

# Apple must wade through obstacles to catch up with next wave of self-driving EVs

Article

**The news:** The **Apple Car** saga continues, with new reports revealing **Apple** is determined to ship an EV within the next four years, [per](#) Bloomberg.

**How we got here:** Apple's car project has had various starts and stops, with a revolving door of executives taking over the project. Apple is reportedly trying to accelerate full self-driving car development and is aiming for a 2025 launch.

- Apple was reported to be partnering with **Hyundai-Kia** for development of an Apple-branded EV back in February, aiming for a 2024 production run. However, Hyundai and Kia **denied** reports of an Apple partnership, an announcement that caused Hyundai's shares to dip **6%** and Kia's **13%** after the announcement.
- Various high-profile departures from the Apple Car project **reflect** the tumultuous nature of the project. Two hundred employees were also reportedly **laid off** from the AV division in 2019.
- Meanwhile, Apple has been busy **recruiting** automotive executives, namely from EV segment leader **Tesla**.

**The bigger picture:** Apple has placed the Apple Car project under the stewardship of Apple Watch software executive **Kevin Lynch**. His mandate is to produce an EV with full self-driving capabilities.

- Apple is coming from behind in an industry that's expected to take off within the next few years. The Biden administration and various carmakers are chasing an **aggressive target** to make EVs **50% of cars sold by 2030**.
- Bloomberg's report states that Apple's ideal car would have **no steering wheel or pedals**, with an interior designed for hands-free driving.
- The company has been busy mapping US streets for its Maps app and already has a leadership position in infotainment with CarPlay.
- Apple will create the processor for the AV based on its work with Apple silicon processors for iOS and Mac devices.

**What's the catch?** Coming from behind in an industry segment and then dominating it has been Apple's niche for the **iPod, iPhone, iPad, and Apple Watch**—products that integrate hardware, software, app ecosystems, and Apple's airtight control. Car manufacturing is an entirely different industry with unique challenges that could trip up new entrants.

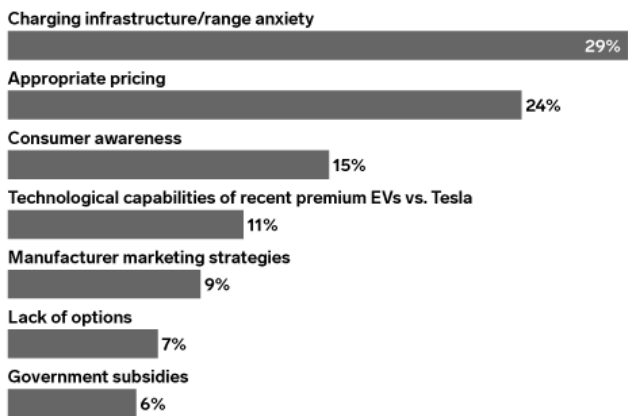
- Without automotive manufacturing experience, Apple will have a difficult time with its EV and AV aspirations.

- Not only is it playing catch-up in EV and AV technologies, Apple doesn't seem to have a battery production and vehicle-charging ecosystem planned, which are key components to Tesla's success.
- Apple could go further by partnering with automakers and providing its expertise in software, cloud services, integration, and AI while leaning on carmakers' expertise in manufacturing, maintenance, and support.

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**Key Reasons for the Low Uptake of Electric Vehicles (EVs) in the US According to US Auto Dealers, April 2021**

*% of respondents*




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Source: J.P. Morgan, "Auto Annual Dealership Survey," April 6, 2021

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