

Japan's SoftBank to sink \$2.25B into GM autonomous car unit

May 31 2018, by Tom Krisher



In this July 20, 2017, file photo, SoftBank Group Corp. Chief Executive Officer Masayoshi Son, left, speaks during a SoftBank World presentation at a hotel in Tokyo. SoftBank will spend \$2.25 billion for a nearly a 20 percent stake in General Motors' autonomous vehicle unit. GM said Thursday, May 31, 2018, that it will also sink another \$1.1 billion into Cruise Automation. The capital infusion is designed to speed large-scale deployment of self-driving robotaxis next year. (AP Photo/Shizuo Kambayashi, File)

The Japanese technology conglomerate SoftBank will spend \$2.25

billion for a nearly a 20 percent stake in General Motors' autonomous vehicle unit.

GM said Thursday that it will also sink another \$1.1 billion into its GM Cruise automated division. The capital infusion is designed to speed large-scale deployment of self-driving robotaxis next year.

The move widens the SoftBank Vision Fund's influence in ride-hailing services. The fund closed a deal in January to spend about \$9 billion for a 15 percent stake in Uber and also owns a stake in China's top ride-hailing firm Didi Chuxing.

GM Cruise would remain a wholly owned subsidiary of GM with the automaker holding roughly 80 percent of the business.

The deal is expected to close by the end of June.

GM has announced plans to carry passengers in self-driving cars that won't have a backup driver in 2019, and CEO Mary Barra said the [investment](#) would help to speed that process. The [company](#) hasn't announced where or exactly when the service will begin.

Even though SoftBank has spread billions across multiple ride-hailing and [autonomous vehicle](#) companies, it has no plans to integrate them, said Michael Ronen, a managing partner. "Each company will make its own decisions about what's in the best interest of the company."

SoftBank was impressed by the speed that GM Cruise is moving toward safely deploying the cars, Ronen said, as well as GM's ability to produce large numbers of electric vehicles needed to start a robotaxi service.

The investment will last for seven years, with SoftBank having options to continue or exit.

GM's investment is in addition to what it already has spent on Cruise, including \$400 million to \$500 million this year and an initial \$562 million investment to buy Cruise Automation in 2016.

© 2018 The Associated Press. All rights reserved.

Citation: Japan's SoftBank to sink \$2.25B into GM autonomous car unit (2018, May 31)
retrieved 18 April 2024 from

<https://phys.org/news/2018-05-japan-softbank-225b-gm-autonomous.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.