

Is Apple making an electric, self-driving car?

If it does, here are 5 things you could see

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Credit: Unsplash/CC0 Public Domain

The long-rumored Apple car might finally become a reality.

After sputtering in development several years ago and then being shut down before it saw the light of day, the tech giant's car project is apparently back on track.

Several outlets, including CNBC and the Wall Street Journal, have reported that Apple is discussing a deal to manufacture a [vehicle](#) in the U.S.

Apple did not immediately respond to a request seeking comment but the company rarely discusses future products.

Given Apple's status as the world's most valuable company—it's worth about \$2.3 trillion on the stock market—any new product it's pursuing should be taken seriously.

"We continue to believe it's a matter of when, not if, Apple enters the EV race," Wedbush Securities analyst Dan Ives wrote in a research note, referring

to electric vehicles.

But, assuming it actually happens, what will the vehicle look like, what will it cost and how much different will it be from other EVs on the market? We attempt to answer some of those questions below.

Will it be an electric vehicle?

Without a doubt. There's essentially no chance that Apple takes on the competitive market for gasoline vehicles. Expect it to be a battery-powered electric vehicle.

Given the company's expertise in battery-powered consumer electronics, it makes sense that it would attempt to extend that expertise to cars.

"Look for Apple to introduce potentially next-level/game-changing battery tech into its cars," Morgan Stanley analyst Adam Jonas wrote in a research note.

Just keep in mind: Batteries for cars are much different than batteries for consumer electronics. You wouldn't leave your laptop sitting out in the rain overnight and expect it to work in the morning.

What will it be called?

OK, speculators seem to think it will be called iCar. But that might be a little too cute for a product for which you pay tens of thousands of dollars.

Apple's code name for its car project was Project Titan—at least when it was canceled around 2016 after a couple of years of development.

This much we know: The vehicle won't be called the Titan. That's the name of a full-size Nissan pickup truck.

How much will it cost?

Have you ever heard of a cheap Apple product? We didn't think so. No one is offering a price estimate for an Apple vehicle yet—we don't even know if it would be a passenger car, an SUV, a pickup, a van or something else altogether.

But it would be shocking if it cost less than the average price of a new vehicle sold in the U.S. in the fourth quarter, which topped \$40,000, according to car-research site Edmunds.

Who will make it?

The reports suggest that Apple is in discussions with the company that manufactures Hyundai and Kia vehicles. The company would make a more than \$3 billion investment to assemble the vehicle at a plant in Georgia.

The southeastern U.S. is generally where foreign automakers have gone to assemble their vehicles in large part to avoid the likelihood of a unionization effort in the Midwest, where the United Auto Workers represents hourly workers at General Motors, Ford and Fiat Chrysler.

Another possibility is that contract manufacturer Magna International will be involved, according to Evercore ISI analyst Chris McNally. Magna has experience managing complex vehicle production projects for clients.

Will it be a self-driving car?

All the major automakers and numerous tech companies are working on self-driving vehicles in some capacity. And analysts said they'd be surprised if Apple isn't doing the same.

"Don't expect steering wheels," Jonas said. "We have a hard time imagining Apple entering the automotive market with a vehicle design that involves human intervention in the driving process."

He compared an Apple car with a steering wheel to "an iPhone with physical buttons and a coiled rubber cord connected to a wall."

But a self-driving car could introduce a "longer timeframe" in part due to Apple CEO Tim Cook's

cautious approach to unveiling new products, Ives said. Automakers and tech companies have yet to solve the thorniest challenges associated with autonomous driving.

When will it arrive?

It's at least a few years off. Ives suggested that it could be unveiled as soon as 2024. But will it be ready to produce by then? That seems unlikely.

The pattern in the industry is to announce vehicles that are still a long way out. Tesla has made a habit of revealing cars more than two years before they're ready to roll out. But it would be natural to expect Apple to begin taking reservations as soon as the car is announced.

Keep in mind that it typically takes three to five years to design and build a new vehicle from scratch, so 2024 may require "Herculean-like auto production capabilities" plus solving battery production issues and regulatory hurdles, Ives said.

Why now?

Battery technology has improved, and advancements in autonomous vehicle systems have reached a point where it might finally be feasible to do an unconventional vehicle.

But there's another factor that can't be ignored: the political environment.

"Taking a step back, we believe this speaks to what we believe is a golden age of EVs on the horizon with a green tidal wave expected in the US under a Biden Administration and China seeing skyrocketing consumer demand across the board," Ives said.

Bottom line: Biden is expected to support incentives to produce or purchase electric cars, which don't emit climate change-causing emissions like gasoline vehicles do.

Could it all fall apart again?

Yes. Apple's previous car project was disbanded after it reportedly delivered insufficient results.

Perhaps the greatest risk is that Apple decides it's just too expensive to dive into auto manufacturing, which is where cash can go to die.

Just ask Tesla CEO Elon Musk. He's openly acknowledged that Tesla came within weeks of running out of money when production of the Model 3 compact car was struggling in 2018.

Apple won't be running out of money any time soon. But shareholders may not react kindly to a money-losing venture when the company's other products are cash cows.

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