



What impact will the pandemic have on the outlook for fully Autonomous Vehicles*?

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We can begin to answer this question by looking at opposing ideas on whether the pandemic will ultimately support or hinder Autonomous Vehicle (AV) deployment.

On the positive side, we already see some making the case that the pandemic will accelerate the development of AVs because they take the human driver (i.e. a potential virus carrier) out of a vehicle that people might use. Another reason in support is that it seems that, after quite willingly going through a lot of change in recent months, we are all now far more open minded to change than we were before. For example, consider how quickly home working has been adopted and looks likely to, at least partially, endure even when the virus threat abates.

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From a more cautious perspective, we have entered the largest recession in modern times and, even after the gigantic interruption to automotive sales and production volumes caused by lockdown passes, depressed markets appear all but inevitable. Investing in a future that might not deliver returns for 10 or 20 years, while burning through cash and suffering large losses in the near term, looks like a luxury that few can afford. Various announcements on scaling back AV ambitions support this. At the same time, however, we continue to see AV development plans progress for some participants, such as Waymo, whose fortunes are not tied to the hard-hit conventional automotive sector. [Note: lower levels of autonomy, at SAE Levels 2 to 3, as features are still expected to advance.]

We lean towards a delay resulting from the pandemic rather than the opposite. But why?

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Firstly, we think that the perceived benefit of not having a human driver as an agent of infection is unconvincing. Not only are people going to have to learn to interact with one another in myriad different (safer) ways until the viral threat recedes, but the fact is that self-driving vehicles are far from ready to be deployed soon enough in any significant numbers to take advantage of this fear. [Note: if the threat lingers for a decade or more, and let us hope that is not the case, then perhaps this could become a feature.] Secondly, resistance to change – something that could be reduced by our newfound flexibility – was only one of several major barriers to adoption. The pandemic situation does nothing to address the complexity, fragmentation and slow development of regulation, the funding requirement for AV expansion, the sustainability of AV or, indeed, shared mobility business models in general, or the technological ability to address real-world complexity outside of narrowly defined deployments.

So, while we seem to be reminded regularly that many pre-existing trends in different aspects of life have been accelerated by the pandemic, we do not think that widespread adoption of AVs will be one of them.

However, what might have changed is that the path to AV domination has been cleared of a few aspiring competitors, even if the timeline to adoption has not really changed, or even been somewhat delayed. An intensification of the trend towards collaboration in AVs seems a likely response. And perhaps a fear among the incumbent OEMs – that of becoming a mere vehicle supplier in an AV value chain ultimately controlled by somebody else – has become a little more likely.