

# Automotive Industry Weekly Digest

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## [Forecast & Analysis Highlights] Great Wall Motor reports sales increase of 40.3% YOY in November

Chinese automaker Great Wall Motor (GWM) sold 122,849 vehicles in November, up 40.3% year over year, according to its latest sales report. In the year to date (January–November), the automaker's sales rose by 12.9% year over year to 1,118,202 units. Haval remained GWM's best-selling brand in November with sales of 75,012 units, up 39.1% year over year. In the year to date, Haval's sales were 649,610 units, up 13.5% year over year. GWM's Tank brand sold 18,577 vehicles in November, up 70.1% year over year. The brand's sales expanded by 28.7% year over year to 145,227 units in the year to date. GWM's pickup product line also performed well in November. A total of 16,291 pickup trucks were sold in November, up 18.1% year over year. In the year to date, the automaker's pickup sales increased by 7.8% year over year to 186,298 units. In comparison, sales of the WEY brand are still hovering at low levels. The brand's sales were 2,866 units in November, up 35.8% from 2,110 units in November 2022. In the battery electric vehicle (BEV) market, the Ora brand's sales increased by 48% year over year to 10,025. Ora's year-to-date sales volume rose by 1.5% year over year to 98,492 units. In November, GWM's overseas sales volumes reached 35,496 vehicles. In the year to date, its overseas sales volume totaled 282,542 units.



### Outlook and implications

GWM's overseas sales continued to set records in November, passing the 30,000-unit mark for a third consecutive month. Its new energy vehicle (NEV) product line also contributed to the strong sales growth in November. A total of 31,248 NEVs were sold in November, up 143% year over year. GWM will make a bigger push into Europe with the WEY and Ora NEVs in 2024. The automaker is rebranding its products in Europe as part of a shift in strategy. Autocar reports that Great Wall's products will now be sold under the GWM brand instead of the separate Ora and Wey brands as part of the company's 'One GWM' initiative, which it says shows "commitment to a more cohesive and recognizable global presence, particularly in the European market." As part of this change of strategy, the model currently known as the Ora Funky Cat will become the GWM Ora 03, while a forthcoming sedan currently known as the Ora Lightning Cat will be called the GWM Ora 07. The Wey Coffee 01 will be renamed the GWM Wey 05, while the Wey Coffee 02 will become the GWM Wey 03. S&P Global Mobility currently expects GWM's sales in Europe to only experience mild growth in the next two years to reach 111,000 units in 2024 and 117,378 units in 2025. In South Asia, its second largest market outside mainland China, its sales are forecast to reach 74,200 units and 85,000 units in 2024 and 2025.



## [Forecast & Analysis Highlights] NIO's revenues, margin improve in Q3

Gross margin improved from 1.0% in the second quarter to 8.0% in the third quarter thanks to increased vehicle deliveries. Vehicle margin was 11% in the third quarter, compared with 6.2% in the second quarter and 16.4% in the same quarter of 2022. The company's net loss was 4.557 billion yuan in the third quarter, an increase of 10.8% year over year and a decrease of 24.8% quarter over quarter. Research and development (R&D) expenses stood at 3.039 billion yuan in the third quarter. NIO's cash and cash equivalents, restricted cash, and short-term investments amounted to 45.2 billion yuan as of Sept. 30. In the third quarter, NIO delivered 55,432 vehicles, an improvement of 135.7% from the second quarter. NIO said that it has entered into agreements with its manufacturing partner JAC regarding the acquisition of the manufacturing equipment and assets of JAC's two plants in Hefei. The transition is valued at 3.16 billion yuan.



### Outlook and implications

NIO's revenues jumped in the third quarter, thanks to improved product mix and higher vehicle sales volumes following its price cuts in June. The company's recent cost-cutting efforts, which resulted in layoffs at certain business units, would also allow it to further reduce its operational costs and focus on key business areas that would contribute to a higher operating margin. According to Li Bin, chairman and CEO of NIO, the company could see a 10% reduction in cost if it was able to produce vehicles at its own manufacturing facilities. The deal will also enable NIO to obtain its own production permit. He also provided some details on NIO's recent deals with Changan and Geely on jointly promoting battery-swappable EVs. Li said that these partnerships are centered on deploying technologies that will be used in models of its upcoming brand, Alps. NIO will set up dedicated battery swapping networks for NIO- and Alps-brand vehicles, while the network of the latter will open to NIO's partners. On Dec. 23, NIO will unveil an all-new flagship sedan at its annual company event, the NIO Day. Given its positioning, it remains to be seen how this new model will fit into NIO's model range.



