



## This Is the Biggest Obstacle for Self-Driving Stocks

### Description

Self-driving cars are an exciting development in the automotive industry, but the big question is whether consumers are ready for it. While technological advancement normally brings about efficiency and makes our lives easier, it also brings out the worst in us as well.

A product like the **Amazon** Alexa for instance, seems unnecessary, but its popularity underscores just how laziness can fuel a lot of demand. The time savings that are gained by having a product like Alexa order something for you as opposed to you going to your computer or phone to place it seems negligible, almost pointless. Yet that convenience attracts many consumers to buy the novelty.

It's that same consumer laziness that makes me concerned that the biggest problem for technological advancement won't be to do with any technical issues; rather, it'll be to do with us.

**Tesla Inc.** ([NASDAQ:TSLA](#)) has made strides in creating self-driving automobiles, but it's nowhere near perfect, and we've seen crashes involving the autonomous vehicles that suggest we are still likely a long way off from seeing driverless cars being the norm.

It doesn't help that the "drivers" behind these vehicles aren't doing their part. Because the vehicles aren't fully automated, there is still a requirement for a human to monitor what's going on and potentially intervene. However, in several cases we've seen people shirk responsibility and assume that the vehicle can do everything on its own.

That's a dangerous assumption that has led to crashes involving self-driving vehicles, including some that have even been fatal.

Back in March, there was a fatal accident involving a self-driving Uber; the operator of the vehicle can be seen looking down on their phone, apparently watching a television show and neglecting to pay proper attention to the road, and as a result the driver wasn't able to apply the braking necessary to avoid a serious accident.

Initially, the police had [suggested](#) that there may not have been enough time for even a normal driver to have prevented the crash. However, based on information we've seen since then, it's likely that an

alert driver may have had more of an opportunity to prevent such an incident from happening.

While this doesn't mean that self-driving automobiles are doomed to fail, it certainly sets the industry back, as it proves that manufacturers will have to put more controls in place.

### **A self-driving stock that could be a great buy**

**Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)) has made terrific advancements with self-driving technologies, but with a lot of work still to do and with safety being top priority, we could still be years, if not decades away from its potential being realized.

The company recently announced it was planning to [expand](#) into the Chinese market, and that could also result in tremendous growth for Magna.

The stock provides great value for investors, as the share price has risen more than 17% so far in 2018, and it still trades at a modest 10 times earnings and is around two times its book value. Magna saw its sales grow by 15% in its latest quarter, and profits were also up 13% from a year ago.

### **CATEGORY**

1. Investing
2. Tech Stocks

### **TICKERS GLOBAL**

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:MG (Magna International Inc.)

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