesture recognition and automation of some functions by pre-empting the need based on the movement of the driver. Mercedes have also fitted an optional rear steering system for enhanced manoeuvrability in congested city centres. ([Daimler](#)) Daimler executives told assembled journalists that the target letter for the S-Class's specification was 689 pages long. ([Reuters](#))
- Daimler will not be investing in additional capacity in Germany, preferring to build where it sells (e.g. more production in China). CEO Källenius admitted that the restructuring plans were now intended to be deeper than when they were first announced (pre-coronavirus). ([FT](#))
- There is likely to be a Maybach version of the all-electric EQS limousine, with Daimler executives suggesting that there were "opportunities", almost certainly code for the program having been already approved. ([Bloomberg](#))
- Daimler's boss remains open minded about an expanded future cooperation with Aston Martin but says that he can't comment on any initiatives at present. ([Top Gear](#))
- Issued a €1 billion green bond that will fund development of low CO<sub>2</sub> transport and sustainability measures. Daimler will pay just 0.75% interest. ([Daimler](#))
- Setting up a new test site in Albuquerque, USA to develop self-driving trucks with the recently acquired Torc Robotics team. ([Daimler](#))
- Daimler says that the factory building the new S-Class will be 25% more efficient than when the previous generation was built. ([Reuters](#))

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

- Unveiled the three-row Jeep Grand Wagoneer, a vehicle that is intended to push the brand upmarket, as well as increase volumes. There will also be a shortened version, called simply Wagoneer, that is yet to be revealed. The vehicles are set to be launched in 2021. ([FCA](#)) The head of the Jeep brand sees the vehicle's competitors as the Range Rover and Cadillac Escalade. ([Reuters](#))

## Ferrari

- Production of the GTC4Lusso -- the closest thing Ferrari had to a family car -- has ended. ([Motor1](#))

## Ford (history)

- Confirming earlier rumours, Ford announced plans for an early retirement program, aiming to get 1,400 North American employees off the payroll. ([Detroit Free Press](#))

## Geely (includes Volvo) (history)

- Cyan Racing, which traditionally handles motorsport for Volvo and Geely in Europe, announced a continuation edition of the 1960's Volvo P1800 coupe. Unlike recent efforts from Bentley and Aston Martin, the car is substantially upgraded versus the original, boasting higher power, lower weight and a steeper price tag -- a cool half million dollars. ([Autocar](#))
- Volvo is acquiring a Swedish dealer group with the intention of rolling out a set of IT tools and processes that allow for seamless transactions online and at the dealership, so that customers won't have to restart orders just because they choose to drop into a dealership, or vice versa. Volvo's plan is to hone to system in Sweden and then deploy in other markets around the world. ([Volvo](#))

## General Motors (history)

- GM and Honda intend to create a partnership in North America that will see vehicles and powertrains shared, with joint purchasing efforts that seek to leverage the scale of the two companies. ([GM](#))
  - Significance: Although the companies don't mention the products involved, the deal could mean GM can still participate in car and minivan / MPV segments that it has recently abandoned on the basis of cost efficiency and offset some of the technologies it can no longer cost effectively develop in-house after selling Opel.

## Honda (history)

- GM and Honda intend to create a partnership in North America that will see vehicles and powertrains shared, with joint purchasing efforts that seek to leverage the scale of the two companies. ([GM](#))

## Nissan and Mitsubishi (history)

- Nissan says it has developed a new method of working with carbon fibre to produce car parts. Although the company is cagey on the details, it claims that development time has halved and cycle time can be reduced by 80%, indicating that the facility and tooling costs can be substantially reduced, although not to the point where the parts are cheaper than aluminium or steel (although extreme performance demands could demand carbon fibre's use). ([Nissan](#))
- The launch of the next generation Qashqai has reportedly been delayed until the middle of 2021. ([FT](#))

## PSA (history)

- Formed a joint venture with Total, owner of the Saft battery development brand, called Automotive Cells Company (ACC) that will produce batteries in France and Germany. The intention to form the joint venture was announced in January 2020 and the production sites are PSA powertrain plants. ([Total](#))
- Unveiled a minor design for the Peugeot 3008 ([PSA](#)) and 5008. ([PSA](#))

## Renault (history)

- Announced a reorganisation led by new CEO de Meo. There will be four major divisions: Renault; Dacia; Alpine and New Mobility, with de Meo himself heading the Renault brand. He hopes that the changes will put an emphasis on profitability over volume. ([Renault](#)) As part of the move Renault has decided that the Alpine brand needs more, rather than less, attention and will become the constructor name for the Formula 1 team, whilst Renault will continue as engine supplier. Given the lack of success from similar expansion efforts for Alfa Romeo and Jaguar, it remains to be seen whether giving such a considerable marketing push to a marque with only a single vehicle will pay off. ([Renault](#))

## Tesla (history)

- Plans to raise \$5 billion through issuing new stock. ([Tesla](#))
- Despite its rocketing share price and recent improvements in financial performance, Tesla was not added to the USA's S&P 500 stock index. ([Reuters](#))
- Rumours swirled over a flying visit made by CEO Musk to VW's headquarters. VW's CEO sought to quash the more colourful theories by saying Musk had simply stopped by to test drive the ID3 all-electric compact car, and been slightly rude about its top speed. ([LinkedIn](#))

