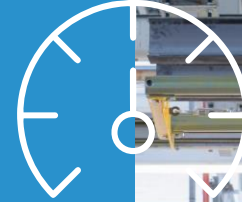


Covid-19



# Market Watch: Automotive Industry Bulletin

19<sup>th</sup> June 2020



# Automotive Industry Bulletin

## Contents

- Snapshot:** Global Automotive Industry Update
- Interview:** Supply Chains and Market Developoment  
**David O'Donnell, Continental**
- Video-Podcast:** Electromobility development and alternatives for physical business meetings  
**Robert Metzger, eMove 360**
- Case Study:** Market related activities & buyer approach in times of Covid-19  
**Richard Springer, Cubic Telecom's Director of Commercial Strategy**
- Interview:** New mindset to focus on future solutions  
**Dr. Daniel Kürschner, Head of AVL's Munich-based advanced driver assistance systems (ADAS) centre**
- Resources:** An overview of reports, webinars and e-learning in the automotive space



# Global Automotive Industry Update – Snapshot

- **Sales update Europe** – European passenger car sales slumped in May: UK registrations fell 89 percent in May: 20,247 was 163,477 fewer than in May 2019; Italy: Sales fell 50 percent to 99,711, despite showroom gradually reopened from May 4th; Spain fell 73 percent in May to 34,337; France: Registrations fell by 50 percent to 96,310.
- **GM investment in EV's** – The pandemic that has halted vehicle production and hampered consumer demand isn't shaking General Motors' commitment to aggressively invest in an electric and autonomous vehicle future.
- **Germany** – Coalition doubles EV subsidies, no more diesel support. - In an economic stimulus package following the Corona crisis, the German government has included several measures to promote electric mobility. The most powerful one is that the state is doubling its share of the environmental bonus in the form of new “innovation premium”. Car tax also to be abolished by 2030 and financial supports offered for public transport fleets to be upgraded. [Full Article](#)
- **China** – Tesla's sales tripled from April to May as the world's largest auto market staged a surprise turnaround. The jump comes as China, the world's largest automotive market, posted its first month-over-month sales gain in almost a year. Sales of cars, SUVs and other vehicles jumped hit 1.64 million in May, a 1.9% uptick from a year earlier and the first increase since Jun 2019, the CPCA said. [Full Article](#)
- **UK** – Jaguar Land Rover in talks with BYD for battery supply. – If correct this could potentially result in BYD installing a UK battery production hub operated independently of JLR. Such a move would be a major boost to the UK's battery cell production activity. [Full Article](#)
- **VW cost cutting** – Volkswagen is considering more cost cuts to help cope with the economic impact of the coronavirus pandemic: “We must significantly cut R&D expenditure, investments and fixed costs”. This meant the main VW passenger car brand must reduce its so-called material overheads by 20 percent, Automobilwoche said.
- **Mexico** – Auto industry could contract by roughly a third this year, according to Mexican industry groups. Mexico's auto production, which includes passenger vehicles and heavy-duty trucks, could fall by 30% in 2020 while exports may slide 33%, according to Fausto Cuevas, director general of the Mexican Association of the Automotive Industry (AMIA). This included automakers such as Chevrolet, General Motors, Ford, Mazda, Nissan, Toyota, BMW and Volkswagen. [Full Article](#)
- **World** – Hyundai-Kia global EV sales continue to surge. Hyundai Motor group announced an almost 58% rise in global sales of electric vehicles in the first five months of 2020, to 40,182 units from 25,454 in the same period of last year. By contrast, Hyundai Motor overall global sales fell by over 26% to 1,288,629 units in the first five months of 2020 while Kia sales were down by almost 15% to 949,860 units. [Full Article](#)
- **Cash Flow** – A 'difficult summer' looms for supply base. Running out of cash. The need to consolidate. And rethinking research and development spending. Michael Robinet, managing director of IHS Markit's automotive advisory service, warns of challenges ahead for suppliers as the outbreak continues to wreak havoc on the industry – Podcast [here](#)



# Interview with David O'Donnell

**David O'Donnell is Executive Vice President —Head of Business Unit Original Equipment PLT at Continental**

“In terms of the ramp up we are observing the OEMs going more build-to-order, so responding to a concrete need for the vehicles.”

“Restructuring will put pressure on cost management, but also make them look at systems and efficiencies about internal company structures.”

**Enterprise Ireland's interview contains a discussion on some crucial themes:**

- How Continentals' business has been affected by the current situation.
- The shift in international supply chains and how the Automotive industry will look post COVID19.
- What should suppliers, especially foreign companies, consider when trying to grasp the potential opportunities coming soon.

