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Autos & Mobility Industry Briefing -- 11th January to 17th January 2021

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)

- Sold 2,324,809 cars in 2020, down (8.4)% on a year-over-year basis. Within the overall drop, there were increases for higher performance “M” badged models and heavily electrified vehicles (PHEV and BEV). BMW also confirmed that it had met the fleet average CO₂ target set by the EU. [\(BMW\)](#)
 - Significance: Many had predicted that increasingly stringent CO₂ rules in Europe would reduce sales of higher performance models, which generally produce more pollution (unless they have a hybrid drive, something that is coming soon). It will be interesting to see whether this was a last gasp push for sales (in 2020, manufacturers can exclude some of their worst performing vehicles from CO₂ assessments), or a general trend towards sports models in spite of the overall market decline.
- BMW’s head of sales and marketing highlighted features that the company is now building into all models, regardless of whether the customer specifies them, and then enabling online purchase and activation after delivery. He says that such features will become an increasingly large part of revenue generation from options. It should also cut down on complexity. [\(BMW\)](#)
- Planning to roll-out online purchases for individually configured cars that would be delivered to the end customer without a showroom visit ever being necessary (often called end-to-end). BMW’s press release implies that dealers will still be involved with the service, although it may appear seamless to customers. [\(BMW\)](#)
- Decided to shut its trial all-in vehicle leasing scheme “Access”, but suggested that it may not be the end of the service with spokespeople saying BMW was “in the process of developing the next iteration”. [\(The Verge\)](#)

FCA (history)

- Working with electric air taxi firm Archer to design, and potentially help build, the latter’s products. [\(FCA\)](#)
- Completed the merger with PSA to form Stellantis, which will begin trading on 18th January (depending on the stock exchange in question). [\(FCA\)](#)
- Following in S&P’s footsteps, Moody’s announced a credit rating upgrade for FCA. [\(FCA\)](#)

Ford (history)

- Announced a sweeping restructuring of its South America operations that will see all factories in Brazil close, and the end of the little-known Troller brand. Ford said the move would result in special items of \$4.1 billion. Although Ford said that the coronavirus pandemic had influenced the decision, early comments by then-CEO Hackett about unspecified future footprint changes in South America suggest it was not a kneejerk reaction. [\(Ford\)](#)
- Delaying shipments of early-build electric Mustang Mach E SUVs to carry out unspecified quality checks. Vehicle locations shared on social media indicated that many of the cars have left the factory [\(Detroit Free Press\)](#)

Geely (includes Volvo) (history)

- Volvo renewed its €1.3 billion credit revolver. ([Volvo](#))
- Lotus will develop an all-electric sports car with Renault's Alpine brand. ([Lotus](#))
- Teaming up with Chinese online search giant Baidu to develop electric cars. ([Nikkei](#))
- Agreed a deal with Foxconn to make electric cars on a contract basis. ([TechCrunch](#))

General Motors (history)

- Announced a new business called BrightDrop, which will have its own vehicle, the EV600 all-electric delivery van. GM is planning to offer a suite of telematics and other software that will work with the vehicle to make it progressively easier for delivery companies to use the products and the existence of a motorised pallet truck hints at an autonomous vehicle that can not only drive itself around, but unload too. A minibus is also planned. ([GM](#))
 - Significance: With BrightDrop, GM is announcing a series of hardware and software products that loosely rival offerings from the likes of Arrival and Lordstown / Workhorse. It also provides a clear template for traditional OEMs to launch start-up-like entities that may better attract investor and customer interest than using existing structures and brands.
- Cadillac has designs on electric drones that can ferry its owners to areas that autonomous cars can't reach. The presentation didn't explain how the owner is supposed to explain to the passengers who shared the car ride that their drone only has room for one, and everyone else will need to proceed on foot. ([TechCrunch](#))
- GM's head of product development says that, versus the Bolt, the next generation of products will see energy density double and battery price will fall by 60%. ([Detroit Free Press](#))

Hyundai / Kia (history)

- Building a factory for hydrogen fuel cells in China -- at 6,500 systems per year, capacity isn't significant. ([Nikkei](#))

Nissan and Mitsubishi (history)

- Nissan's CEO was complimentary of Renault's turnaround strategy. ([Reuters](#))

PSA (history)

- Completed the merger with PSA to form Stellantis, which will begin trading on 18th January (depending on the stock exchange in question). ([FCA](#))
- Sold 2.5 million vehicles in 2020, down (28)% on a year-over-year basis. It wasn't all bad news though; sales increased in Eurasia, Middle East and Africa. In Quarter 4, sales of 311,176 units dropped (6)% from prior year. PSA confirmed that sales met its targets for fleet average CO₂ in Europe. ([PSA](#))
- Opel is reportedly so overwhelmed with orders for the electric Mokka that it has started cancelling hundreds of customer orders because it couldn't commit to a build date within the next 12 months. ([Handelsblatt](#))

Renault (history)

