

EDITORIAL – Samsung Electronics becomes the latest consumer electronics firm to launch a new car electronics business division

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Move to diversify business portfolio signals ambitious intentions of another competitor for in-car electronics and software

Last week, South Korea's Samsung Electronics announced plans to set up a new automotive electronics business division in a bid to diversify its business portfolio. The new division will focus on developing key components for infotainment and autonomous driving

technology. In a report published by the *Korea Times* on 18 November, a Samsung Electronics official was quoted as saying, "Samsung Electronics is quick to respond to new and emerging market trends for corporate sustainability. The company's priority is to find businesses that will be in line with its manufacturing prowess and components. On that perspective, Samsung can't afford to lose the market for connected vehicles."



Samsung Electronics is yet another multinational consumer electronics company to make the move towards automotive. The company has long been a major manufacturer of electronic components such as lithium-ion (li-ion) batteries, semiconductors, chips, and flash memory and hard drive devices for clients such as Apple and Sony. Consumer electronics companies such as Apple and Google currently offer infotainment platforms such as CarPlay and Android Auto for use in vehicles.

In addition to this both are continue to invest in autonomous driving technology and are currently testing prototype vehicles, with plans to launch products by the end of this decade.

Samsung Electronics has supplied automotive semiconductors and in-car software to Hyundai, Kia and BMW in the past. Samsung SDI, the li-ion battery manufacturing subsidiary of Samsung Electronics, is one of the leading electric vehicle (EV) battery manufacturers globally, and has secured several supply contracts with original equipment manufacturers such as Anhui Jianghuai Automobile Company, BMW, Audi, and Volkswagen, among others. Demand for infotainment products is on the rise in the automotive industry as customers increasingly require vehicles to interact with consumer electronics such as satellite navigation systems, smartphones, and music and video systems. Most recently, Jaguar Land Rover (JLR) introduced a holographic head-up display (HUD) that it will be incorporating into its next-generation vehicles. The technology will provide drivers with information such as the vehicle's speed, direction of travelling, as well as turn-by-turn navigation instructions.

The technology is the first to use laser holographic techniques that offer improved colour, brightness and contrast than other systems, and in a smaller, lighter package. The technology provides key information to the driver without having them take their eyes off the road. The holographic HUD technology is another step towards cars that provide a fully immersive experience, and could even improve safety by monitoring driver behaviour.

In developing these new technologies, silicon valley's tech companies are far ahead of the traditional automotive suppliers. Mark Reuss of GM has described Google as "a very serious competitive threat". For the tech giants of California, the automotive industry is merely another battleground in which to sell their own products. The traditional industry players will have to react much more quickly than in the past, as it will only become increasingly difficult to remove these companies' products from their systems once they are integrated.

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