

February 24, 2016 1:41 pm

Mobileye takes fight to Google in autonomous cars

John Reed and Murad Ahmed in Jerusalem

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Mobileye, the Israeli group that is the world's leading supplier of driver assist technology, is deepening links with the global auto industry as it ramps up its battle with [Google](#) over the future of autonomous driving.

The Nasdaq-listed company produces systems that stop cars from veering into adjacent lanes and makes split-second decisions on braking. It supplies about 90 per cent of carmakers with cameras, sensors and other auto technology.

On Wednesday, Mobileye announced a deal to work with Renault Nissan on digital maps that will help the automaker's move towards driverless cars. The Jerusalem-based company said the deal now means it works with one-third of the car industry on maps, after disclosing similar partnerships with Volkswagen and General Motors last month.

Amnon Shashua, chairman and co-founder, says the partnerships give it an edge against Google, as the Silicon Valley company's efforts to build a working driverless car have been met with suspicion by leading automakers.

"The bigger you are as a car manufacturer, the bigger advantage you have because you have millions of cars on the road that are all sending the data to the cloud, and this map gets updated," he says.

"This gives the car manufacturers a way to compete with Silicon Valley, because what Silicon Valley don't have is the cars."

The partnership comes at a time when Mobileye's share price has come under pressure because of worries over growing competition for its technology, particularly from conventional supplier groups such as Continental, Bosch, and Autoliv.

The company's share price has more than halved since its peak in August 2015, when investor interest in autonomous driving spread.

Shares in the company dropped 7 per cent in a single session on December 16, after Citron Research described Mobileye as "the short of 2016" and said that Tesla Motors, which uses its self-driving technology, was looking to replace it. Elon Musk, Tesla's chief executive, later reaffirmed its relationship with Mobileye.

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In January, Adam Jones, an analyst at Morgan Stanley cut his stock price target for Mobileye from \$80 to \$57, arguing that "while we continue to believe it is in pole position to lead the next wave of advancements, we have revised our forecasts to show a greater awareness of the competitive landscape that is taking form". On Tuesday, its shares closed down by almost 1 per cent to \$28.75.

"People start fantasising about competition — there is no competition," says Mr Shashua. "Catching up with us is difficult because we are a fast-moving train."

a fast-moving train

- Amnon Shashua, Mobileye's
chairman and co-founder

Google is looking to work with a car company to bring a vehicle to market, but has not confirmed that it has a manufacturing partner.

The growing importance of technology and algorithms to driving has caused some to suggest that Silicon Valley groups will take the lead over automakers, and effectively demote them to low-margin hardware makers.

Mr Shashua, who teaches computer vision and machine learning at Israel's Hebrew University, sets out a different approach for the car industry, in which vehicles and their manufacturers will continue to play a central role.

He adds that Google's plan was from the "somewhere camp", which focused on enabling a car to drive with full control only in a limited area, such as California's roads where it has been thoroughly tested.

In contrast, he says Mobileye is pursuing the "everywhere camp", enabling cars to drive on all roads with semi-autonomous capabilities that improve over time. In the coming years, this could include allowing human drivers to turn on autopilot for a few seconds to respond to a text message, or the car driving itself for long periods on motorways where there is only light traffic.

Unlike Google, which is developing meticulous three-dimensional maps covering limited areas, Mobileye announced a mapping technique at last month's Consumer Electronics Show in Las Vegas that would use real-time data from cars to "crowdsource" maps that could be updated on the go. These would also allow semi-autonomous driving.

Another Israeli company, Waze, used crowdsourced maps in its popular navigation app, which was acquired by Google for \$1.1bn in 2013 in one of the country's biggest technology deals. Mobileye has a market capitalisation of about \$6.5bn, making it one of Israel's largest tech companies and seen as a standard bearer of the country's digital scene.

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