- Presented a strategic update branded "Renaulution". The intent to be disruptive was clear from page 1 as the report's name was applied in graffiti-style text over the plainer fonts that Renault normally uses. ([Renault](#))
- The initial pages were understandable self-criticism: the company is too reliant on Europe for profits; international markets are unprofitable and overlay complex by comparison; there are too many sub-scale products in the portfolio (selling an average of 41,000 units per year); Renault's brand is positioned differently across markets; in Europe Dacia sales are cannibalising Renault at the bottom end of the market and the two brands sell too many similar vehicles; volumes are too reliant on B-Segment (small cars), with too few C-segment (mid-sized) sales. ([Renault](#))
- Renault set updated financial targets: Around 3% operating margin by 2023 and around 5% by 2025. Despite targeting improved profitability, the cash target remains fairly level between 2023 and 2025. ([Renault](#))
- Renault says it can now develop a new car in under 3 years (where it re-uses the underpinnings of an existing product), down from around 4 years "before". ([Renault](#))
- Believes that after 2025, European regulations will make internal combustion engines so expensive that they will cost more than fully electric or fuel cell powertrains. The plan is therefore to chop models so that there is only one diesel

and one petrol engine available (down from three of each today). Diesels will become focused on commercial vehicles and the company will rely on electrification (i.e. an internal combustion engine with an electric motor fitted as well) to boost power levels. An intent to introduce even lower powered engines (down to 45 hp from 60 hp today) indicates an intent to further apply range extending engines. ([Renault](#))

- Renault expects the profitability of electric vehicles to grow strongly. Currently the firm says it is about the same as internal combustion engines versions (although prices are higher). By 2023, Renault expects all-electric models to be most profitable, followed by hybrids and then internal combustion engine products which become increasingly burdened with expensive technology and slip to the bottom of price lists. ([Renault](#))
- Plans to reduce manufacturing costs by 20% (from 2019 levels, so some of this includes previously stated targets). Renault already believes that it is best in class. Global capacity utilisation will be pushed to over 120% (measured against a two shift pattern), whilst volumes will drop from 3.9 million to 3.1 million units annually. There is also a target of reducing average vehicle costs by €600 per unit. ([Renault](#))
- Renault set new expectations for electric vehicle sales in Europe. By 2025, the target is that 30% of sales will be all-electric and another 35% will be hybrids (not all plug-ins). Electric vehicles are expected to be 40% more profitable on a gross margin basis. Through the various product actions, Renault expects to boost transaction prices from around €20,000 today to over €27,000 in 2025. ([Renault](#))
- The Dacia and Lada brands will be ruthlessly efficient; all models will be from the same Renault-Nissan component set and worse performing body styles will be dropped. The Alpine brand will be expanded, with the future range focusing on electrification and increasing to at least three vehicles, one of which will be an all-electric sports car developed with Lotus. ([Renault](#))
- All of Renault's non vehicle making activities (including captive finance) will be grouped under the brand "Mobilize", although the template is somewhat similar to a mix of PSA's "Free2Move" and Daimler's mobility / financial services group, there are some key differences. The main one is that there will be purpose-built vehicles for mobility services (including short term car rental, ride hailing and delivery). Renault suggested that the batteries would be recycled units, which will save over €1,000 per unit. ([Renault](#))
 - Significance: Although Renault has some smart ideas, it may continue to struggle with the same fundamental problem experienced by others -- low demand for marginal ownership.
- Sold 2.95 million vehicles in 2020, a (21)% drop on prior year. Renault met its targets for fleet average CO₂ in Europe, as expected. ([Renault](#))
- Unveiled a new SUV for Dacia called the Bigster ([Top Gear](#)) and a small all-electric car badged as a Renault 5, which seems set to spawn an Alpine derivative. ([Top Gear](#))
- Renault and Plug Power are establishing a joint venture for hydrogen distribution and fuel cells. ([ET News](#))
- Renault's wholly owned UK dealer group sold one of its London dealerships for £39 million. ([Motor Trader](#))

Stellantis (formed via the merger of FCA and PSA)

- The merger of PSA and FCA was formally completed. ([FCA](#))

Tata (includes JLR) (history)

- JLR sold 425,974 cars in 2020, (24)% down on a year-over-year basis. ([JLR](#))
- Speculation swirled about whether CEO Butschek would stay in his job. ([Economic Times of India](#))

Tesla (history)

- US authorities asked Tesla to recall about 160,000 Model S and Model X vehicles, saying that the memory on the cars has been overwhelmed and this can lead to unsafe operation. ([Business Insider](#))

Toyota (history)

- Settled a US probe into tardy reporting of emissions problems by agreeing to a \$180 million fine. ([Reuters](#))

VW Group (history)

