

Toyota rolls out new Prius to fend off rivals

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A man looks at the third-generation "Prius" of Japanese auto giant Toyota Motor at a showroom in Tokyo. Toyota Motor on Monday rolled out a cheaper, revamped Prius, seeking to boost its flagging sales and maintain its lead in fuel-sipping hybrids in the face of growing competition from rival Honda.

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Toyota hopes to sell 10,000 of the third-generation [Prius](#) cars a month in Japan, where it has a price tag starting from 2.05 million yen (21,580 dollars), about 12 percent less than the current cheapest model.

The Japanese giant, the world's largest automaker, has sold more than 1.25 million Prius vehicles since its launch in 1997, making it the world's most popular hybrid, but rivals such as Honda are seeking to challenge its lead.

The new price tag narrows the gap with Honda's Insight hybrid, which retails for 1.89 million yen.

[Toyota](#) will also sell a new version of the second-generation Prius with a price on a par with the Insight, which was the top-selling vehicle in Japan in April. It aims to sell 300,000-400,000 Prius cars in total this year worldwide.

Toyota has received pre-launch orders for more than 80,000 third-generation Prius cars, which the company says has a world-beating [fuel efficiency](#) of 38.0 kilometres per litre, or 50 miles per gallon. Its predecessor had 46 mpg.

The revamped Prius -- which was unveiled at a Tokyo ceremony by incoming president Akio Toyoda, the grandson of the company's founder -- has [solar panels](#) in the roof to power the ventilation system.

It has a 1.8-litre petrol engine and Toyota's first electric-powered water pump.

Japanese automakers have made strides with [hybrid cars](#) -- which are powered both by petrol and electricity -- because of high oil prices and growing concern about emissions blamed for global warming.

Toyota, which lost 436.9 billion yen in the year to March, has much riding on the success of the new model, which is being launched in the midst of a severe global [economic downturn](#). Fuel prices have also fallen since last year.

The group expects a net loss of 550 billion yen in the current business year.

It has idled plants and slashed thousands of jobs in response to its biggest

ever crisis.

The group, which overtook General Motors last year to become the world's top-selling automaker, in January announced the promotion of Toyoda, currently an executive vice president, to rescue the company from its biggest ever crisis.

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