Read the full interview here:

[globalambition.ie/seismic-change-to-global-auto-production/](https://globalambition.ie/seismic-change-to-global-auto-production/)

**Continental** 



**“Continental AG addresses fresh challenges as a result of the Covid-19 pandemic.”**



# Video interview with Robert Metzger, eMove 360

## The future of new Technologies, Electromobility and alternatives to physical trade shows.

“ In the long run there is no doubt that we will move forward with the electric drives instead of classic combustion engines. ”

“ Companies need to invest into the electric mobility space. The ones that don't take the risk and the investment will be out. ”

### The video interview focuses on:

- The effects of COVID on technological development in the automotive industry – Mobility 4.0, connected & autonomous driving
- Influence on regulations and Electromobility and it's related supply chain
- How to counteract current contact restrictions – alternatives for physical trade shows

Watch Full Video Interview here:

[globalambition.ie/industry-bulletin-automotive-covid-19-effect-on-technologies/](https://globalambition.ie/industry-bulletin-automotive-covid-19-effect-on-technologies/)



# Interview with AVL Software and Functions GmbH

**AVL is the world's largest independent company for the development, simulation and testing of powertrain systems for passenger cars and commercial and industrial vehicles.**

- The company is directly exposed to the deepest and most rapid business downturn in the history of the automotive industry. Dr. Daniel Kürschner, remains optimistic, however.

Read the full interview with Dr. Daniel Kürschner, Department Manager (Head of Centre) ADAS/AD Munich and Product Manager AVL ADAS/ AD Products:  
[globalambition.ie/european-car-makers-to-focus-on-future-solutions/](https://globalambition.ie/european-car-makers-to-focus-on-future-solutions/)





# Cubic Telecom Interview

**Covid-19 is causing changes to traffic patterns globally but long-time frames and robust supply chains will keep the automotive sector motoring.**

“The advent of Covid-19 saw remote working rolled out at both speed and scale. The impact of this mass roll out will result in longer term change to commuting patterns.”

Read the full interview with Richard Springer, Cubic Telecom's  
Director of Commercial Strategy:

[irishadvantage.com/success-stories/cubic-telecom-speed-bumps-and-smooth-supply/](https://irishadvantage.com/success-stories/cubic-telecom-speed-bumps-and-smooth-supply/)

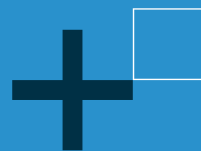


**Cubic Telecom: Speed bumps and smooth supply**



# Industry Resources

- Interactive map: Production impact of COVID-19 on the European auto industry – [here](#)
- Press overview of COVID 19 impact on Automotive industry Europe – [here](#)
- Impact on the Automotive Industry: Navigating the Human and Business Impact of COVID-19 – Accenture report – [here](#)
- Practical steps for responding to the coronavirus crisis (PwC) – [here](#)
- Weekly Update: COVID-19 Impact On Global Automotive Industry – [here](#)
- Daily global Automotive news (see [Autonews.com](#))
- Beyond coronavirus: The path to the next normal (see report [here](#))
- Workshop: Society of the Irish Motor Industry training courses – [here](#)
- Podcast: Tech bets take a back seat to pandemic - [here](#)







# Thank You.



Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. We work in partnership with Irish enterprises to help them start, grow, innovate and win export sales in global markets. In this way, we support sustainable economic growth, regional development and secure employment.

Enterprise Ireland is prepared to support clients to the fullest extent possible and help to navigate through these unprecedented times.

Learn more at [www.enterprise-ireland.com](http://www.enterprise-ireland.com)



## Ireland

[Alan.Dunne@enterprise-Ireland.com](mailto:Alan.Dunne@enterprise-Ireland.com)

[John.Roche@enterprise-ireland.com](mailto:John.Roche@enterprise-ireland.com)

## Europe

[Jens.Altmann@enterprise-Ireland.com](mailto:Jens.Altmann@enterprise-Ireland.com)

## UK

[Sean.Long@enterprise-ireland.com](mailto:Sean.Long@enterprise-ireland.com)

## Central & Eastern Europe

[Marta.Siruckova@enterprise-ireland.com](mailto:Marta.Siruckova@enterprise-ireland.com)

## North America

[Ryan.Shaughnessy@enterprise-ireland.com](mailto:Ryan.Shaughnessy@enterprise-ireland.com)

## Middle East

[Alan.OMahony@enterprise-ireland.com](mailto:Alan.OMahony@enterprise-ireland.com)

## APAC

[Patrick.Yau@enterprise-ireland.com](mailto:Patrick.Yau@enterprise-ireland.com)