## [OEM Highlights] Xpeng expands launch of intelligent driving system to 25 Chinese cities

Chinese electric vehicle (EV) startup Xpeng Motors has launched an over-the-air (OTA) upgrade, Xmart OS 4.4.0, expanding its map-free intelligent navigation assistance to 20 more cities in China. The upgrade enhances the XNGP's navigation capabilities, improving user experiences in scenarios such as intersection passing, car following, and lane changing. It also introduces an enhanced version of the lane centering control feature and the smart driving environment simulation display system, along with strengthened functionality in the automatic parking feature. With this update, XPeng's advanced driver assistance system (ADAS) software, XNGP, is now available in 25 Chinese cities, reports Gasgoo.



### Outlook and implications

Xpeng has been leading the deployment of automated vehicle systems in EVs in China. It claims that its XNGP software is China's first ADAS for use in city driving environments, allowing the car to change lanes, speed up or slow down, overtake cars, and enter and exit motorways. The company has earlier announced its plans to expand the deployment of its ADAS software to 50 Chinese cities by the end of this year.



## [OEM Highlights] Chery Indonesia starts Omoda E5 production, to invest \$16M in EV plant

Chery's Indonesian sales company, PT Chery Sales Indonesia (CSI), commenced completely knocked down (CKD) production of the Omoda E5 (also known as Omoda 5 in other markets) at its plant in Pondok Ungu, Bekasi, West Java. According to a company statement, production of the Omoda E5 is being carried out as per schedule and will be launched in the Indonesian market in the first quarter of 2024. The automaker also confirmed that pre-sale bookings of the model have reached 400 units. "Chery's electric car, Omoda E5, which was first produced yesterday in the Southeast Asia region is the latest result and shows our commitment to the Indonesian market. We will continue to encourage technological innovation, providing mobility solutions that are greener, smarter and more comfortable for Indonesian consumers," said Zhang Guibing, president director of Chery International. Separately, the Jakarta Globe reported that Chery plans to invest 250 billion rupiah (US\$16 million) in an assembly plant to cater to the initial orders of electric vehicles (EVs) in the country. "We aim to establish our dedicated assembly plant and research center in Indonesia, making it our hub for right-hand drive vehicle production," said Rifki Setiawan, a representative from CSI.



### Outlook and implications

The Omoda E5 is Chery's first EV and comes with a 120-kW electric motor and a battery capable of covering a distance of up to 450 km as per the China light-duty vehicle test cycle (CLTC) standard. The vehicle can accelerate from 0 to 100 km/h in 7.6 seconds. The model first appeared at the GAIKINDO Indonesia International Auto Show (GIAS) 2023 last August and is expected to be officially launched at the Indonesia International Motor Show during February 2024. Chery has previously assembled models such as the Tiggo Series and the Omoda gasoline variant at Handal Indonesia's facility in Bekasi since last year, and the start of the Omoda E5 CKD marks the automaker's first venture into EVs at the plant. According to S&P Global Mobility light-vehicle data, sales of the Omoda E5 are expected to reach 2,444 units in Indonesia during 2024.



## [OEM Highlights] JSW Group, SAIC Motor form new Indian JV to focus on green mobility

China's SAIC Motor has joined forces with India's JSW Group to grow and transform the MG Motor operations in India, with a focus on green mobility solutions. According to a report by the Press Trust of India, the joint-venture (JV) agreement was signed recently by the president of SAIC, Wang Xiaoqiu, and JSW Group's Parth Jindal at the MG UK headquarters in London. Under the JV, JSW Group will hold a 35% stake in the Indian operations. SAIC Motor, on the other hand, will continue to support the JV with its cutting-edge technology and high-quality products. The partners will work to augment local sourcing, improve charging infrastructure and expand production capacity. Furthermore, the companies plan to introduce a broader range of vehicles, with a particular focus on green mobility. "In the growing Indian automotive market, both partners shall work closely to bring in the best of innovation, in creating greener and smarter mobility products and services for our consumers, seizing market opportunities, continuously expanding the brand influence and market share of our products, and achieving greater success for MG in India," stated SAIC Motor president Wang Xiaoqiu.



