

Issue #26 - “The Future of Cars”

Interesting Links from Around the Web

Employment : [The Future of Jobs](#) : The Economist

Finance : [Canada's Budget 2014](#) : National Post

Real Estate : [Warren Buffett: What you can learn from me](#)

“Never make predictions, especially about the future”

-Casey Stengel

Like many of you, I spend a great deal of time in my car. With a home in Sudbury and meeting locations in Barrie and the GTA, it's safe to say that I know Highway 69 like the back of my hand. Personally, I enjoy the longer drives as it gives me quiet time to catch up on what's going on in the world and to contemplate the impacts on our investments.

One such news story caught my ear and sent my mind traveling into the realm of possibilities of what 'could be'. Differing from our usual topics in IMI, we are dedicating this issue to the future of personal transportation.

“TESLA plans to build a \$5 Billion Battery Factory” reads the headline. When the proposed 10 million-square foot-factory comes into production, it should effectively double the world's total lithium battery production and greatly lower the production cost of the batteries that power Tesla (TSLA) cars. For those unfamiliar with these beauties, take a moment to revel by visiting their website. Elon Musk, CEO of Tesla and inventor of Paypal, estimates that this new factory will reduce battery costs in its vehicles by over 30% and allow Tesla to bring a car to market for under \$35,000 by 2020.

Electric powered zero emission super cars for all, or the next Netflix documentary on a 'Who killed the electric-car?' Although impressive, this is only scratching the surface of what is being developed at another Silicon Valley darling, Google.

Along with revolutionizing search engines, smart phones and GPS map systems, Google X, the semi-secret development lab has been working on self-driving car technology that has the potential to change everything.

On the surface, a car that drives itself seems like nothing more than a little luxury that grants you better use of your time while on commutes. Dig a little deeper and the potential for this new technology reveals itself.

As individual self-driving vehicles become inter-connected, the potential information systems that could compliment this technology start to reveal themselves. Two vehicles on a crash course communicate to determine who will turn right and who will move left. Car accidents are greatly reduced causing insurance prices to plummet and repair centres to go out of business.

A closed lane on the collector is automatically shared with oncoming traffic and re-routing patterns are disseminated, greatly diminishing commute times worldwide. Information systems technology firms scramble to network cities and market the 'smartest' traffic management systems.

At intersections, stopped vehicles move simultaneously predicting the movements of the car ahead of it, decreasing energy consumption of idling vehicles while further improving traffic flow.

Car makers, auto insurers, oil producers and gas stations, software developers, networking companies and countless others will all see their industries transformed in the next decade as these vehicles continue to improve and make their way onto roads. And the future may be sooner that you think as the Google Car has already logged over 600,000 miles on American roads while receiving approval to do so in four states. Meanwhile, Cisco Networks is moving forward with their smart cities initiative through connecting all devices on the “Internet of Everything”.

At the 1964 World Fair in New York, visitors were awestruck by a display showing the future of vehicles: the ubiquitous flying car. Decades later, rumours of a personal transportation device that would 'transform the world' and who Steve Jobs once stated would be “as big a deal as the PC” lead to the introduction of the Segway. With this in mind, I approach new developments in the auto industry with great skepticism.