## VW Group (history)

- Porsche is looking for collaborators to develop synthetic "efuels" that have lower carbon emissions than fossil fuels, even offering to jointly build small scale factories to pioneer the technology. The brand also hopes that CO<sub>2</sub> regulators might credit brands with developing the products. ([Porsche](#))
- Porsche is borrowing about 400 production workers from nearby Audi facilities to help meet demand for the all-electric Taycan. ([Automobilwoche](#))
- The chairman of VW's works council thinks that by 2023, when VW has several factories producing electric vehicles at full tilt, people will start talking about VW more than Tesla. He also expressed a lack of interest in a four day working week, reportedly under consideration by other German car makers (e.g. Opel), saying VW has plenty of work for its employees to do. ([Manager Magazin](#))

## Other

- **Byton**, which suspended operations in July, will reportedly raise about \$300 million by forming a new company called **Shengteng**, and hopes to get mass production underway again soon. ([Caixin](#))
- **Daimler's** boss remains open minded about an expanded future cooperation with **Aston Martin** but says that he can't comment on any initiatives at present. ([Top Gear](#))
- **Lotus** is being sued by **Williams Advanced Engineering** because Lotus took electrical work on the forthcoming Evija inhouse. ([Autocar](#))
- **Gordon Murray** announced a track focused version of the recently unveiled T.50 hypercar. The T.50s will cost over £3 million and only 25 will be built. ([Gordon Murray](#))

## News about other companies and trends ...

### Economic / Political News

- The **UK** government decided that now is a good time to take a hard stance on **Brexit**, with the top negotiator saying how red the country's red lines are and the prime minister expected to declare that he would be comfortable with trading with the **EU** on **WTO** terms. ([BBC](#))
- **US** light vehicle SAAR of 15.2 million in August was down (11)% versus prior year but was the strongest industry level seen since February. ([Wards](#))
- **UK** passenger car registrations in August of 87,226 units fell (5.8)% on a year-over-year basis, dampening hopes of an industry recovery glimmers of hope in July. ([SMMT](#))
- **German** passenger car registrations of 251,044 units in August fell (20)% compared to prior year. ([KBA](#))
- **French** passenger car sales in August of 103,631 units was a drop of (20)% versus August 2019. ([CCFA](#))
- **Spanish** passenger car registrations of 66,925 units in August fell (10)% compared to prior year. ([ANFAC](#))
- **Italian** passenger car sales in August were down only (0.4)% versus prior year, at 88,801 units. ([UNRAE](#))

### Suppliers

- **Magna** is buying **Chongqing Hongli Zhixin (宏立至信)** a seating supplier with which it has had a joint venture in China since 2015. ([Magna](#))
- **Valmet** expects sales of battery packs to exceed revenue from contract manufacturing within five years. ([Valmet](#))
- **Bosch** acquired 26% of swappable battery pack maker **Sun Mobility**. (**Economic Times of India**)

- **Continental** announced an expanded cost saving plan (the company originally announced a recovery plan in September 2019) with a target of saving €1 billion annually by 2023. About 30,000 jobs globally will be affected, but not all of them will go. ([Continental](#))

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

- **Uber** and **Yandex's** Russian ride hailing joint venture is spinning off its self-driving division. Yandex will take the lion's share of the autonomous business (73)%, with Uber retaining a 19% stake. ([TechCrunch](#))

### Driverless / Autonomy (history)

- **Allegro MicroSystems** acquired lidar developer **Voxel**. ([Allegro](#))
- Self-driving truck firm **Ike** says that **Ryder**, **DHL** and **NFI** have signed up to use Ike's kit on 1,000 of their trucks, which the company hopes can replace drivers on highway trips. Rather than selling an entire vehicle, Ike will modify existing trucks and sell a subscription to its software and hardware. ([Ike](#))
- **Uber** and **Yandex's** Russian ride hailing joint venture is spinning off its self-driving division. Yandex will take the lion's share of the autonomous business (73)%, with Uber retaining a 19% stake. ([TechCrunch](#))

### Electrification (history)

- **Bosch** remains convinced that, for heavy trucks, hydrogen fuel cells are a better bet than battery electric vehicles. The key reason is that the battery sizes necessary for long range add to vehicle weight, potentially at the cost of reduced payload. ([Bosch](#))
- Battery developer **QuantumScape** will list via a merger with a special purpose vehicle. ([Reuters](#))
- The **UK's** automotive trade body, the **SMMT**, reckons that it will cost almost £17 billion to prepare the country's infrastructure for mass adoption of electric vehicles by installing more chargers. ([SMMT](#))

### Other

- Japanese flying car start-up **SkyDrive** raised around \$35 million. ([Deal Street Asia](#))
- **Volta** showed off the prototype of the 16 tonne heavy truck it intends to produce from 2022 onwards. The design of the vehicle had already been shown in 2019 as a render. ([Volta](#))