### Outlook and implications

With this strategic JV, SAIC Motor and JSW Group will pursue the development of the electric vehicle (EV) ecosystem in the country and look to seize a significant share of the fast-growing EV market. The collaboration is expected to benefit from the vast presence of the JSW Group in the business-to-business (B2B) and business-to-consumer (B2C) sectors of the Indian economy, establishing a robust supply chain in the process. These efforts are in line with the global shift toward sustainable practices and the increasing demand for green mobility solutions. Earlier this year, MG Motor India president Rajeev Chaba revealed that the company aimed to double its EV sales in India in 2023, helped by new model launches. The automaker expects 20%–25% of its sales to come from EV models this year and aims to sell 10,000 units of the upcoming Comet in 2023.



## [Technology & Mobility Highlights] Ecarx partners with Black Sesame, BlackBerry for autonomous driving platform deployment

The tech stack supports the Ecarx Skyland Pro with high computing power, stability, reliability and safety



Source: Getty/JackyLeung

Ecarx has partnered with Black Sesame Technologies and BlackBerry Ltd. to deploy its Skyland advanced driver assistance systems (ADAS) platform in Lynk & Co.'s flagship sport utility vehicle (SUV), the Lynk & Co. 08, according to a press release on Dec. 5.

The Skyland Pro is powered by the BlackBerry QNX Neutrino Real-Time Operating System (RTOS) and Black Sesame Technologies' Huashan II A1000 ADAS computing chip. This collaboration marks the companies' first large-scale production and application of the Black Sesame A1000 chip in ADAS solutions.

Lily Cai, senior vice president of China Sales & Marketing at Ecarx, expressed the company's commitment to leading the industry with its ADAS solutions and praised the successful mass production and deployment of the Ecarx Skyland Pro as a significant breakthrough for the company. Dhiraj Handa, vice president of Internet of Things at BlackBerry, highlighted the company's leadership in safety-critical embedded automotive software and praised the collaboration with Black Sesame Technologies for introducing a reliable and high-performance autonomous driving platform.





## [Technology & Mobility Highlights] Bosch unites infotainment and driver assistance functions in single system-on-chip

**Bosch's new platform integrates infotainment and driver assistance systems, enabling software-defined mobility and personalized digital driving experiences**



Source: Getty image/ 3dan3

Bosch plans to unveil its new vehicle computer platform, which unites infotainment and driver assistance functions on a single system-on-chip (SoC), according to a report published by Autocar on Dec. 6. The company will showcase this innovation at Consumer Electronics Show (CES) 2024 in Las Vegas, becoming the first automotive supplier to demonstrate the fusion of these previously separate domains.

The new platform, called the cockpit and advanced driver assistance systems (ADAS) integration platform, features a single SoC that processes various functions from both infotainment and driver assistance domains simultaneously. This includes advanced driver assistance features such as automated parking and lane detection, paired with personalized navigation and voice assistance.

Bosch's modular system principle allows vehicle manufacturers to modularly and scalably assemble their individual solutions in combination with hardware components, enabling software integration and competitive advantage. The company predicts a market volume of €32 billion for vehicle computers for infotainment and driver assistance systems by 2030, with a target revenue of €3 billion in 2026.

Bosch's advantage lies in its extensive knowledge in all vehicle domains, allowing the company to develop and manufacture key components of modern vehicles under one roof. The company pursues a multi-SoC approach, using chips from different manufacturers to decouple software and hardware. This enables over-the-air updates for new features, providing drivers with a personalized digital driving experience.



## [EV & Energy Efficiency Highlights] Marelli unveils new hydrogen fuel system

The fuel system uses Marelli's high-pressure direct injection technology



Source: Getty Images/Marcus Millo

Marelli has developed a hydrogen fuel system that includes specific injectors with a patented design and an advanced engine control unit, according to a company press release on Dec. 5. The system also features a pressure reducer with an integrated regulator and is designed to meet the strict requirements of hydrogen engines, which produce no CO<sub>2</sub> emissions.

The fuel system uses Marelli's high-pressure direct injection technology and features injectors with a double actuation, a magnetic circuit to control the speed of the needle, and a high static flow that can meet the requirements of various vehicles. The patented design also overcomes uncontrolled hits between the injector's dynamic components and reduces performance drifts. The company will showcase the technology at the CTI Symposium 2023 in Berlin this week.

Marelli will also showcase other propulsion systems including the 1,000-bar gasoline direct injection fuel system, the vehicle domain control module for vehicles with different powertrains, a full range of wired and wireless battery management systems, and smart actuators for transmission and thermal management for electric vehicles.



