

Electric cars need government support: Nissan-Renault CEO

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Chairman and CEO of Renault-Nissan Alliance Carlos Ghosn addresses the seventh Annual China Automotive Industry Forum 2009 in Shanghai. Electric cars could help China and other countries reduce their dependency on oil but the government must provide incentive to make the shift, Ghosn said Thursday.

Electric cars could help China and other countries reduce their dependency on oil but the government must provide incentive to make the shift, Nissan and Renault CEO Carlos Ghosn said Thursday.

Car makers need backing as they respond to the growing consensus among consumers that zero-emission vehicles are necessary to cope with the environmental crisis, Ghosn told an auto forum in Shanghai.

"With electric power, countries would no longer have to rely on one single commodity -- crude oil -- to supply all their transportation needs,"

he said.

"For many countries that are net importers of crude oil, such as China, that is a strategic consideration."

Ghosn, who is also president of the European Automobile Manufacturers' Association, said all major makers were investing in hybrid, clean diesel, electric cars and not one felt "they could stay on the sidelines."

Japan's [Nissan Motor](#) and its partner Renault SA of France plan to release their Leaf electric car, which runs on a reusable [lithium-ion battery](#), in the United States and Japan next year and globally in 2012, he said.

Ghosn added that the alliance was in talks with officials in the central Chinese city of Wuhan and the southern province of Guangdong for pilot projects involving the Leaf.

He pointed out that the US, French and Japanese governments were already offering about 7,500 dollars to consumers who bought zero-emission cars.

"The Chinese government is conscious of the fact that in order to promote electric cars they have to give something to the consumer, because there's no way electric cars are going to become mass marketed products unless you give something to the consumer," Ghosn said.

Chen Qingtai, a researcher for China's State Council Development Research Centre, said electric car development should be a priority for China, which was last year the world's second largest importer of oil.

"The cheap oil era has come to an end," Chen told auto industry

executives, academics and reporters attending the forum at the China Europe International Business School.

He said China's conventional car market was growing exponentially -- outpacing the US, with a record 10 million units sold in the first 10 months of 2009.

"For the electric car industry it's opposite, currently we don't have economies of scale," Chen said. "If we increase the size of production, then the cost per unit will drop tremendously."

Chen said Beijing should present a comprehensive package of incentives to promote the electric car industry.

These could include measures such as rebates, requiring government agencies to buy more [electric cars](#), tougher compulsory fuel efficiency standards and carbon dioxide consumption taxes.

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