Velodyne Lidar Price Reduction





CNET has breaking news that Velodyne is halving the price of its popular VLP-16 lidar sensor, from \$8,000 to \$4,000.

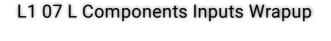
I haven't seen this reported anywhere else, and even if it's true it's not a huge deal on its own. But it would be a sign of potentially huge changes ahead.

Why?

- 1. Lidar is a critical sensor for every major autonomous vehicle company (except Tesla).
- 2. Lidar is by far the most expensive sensor on the vehicle. The VLP-16 is "only" \$8,000, but Velodyen's top-end HDL-64E retails for about \$100,000. And even at that price, historically there has been a multi-month backlog!
- 3. Velodyne, the industry's leading lidar manufacturer, has been ramping up a "megafactory" in San Jose.
- 4. It's possible that the VLP price drop is an early sign of a huge increase in the supply of lidar sensors onto the market.
- 5. If that's true, then the price of all lidar sensors might drop and keep dropping.
- 6. Lower lidar prices could lead to safer cars, as it becomes affordable to put more sensors on the vehicle.
- 7. Lower lidar prices could lead to lower self-driving car prices, challenging the notion that only ridesharing companies can afford these vehicles.

That's a long string of events, and it starts with an unconfirmed report from CNET. But it's fun to think about.

As a disclaimer, Udacity uses Velodyne sensors, including the VLP-16, on Carla, Udacity's self-driving car.





Self Driving Cars Autonomous Vehicles

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