

# Global automakers split on 'green car' strategy

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Japanese auto maker Nissan Motor's electric vehicles "e-NV200" (L) and "Leaf" are pictured on June 9, 2014 at the company's headquarters in Yokohama, suburban Tokyo

Global automakers are locked in a showdown evoking the video format wars of the 1980s, as they bet on what eco-friendly vehicles will prevail in the battle for dominance of the burgeoning low-emissions sector.

In a contest reminiscent of the scrap for pre-eminence in the [home video market](#), which pitched Betamax against VHS, huge auto firms are going all out for very different technologies.

Toyota, which is ending a battery deal with US electric car leader Tesla, is concentrating on mass-producing a fuel-cell vehicle, along with smaller rival Honda.

Nissan, by contrast, has bet the farm on all-electrics, unveiling its second model this month—despite weak sales of its flagship Leaf—and is pushing the technology in China, where officials are scrambling to contain an air pollution crisis.

Japan's number-two automaker is also reportedly in talks with Germany's BMW and Tesla about standardising re-charging systems, after the US company took the rare step of agreeing to share its patents with competitors to boost lacklustre electric vehicle production.

"Nissan and Tesla... came out with very ambitious goals for the technology but had to backtrack, partly because demand... wasn't strong enough," said Stefan Bratzel, director of Germany's Center of Automotive Management.

"Daimler, Toyota and General Motors are the most advanced in fuel cells, but the problem is the high cost of the technology and necessary infrastructure."

## **Limited range, high prices**

Analysts say very low or zero-emission vehicles will dominate the next phase of independent travel, with governments everywhere rolling out stricter emissions standards.

This near-certainty is sparking massive investment, with Japan's seven major car manufacturers expected to spend a record \$24 billion on green car research and development this year, according to the Nikkei business daily.

Detractors says [electric vehicles](#) simply shift emissions to the fossil-fuel burning power plants that provide the energy to recharge their batteries. They are also hampered by a short driving range.



The Tesla P85+ all electric car and its charging station is displayed at the North American International Auto Show in Detroit on January 14, 2014

Fuel cell cars, on the other hand, are seen as the Holy Grail of green cars as they're powered by a chemical reaction of hydrogen and oxygen, which produces nothing more harmful than water.

Still largely experimental, fuel-cell vehicles could get a boost as various jurisdictions, including the US state of California, launch new hydrogen refuelling stations.

Toyota is eyeing a 500-kilometre (300-mile) range for its fuel-cell car—more than twice the Leaf's current range—and much faster re-juicing.

The company, while not abandoning electric altogether, sees the fuel cell as the next logical step after its big early success with the Prius gas-electric hybrid, which has sold about 3.7 million units since its launch in the late 1990s.

"Electric vehicles are still so limited by the cruising range," Nobuyori Kodaira, Toyota's executive vice president said in a recent interview.

"Hydrogen can be recharged in three minutes... Quick-charging an electric vehicle still takes about half an hour."

## **Different paths, same goals**

Cleaner power generation, however, may boost the appeal of [electric cars](#), said Jos Dings, director of Brussels-based NGO Transport & Environment.

"If... we manage to make electricity in a much cleaner way—there is a lot of investment in renewable energy—then it can definitely be a sustainable way forward," he said.

Still, Nissan's Leaf has shifted about 120,000 units since its launch nearly four years ago, way below expectations.



A Toyota fuel cell concept vehicle is displayed during press event at the Mandalay Bay Convention Center for the 2014 International CES on January 6, 2014 in Las Vegas, Nevada

But its chief executive Carlos Ghosn—a steadfast cheerleader of electric cars who has scoffed at rivals' ambitious plans for a commercialised fuel-cell vehicle —said new re-charging stations will be crucial to demand.

"All of it is very closely linked to the development of infrastructure, but we are seeing more and more competitors coming onto the scene which is always a tell-tale sign," he told AFP earlier this year.

Ghosn was speaking in Bhutan, where Nissan sealed a deal to supply the tiny Himalayan kingdom's government with a fleet of its green vehicles as it eyes an all-electric transport policy.

Governments throwing their weight behind strict roadside pollution standards and other environmentally-minded policies is crucial, analysts said.

"I don't think GM, Ford and Chrysler look at green cars as a profit opportunity or big growth opportunity in which they are sensing a lot of consumer demand or growth—their goal is to meet what the government requires from them," said US-based auto analyst Jack Nerad.

Whether one technology ultimately reigns supreme, or they co-exist with a patchwork of refuelling stations, may not matter much, added the environment group's Dings.

"All carmakers are now seriously investing in developing these technologies, seeing how customers react to them, seeing how they work on the road and how much they cost," he said.

"They all chose different paths and that's fine, as long as the solutions deliver."

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