## [EV & Energy Efficiency Highlights] Red tape slows down EU BEV charging infrastructure rollout

The European Union's drive to accelerate the installation of public vehicle charging infrastructure across the block is being slowed by legislative red tape and logistical issues, according to a Reuters report. For example, Spanish petroleum company Repsol has installed 1,600 chargers at its refueling stations across the country and yet only half of them currently work, according to the report, as only half are connected to a power supply as a result of logistical issues. There are large differences in the ease of being able to build a charging hub from country to country in the EU. Repsol said, "Although the work of installing a fast and ultra-fast charging point requires only two to three weeks of work, due to different administrative requirements in Spain, the complete process ... can last from one to two years." In Germany, one industry source said that a hub in the country was held up for months over rules protecting a single tree, while another located on a busy highway had to wait 10 months for a noise evaluation before it gained approval.



### Outlook and implications

The EU simply cannot have it both ways. It cannot implement legislation to ban the sale of ICE cars by 2030 and not put in the conditions to support the growth of public charging infrastructure that is vital to the block's electrification initiative. This is best exemplified by industry lobby group ChargeUp Europe's statement, which said that legal arm of the EU, the European Commission, recognized that red tape was a problem and it had not proposed any concrete tools or actions to change this situation. Guidelines for member states to accelerate permitting are only expected at some point over the next two years. This is simply not good enough for an industry having to make its biggest technology paradigm shift since its advent and a time when the media is increasingly flooded with negative stories regarding BEV ownership, which will only further put off the more mainstream consumers that OEMs must next persuade to go electric.



## [Supplier Highlights] Magna partners with Telia and Ericsson for 5G innovation in ADAS technology

**Magna will have access to 5G mmWave technology with low-latency gigabit speeds**



Source: Getty Images

Magna has joined NorthStar-Telia Sweden and Ericsson's 5G innovation program, it said in a press release on Dec. 4. Telia and Ericsson have built a dedicated, private 5G network at Magna's test track in Vårgårda, Sweden, where new advanced driver assistance systems (ADAS) solutions in vehicle-to-vehicle (V2V) and vehicle-to-everything (V2X) connectivity are being trialed.

As part of NorthStar, Magna will have access to 5G millimeter wave (mmWave) technology with low-latency gigabit speeds for the ongoing research into joint sensing and communication systems.

Magna's test track will feature the 5G network using the 26-GHz frequency band and 400-MHz bandwidth, which are required for real-time data from vehicle sensors. Magna's ADAS technology supports driver safety by reducing the risk of serious accidents or preventing them by controlling steering, brakes and acceleration.

"As an industry leader in ADAS technologies, Magna is exactly the kind of company we envisioned joining us when we started the NorthStar program. The solutions they develop are based on the premise that vehicles and road users can share data in near real-time. To achieve that requires ultra-fast and reliable connectivity that you can trust, and that is precisely what 5G has been developed for. This is a great opportunity to really push the boundaries of 5G and the millimeter wave technology," said Magnus Leonhardt, head of Innovation and Strategy at Telia Sweden's Enterprise Business unit.



## [Supplier Highlights] Joyson Electronics launches new electric driving control lever for automotive applications

The MDL offers solutions for vehicle control with its adaptable modular design for all vehicle types, providing a comfortable and ergonomic driving experience



Source: Getty image/ 3dan3

Preh, a subsidiary of automotive electronics company Joyson Electronics, recently unveiled its customized cockpit human-computer interaction system and new-energy management products at the Agritechnica 2023 exhibition in Germany, according to a WeChat press release on Dec. 4. Among these products, the company's new electric driving control lever (MDL) for commercial vehicles made its debut. This innovative product aims to improve production efficiency and user driving experience by simplifying the complexity of car cockpit interactions.

The MDL can replace the functions in the smart cockpit and traditional steering wheel, offering a wide range of functions such as acceleration, deceleration and steering, as well as autonomous driving. Its modularity makes it suitable for any type of vehicle, ensuring a relaxed sitting posture and ergonomic working status. According to Michael Jendis, executive director of Joyson Preh Commercial Vehicle HMI, the electric smart driving control lever is extremely versatile due to its freely programmable characteristics.

In addition to the MDL, Joyson Electronics has maintained rapid growth in the fields of commercial vehicle cockpit interaction, passenger car smart cockpits, smart connectivity and smart driving. The company's products include domain controllers, human-computer interaction, 5G-C-V2X network connection, software applications and intelligent algorithms.

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