

Detroit unsure over the future of green cars

January 11 2012, by Veronique Dupont



Toyota Prius plug-in hybrid car is shown on display at the 2012 Detroit Auto Show. The US auto industry remains unsold over the future of "green cars" such as electrics and hybrids, as carmakers struggle with the first steps in a market most agree shows promise over the long term.

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Automakers wheeled out a variety of new hybrids and plug-in electrics at the annual Detroit auto show this week, touting their great [energy savings](#) along with new, freshened designs.

But despite that apparent commitment, behind the scenes, the manufacturers remain split between doubts and optimism over their potential.

Ten years after the [Toyota Prius](#) hybrid swept into the market, only about three percent of all cars sold in the United States are electric or gas-electric hybrids, said David Cole, director of the Center for [Automotive Research](#).

"Initially there was probably some excessive exuberance about the green auto," he told AFP.

"But the economics are not attractive yet for the average consumer."

Nissan has sold only 9,700 of its all-electric Leaf in the US market, and [General Motors](#) has sold just 8,000 of its rechargeable hybrid the Volt since its [launch](#) at the end of 2010, below the targeted 10,000.

The Volt became the object of scrutiny in recent weeks after tests by US authorities saw batteries in three cars catch fire.

Detroit's investment in hybrids and electrics have picked up pace in recent years under prodding and support by the government, said Cole.

The government has set tight goals for companies to boost [fuel economy](#) across their entire range of cars and trucks, and many are turning to hybrids and electrics to meet the goals.

Ford this week launched its new 2013 Fusion mid-size sedan, to be sold in [gasoline](#), hybrid and plug-in hybrid versions.

But Mark Fields, Ford's president for the Americas, would not commit on how many would be made in each format, saying the market would set the pace.

But last year only a fraction of the nearly 250,000 Fusions sold last year were hybrids.

One challenge has been that hybrids, which have both traditional combustion engines and electric engines, are more costly because they require two powertrains, according to Michelle Krebs of auto specialists Edmunds.com.

Moreover, drivers still worry that they will run out of power without a network of recharging stations as widespread as gasoline pumps.

Sergio Marchionne, the head of Fiat and Chrysler, reiterated his doubts over the market, especially for electric cars, at the Detroit show, citing both the pricing problem and the availability of batteries.

Marchionne's counterpart at Renault Nissan, Carlos Ghosn, is more positive but recognizes big hurdles.

"I admit I am much more optimistic on electric cars than most people. We are very far from the potential of the market," he said in Detroit.

"The problem for the moment is the supply and the bottlenecks with the batteries," he said in Detroit.

"We are going to have to solve this problem by producing the Leaf and its battery in the United States," he said.

That would be an important bet for Nissan, which with Renault has invested around four billion euros (\$5.1 billion) to develop electric vehicles.

Together they plan to introduce eight green vehicles by the beginning of 2017.

Ghosn said the infrastructure to support the new cars, the recharging stations, is coming.

General Motors sees the industry building helped by the steady rise in the price of oil.

"It's a long-term commitment. I still believe there has been a change of behavior towards more responsibility" to the environment, GM North America head Mark Reuss told journalists Tuesday.

But Marchionne foresees the industry turning instead toward compressed natural gas as an alternative fuel, as gas prices falling due to the huge investments being made in extracting it from shale.

Chrysler plans to introduce in March a compressed gas-fueled truck using technology developed with Fiat.

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Citation: Detroit unsure over the future of green cars (2012, January 11) retrieved 9 April 2024 from <https://phys.org/news/2012-01-detroit-unsure-future-green-cars.html>

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