

Is zero-emission truck maker Nikola the new Tesla, or just hot air?

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AFP

With its electric and hydrogen-fueled trucks, the firm Nikola aims to revolutionize the future of the transportation sector. But with one investor claiming the group is running on empty, it has been having a rollercoaster ride on the stock exchange for the past week.

Founded in 2015 by Trevor Milton, the company is mainly working on the development of trucks and pick-ups powered by electric batteries or hydrogen fuel cells, as well as building out hydrogen recharging stations.

Although it has not yet built anything, it has forged strategic partnerships with several renowned industrial groups including the German engineering giant Bosch, the Italians CNH Industrial and, most recently, US car-maker General Motors.

The announcement of the

latter partnership on September 8 caused shares to leap 41 percent on the New York Stock Exchange, where the group was floated in June via a merger with a company called VectoIQ, founded by a former senior executive at GM.

Like Tesla, Nikola has benefited on Wall Street from investor infatuation with electric vehicles, considered to be the future of the automobile.

But the investment company Hindenburg Research published a report on September 10 accusing the start-up of "intricate fraud" based on multiple lies by the company's founder Milton, who it said "misled partners into signing agreements

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falsely claiming to have extensive proprietary technology."

That announcement triggered a plummet in share value, with stock diving 36 percent in three days.

Nikola immediately rejected the charges before issuing a more weighty statement of denial on Monday.

The group said it had been in touch with the Securities and Exchange Commission about the report, which it said was aimed at manipulating its share value, which climbed back 11 percent on Wall Street Monday.

Staged video

Nikola does not however deny one of the more astounding charges leveled against it by the investment company, which was about the staging of a 2017 video showing one of its prototypes in action.

According to Hindenburg, "Nikola had the truck towed to the top of a hill on a remote

stretch of road and simply filmed it rolling down the hill."

Nikola responded that it had "never stated its truck was driving under its own propulsion in the video" but had simply said that it had been "in motion."

Hindenburg shot back Monday that the company's explanation was "completely inadequate."

The start-up's financial director Kim Brady called the report "offensive" to the company's partners.

Before teaming up

with Nikola, he said, Bosch had had its engineers study the project for several months, while GM had taken advice from the major banks and consultancies before buying its 11-percent stake in the company.

"I think it's offensive to our strategic partners that you have a short seller who's doing a hack job and essentially pointing fingers at our strategic partners that they don't know what they're doing," Brady said at an industry conference. "I would suggest it's ridiculous to think they haven't done a deep dive."

For Daniel Ives, an analyst at Wedbush, Nikola's future depends on how the group executes its strategy between now and 2023.

"If Trevor and the team can successfully build out its Arizona factory, morph prototypes into models... lay the groundwork for its charging net-

work, and catalyze delivery trucking orders with an attractive gross margin structure then the opportunity for NKLA is massive and the stock will reflect this dynamic," he said in an advisory note Monday.

"However, clearly there is much work to chop to get there over the next 12 to 18 months and this remains a 'prove me' stock in the eyes of investors."

Can the group become the new Tesla, the electric car company built up by Elon Musk, which is now worth more on the stock exchange than traditional carmakers even though it sells far fewer vehicles?

Probably not, said Ives. Just as Apple and Amazon dominate their respective sectors

"there's one Tesla." "But if successful in their visions, Nikola has a huge opportunity," he said. "In the Electric Vehicle market, you're talking about hundreds of billions that's going to be spent over the next decade. There's going to be many winners."

Picture courtesy of Trucksplanet



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Four debut novels make 2020 Booker Prize shortlist

AFP News

Four debut novelists were yesterday shortlisted alongside Zimbabwean author Tsitsi Dangarembga and Ethiopian-American Maaza Mengiste for the Booker Prize for best English-language fiction, to be awarded in November.

American Avni Doshi's first novel "Burnt Sugar" will compete with fellow US debutants Diane Cook ("The New Wilderness") and Brandon Taylor ("Real Life"), and Scotland's Douglas Stuart ("Shuggie Bain"), for one of the world's most celebrated literary awards.

Dangarembga's "This Mournable Body", the final part in a trilogy, and "The Shadow King" by Mengiste make up the six-strong shortlist of four women and two men.

It was whittled down by a panel



Tsitsi Dangarembga's final volume in her trilogy that started with "Nervous Conditions" chronicles the journey of a young girl from Zimbabwe sinking into poverty

of five judges from a US-dominated longlist of 13 finalists, which had included veteran Hilary Mantel.

"The shortlist of six came together unexpectedly, voices and

characters resonating with us all even when very different," Margaret Busby, chair of the 2020 judges, said in a statement.

"It's a wondrous and enriching variety of stories, and hugely

exciting as well," she added, noting they ranged in setting from 1980s Glasgow and post-colonial Zimbabwe to 1930s Ethiopia and modern-day India.

Courting controversy

The title of best work of English-language fiction published in the United Kingdom and Ireland has launched careers and caused countless arguments since its creation in 1969.

Past laureates have ranged from contemporary giants such as Ian McEwan and Julian Barnes to Kazuo Ishiguro and Roddy Doyle.

The competition tore up the rule book last year by splitting the fiction award between Canada's Margaret Atwood and Anglo-Nigerian author Bernardine Evaristo.

It has already courted controversy this year by pitting nine

Americans or dual-US citizens against just three Britons, and now for overlooking Mantel's "The Mirror And The Light" -- the last in her Cromwell trilogy.

Judge Lee Child, one of the world's best-selling detective novelists, said the panel thought it was "absolutely wonderful" and "one for the ages", but added: "There were books that were better, that's all I can say personally."

Dangarembga's final volume in her trilogy that started with "Nervous Conditions" chronicles the journey of a young girl from Zimbabwe sinking into poverty.

Meanwhile Mengiste is the first Ethiopian author to make the Booker's shortlist, for her story of the uprising against the Italian invasion in the 1930s.

"Burnt Sugar" by Doshi ex-

plores the complex relationship between an ageing mother and her daughter in contemporary India, while Cook's "The New Wilderness" is a dystopian fiction set in a city made inhospitable by the climate crisis.

She is currently developing a screenplay based on the novel after Warner Bros bought the rights to adapt it into a television series.

Stuart's "Shuggie Bain" is set in a working-class Scottish family struggling with alcoholism and poverty in the 1980s, while Taylor's debut follows an introverted man's experience of racism as he arrives at an American university.

The winner will be announced on November 17 and receive £50,000 (\$64,000, 54,000 euros) in prize money and international attention.