

Are You Ready for Driverless Cars?

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It's time for an update on driverless cars. It's one of the most important economic stories of the coming decade – as we'll see vast numbers of drivers rendered unemployed. Probably more jobs will be lost, and more quickly, than in any previous technology shift. Furthermore, the wider implications of this technology roll-out will touch countless sectors. Vehicle accidents will be all-but ended – along with the insurers, shops, lawyers, etc, which rely on them.

Soon, the whole way the transport sector operates will change. As we've explored before, driverless taxis will make [car ownership shrink](#) faster than a slug in salt. You should therefore expect far fewer parked cars – despite a growth in car journeys. (Whether there will be more *moving* vehicles depends on whether ridesharing is normalised.)

The driverless revolution demands your attention – today, we analyse the latest news

Surprisingly, one of the most interesting stories in this space recently is not about cars at all. It's the news that a fighter jet has been equipped with autonomous capabilities. As a teenager, I loved the *Terminator* franchise: it's amazing (and somewhat terrifying) to see the fantasies of Skynet come true. We genuinely are facing an era where [robots can wage war](#).

Uber's bottom of the class

In more down-to-earth news, it has been established that driver interventions can be used to track the development of autonomous vehicle technology. These interventions are when the human driver has to step in and take direct control of the car. Unfortunately for Uber, this is bad news. Uber's autonomous vehicles are apparently far more likely to require driver intervention than rival technology from the likes of Google's Waymo. This has come in a year that has seen a torrent of negative lines for the firm – everything from a determined effort to evade law enforcement, to management turning a blind eye to alleged sexual abuse.

GM plays catch-up

Meanwhile, there are murmurings of a big entry into driverless, from General Motors (GM). That's welcome innovation, from a firm which is clearly struggling with the electric revolution. The century-old firm has apparently filed a communications permit, for technology related to driverless cars. Industry wonks have speculated that the old automaker has plans to suddenly roll out a huge fleet of driverless development vehicles. As a Johnny-come-lately to driverless, it's probably time GM caught up. However, this move smacks of clumsy corporate policy-making. GM is likely spending money too quickly, and not smartly enough. But watch this space – we could still end up being surprised by Detroit.

Legal squabbles

The advance towards driverless cars doesn't mean we'll see a change to the time-honoured tradition of tech companies suing the hell out of each other. In this most recent bout, autonomous truck upstart Otto (recently purchased by Uber) has been sued by Google for pinching its technology. This case centres on an alleged document heist by a former Google employee. Latest news is that the judge thinks there's no "smoking gun" of conspiracy from Uber – although the actions of its seemingly-errant minion appear undisputed.

Meanwhile, back in Blighty...

All the tech in the world is worth nothing without deployment. The UK is doing reasonably well in terms of the driverless roll-out. For example, Nissan has tested on London's roads, and there are now plans to publicly test small autonomous buses in east London.

Strangely, the view seems to be that we can't have autonomous vehicles getting in the way of actual drivers – but the risk of running over pedestrians is far more acceptable. Accordingly, these new buses will be tested on the pavement, not on roads. Similarly, small driverless taxis have already been tested on Milton Keynes' pavements. The British tradition of happily squashing vulnerable road users seems to be continuing in the driverless world. Of course, you'll still get fined for cycling on our pavements...

We've had enough of experts

In my view, the "experts" keep getting it wrong. A recent report from Boston Consulting Group (BCG) is timid on driverless technology. The firm predicts that a quarter of US journeys will be in driverless ridesharing vehicles by 2030. For comparison: smartphones managed 22% penetration *globally* in just seven years – around half the time for BCG's predicted shift.

Once drivers realise they can travel more cheaply in a taxi than by running a car, there'll be no turning back. Driverless taxis liberate you from the need to stay sober and attentive, and from the hassle of parking. When you put it like that, leaving the car at home looks pretty appealing. While cars with drivers won't vanish overnight, they'll be used infrequently.

Transport is one of the most crucial sectors in the modern economy. Driverless will yield huge changes throughout the society:

putting millions out of work, creating fortunes, and fundamentally changing the way the world works.

I will be sending you regular updates on the subject – so do keep checking your inbox.

Feedback, as always, to andrew@southbankresearch.com.

Best,

Andrew Lockley
Exponential Investor