- VW Group delivered 2.8 million vehicles in Q4 2020, down (6)% on a year-over-year basis. Mainstream brands, and heavy trucks, lost volume but Audi and Porsche both saw increases. On a full year basis, VW Group sold 9.3 million units, down (15)%. The ID3 is already the group's highest selling all-electric model. ([VW](#))
- Lamborghini delivered 7,430 cars in 2020, (9)% down year-on-year. The firm now says that it has a robust order book. ([Lamborghini](#))
- According to VW, there has been a massive surge in orders for electric vehicles from German fleets, with PHEV and BEV orders now running at 22% of sales, up from 5% in 2019. ([VW](#))
- Former CEO Winterkorn got some good news after a court case against him on charges of withholding information about the diesel scandal from investors was dropped. The bad news is that it only happened because there is another parallel case (about fraudulent emissions) that carries a stiffer penalty. ([Economic Times of India](#))
- VW's Indian financial subsidiary is taking a majority stake in online lending platform KUWY. ([Autocar](#))

Other

- **Nio** raised \$1.3 billion in debt. ([Nio](#)) CEO Li says that the company may enter the mass market, but that the Nio brand would be reserved for higher priced products. ([Economic Times of India](#))
- **Donkervoort's** founder is retiring, to be replaced by his son. ([Donkervoort](#))
- **Xpeng** agreed a \$2 billion credit line with several Chinese banks. ([Reuters](#))
- **Sony** showed videos at CES confirming that it has continued the development of the Vision S electric car it showed at last year's event. ([TechCrunch](#))
 - Significance: The seriousness of the work done implies that this is about far more than simply developing future technologies for Sony -- simply put, it is far easier to modify an existing vehicle to carry lots of new kit than to build a new car from scratch.
- **Mahindra and Mahindra** is making job cuts in North America, reportedly shedding half its 500 staff. The company said it was partly because projects had ended. ([Economic Times of India](#))
- **Sono Motors** is open to licencing its solar panel technology to other firms and has concluded a deal with autonomous vehicle developer **EasyMile**. ([TechCrunch](#))
- **Spyker** has reportedly finally shut up shop after a proposed deal fell through ([RTL Nieuws](#))
- **Lucid** is rumoured to be exploring a listing via a merger with special purpose entity at a valuation of around \$15 billion. ([Reuters](#))
- **Faraday Future** is looking at listing too, but has set its sights lower – at around \$3 billion. ([Business Insider](#))
- **McLaren** has an entry slot for Formula E in 2022, if it wants it. ([McLaren](#))
 - Significance: It is unclear whether McLaren wants to participate in Formula E because of the branding benefits it perceives, or because it wants to utilise Formula 1 team employees.
- **Alibaba** and **SAIC** launched a car brand called "IM". ([Nikkei](#))
- **Arrival** thinks that factories will be designed by artificial intelligence in the future, and they will be so complicated that humans won't be able to understand them. ([Arrival](#))
 - Significance: With breakdowns a frequent occurrence in automotive factories today, either factories will continue to need clear walkways and zoning so that repair staff can easily access them, or machines will have to become massively reliable, or fiendishly clever robots will have to do the repair work. With line stoppages resulting from problems ranging from glue dripping onto sensors, to contamination from excess greasy residue on parts stemming from machining operations, to good old-fashioned collisions between misplaced parts and assembly equipment (even when humans are in charge). This will be no mean feat.

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

Suppliers

- **AAM** and **Suzhou Inovance** formed a partnership to make electric motors with integrated power electronics. ([AAM](#))
- **Cipa** and **OmniVision** will team up to develop driver monitoring solutions. ([Cipia](#))

- **Continental** demonstrated a screen developed with **Leia** that makes maps appear three dimensional. ([Continental](#))
- **Hanon Systems** announced a new CEO, company insider Min Suk Sung. ([Hanon](#))
- **Hella** reported financial results from the first six months of its fiscal year (June to November 2020). Sales were €3.2 billion and EBIT was €94 million. ([Hella](#))

Ride-Hailing, Car Sharing & Rental (history)

- Ride hailing firm **Gett** raised \$115 million in its latest funding round -- up from a figure of \$100 million that was reported last summer. ([Gett](#))
- **Grab's** financial arm raised \$300 million from investors. ([Grab](#))

Driverless / Autonomy (history)

- Autonomous street sweepers will soon go on trial in Singapore. ([Bucher](#))
- After earlier receiving \$200 million in investment from bus maker **Yutong**, **WeRide's** latest funding round has reached \$310 million. ([Nikkei](#))
- **Blickfeld** unveiled a new lidar unit with a claimed range of 150m that can fit into a wing mirror. ([Blickfeld](#))
- **Intel's** Mobileye unit will use its own lidar from 2025 onwards. ([Intel](#))
- **Rinspeed** unveiled the Citysnap at CES. Rather than prior concepts which focused on reusable platforms, this vehicle investigates how parts of the vehicle could make kerbside delivery, exploring ideas similar to those behind by **GM's** BrightDrop hardware. ([Autonomes Fahren](#))

Electrification (history)

- **Panasonic** hopes to have a cobalt free, high density, battery in production in "two or three years". ([Nikkei](#))
- Electric conversion company **Motiv Power** raised \$20 million. ([Motiv](#))
- **TDK** reportedly wants to muscle into the battery supply game. ([Nikkei](#))

Other

- Electric bus company **Proterra** is listed through a merger with a special purpose vehicle in a deal that will value the firm at \$1.6 billion. ([Proterra](#))